

-TRANSLATED VERSION-

Opinion of Independent Financial Advisor

Regarding

The Acquisition of Asset

for

The Shareholders of

NFC Public Company Limited



บริษัท เนชั่นเฟรช จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED

Prepared by



I V Global Securities Public Company Limited

24 September 2020

The English Translation of the Opinion Report of the Independent Financial Advisor on The Acquisition of Asset of NFC Public Company Limited has been prepared solely for the convenience of foreign shareholders of NFC Public Company Limited and should not be relied upon as the definitive and official document.

The Thai language version of the Opinion of the Company is the definitive and official document and shall prevail in all NFC Public Company Limited aspects in the event of any inconsistency with this translation.

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ABBREVIATION

Abbreviation	Meaning
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
Notification on Acquisition or Disposal of Assets	Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Stock Exchange of Thailand Re: Disclosure and Guideline for Listed Company on Acquisition or Disposal of Assets B.E. 2547 and its amendments
Independent Financial Advisor or “I V Global” or “IFA”	I V Global Securities Public Company Limited
“IEAT”	Industrial Estate Authority of Thailand
“the Company” or “NFC”	NFC Public Company Limited
“NFCW”	NFCW Company Limited
“The Project”	the project of area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning)
IEE	Initial Environmental Examination
EIA	Environmental Impact Assessment
MIT	Maptaphut Industrial Terminal

Ref: IB 90/2563

September 24, 2020

Re Opinion of Independent Financial Advisor on the Acquisition of Asset of NFC Public Company Limited

To The Audit Committee and Shareholders of
NFC Public Company Limited

Attachment: 1) Company Information and Operating Results of NFC Public Company Limited
2) Company Information and Operating Results of NFCW Company Limited

References: 1) The resolution of the Board of Directors' Meeting of NFC Public Company Limited No. 4/2020, held on 13 August 2020
2) Information Memorandum on the Acquisition of Asset of NFC Public Company Limited date on August 13, 2020
3) Annual Registration Statements (Form 56-1) of NFC Public Company Limited as of December 31, 2019
4) Consolidated financial statement of the Company audited by the auditor for the year ended December 31, 2016 – 2019, and 6-month period ended June 30, 2020
5) Company affidavit, Memorandum of Association, relevant information, documents and management's interview from management, and related officers of the Company
6) Company affidavit, Memorandum of Association, relevant information, documents and management's interview from management, and related officers of NFCW Company Limited

Disclaimers:

The result of the study by I V Global Securities Public Company Limited (“Independent Financial Advisor” or “IFA”) in this report (or the “IFA Report”) is based on the information and assumptions provided by the executive of NFC Public Company Limited, and the information disclosed to the public through the website of the Securities and Exchange Commission of Thailand (the “SEC”) (www.sec.or.th), the Stock Exchange of Thailand (the “SET”) (www.set.or.th), and Business Online Public Company Limited (www.bol.co.th)

The opinion of the IFA in this report is based on the assumptions that all the information and documents received are accurate and complete and reflects the operating environment and most up-to-date information at the time of issuance of this report. However, there may be any incident having material impact on the Company's business operations and plans, as well as decision of the shareholders. The Independent Financial Advisor expresses its opinion under the current circumstance. If there is a significant change in the circumstance or any information, the result of the study may be affected. The IFA shall not be responsible for the profits or the losses and any impacts resulting from this transaction.

In rendering its opinion in this report, the IFA has considered the reasonableness of conditions of the transaction as well as other related factors thoroughly and rationally in accordance with the professional judgments.

The Attachment of this IFA report is the part of IFA's opinion, audit committee and shareholders of the Company should consider the attachment together with the report.

Executive Summary

The Board of Directors Meeting of NFC Public Company Limited ("The Company" or "NFC") no. 4/2020, held on 13 August 2020, resolved to propose to the Shareholders' Meeting to consider and approve for NFCW Company limited ("NFCW"), the subsidiary which the Company holds 100 percent shares, to invest in area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning) ("The Project"), located in No.2 Map Ta Phut Industrial Estate, I-2 Road, Map Ta Phut Sub-district, Mueang Rayong District, Rayong Province. The value of the Project or value of acquired assets is Baht 4,418.47 million

The investment is considered as the assets acquisition transaction of listed company under the Capital Market Supervisory Board No. Tor Jor. 20/2551 regarding Rules for Entering into Substantial Transactions within the Definition of an Acquisition or Disposal of Assets dated 31 August 2008 and its amendments, and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure and Compliance by Listed Companies relating to Acquisition or Disposal of Assets B.E. 2547 ("**Acquisition and Disposition Rules**"). The highest transaction size equal to 238.70 percent according to Value of Consideration basis, which is classified as category 4 as per the Notification on Acquisition or Disposition of Assets with the transactional size of higher than or equal to 100% of the Company's total assets as of June 30, 2020. The Company hasn't acquired other assets during the past 6 months. Thus, the Company is required to disclose the information regarding the transaction to the Stock Exchange of Thailand, arrange shareholder's meeting to approve the asset acquisition transaction, and appoint an independent financial advisor to provide opinions on the transaction to the Stock Exchange of Thailand, and the company's shareholders.

Therefore, by investing in area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning), the Company is required to disclose the information relating to this acquisition transaction as follows:

- (1) Disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("**SET**")
- (2) Hold the shareholders' meeting to approve the acquisition transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity

- (3) Appoint an independent financial advisor (IFA) to render an opinion on the assets acquisition transaction to the Company's shareholders, as well as submit the opinion to Securities and Exchange Commission, Stock Exchange of Thailand, and the Company's shareholders

In this regard, the Board of Directors Meeting of the Company no. 4/2020, held on 13 August 2020, resolved to propose to the Shareholders' Meeting, held on 19 October 2020, to consider and approve the transaction.

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

I V Global Securities Public Company Limited ("Independent Financial Advisor" or "IFA"), the Independent Financial Advisor appointed by the Company, has studied the relevant information as well as interviewed with Company's management and related company, price and conditions necessary for acquisition transaction of NFC Public Company Limited. In addition, IFA has considered rationale of the Transaction and fairness of Transaction price of acquisition transaction, as well as benefits, consequences, risk factors, and strengths and weaknesses of the Transaction. IFA's opinion on the Transaction can be summarized as follows:

Opinion of the Independent Financial Advisor on Reasonableness of the Asset Acquisition Transaction

The Independent Financial Advisor has an opinion that entering into the investment of area development project to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure, which will be operated by NFCW this time, is a project that arises from the Company's desire to use some of the land that the Company has a land lease agreement with IEAT and has not yet utilized at maximum level. Investing in this project will help the Company to be able to diversify risks of the source of revenue of the group of the Company in which the group of the Company will have additional revenue from area development service, apart from the main revenue of the distribution of chemicals. It also diversifies the business risks of the group of Company which after entering into the transaction, the group of the Company will have higher revenue from area service, higher profitability, as well as better cash flow and liquidity. In addition, it also helps diversify the business risks in case of a slowdown in the chemicals distribution business since the Company still has revenue from the provision of logistics and liquid storage service, warehouse and storage service, as well as service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure with full facilities, which will strengthen long-term business stability and strengthen the Company's financial strength, benefiting the Company and shareholders in the long term. Entering into the investment project will be an investment that enables NFCW, a subsidiary of the Company, to have a long-term land lease agreement with IEAT instead of the previous land lease agreement which will expire in 2022. This will increase the opportunity for NFCW to have the land leasehold right continuously for a period of 30 years which is a guarantee that the Company and its subsidiary will be able to operate business both existing and new businesses of NFCW definitely in the future.

However, entering into the investment project, the Company has a plan to use its operating cash flow and raise additional funds through borrowing from financial institutions which will cause the Company to have interest-bearing debt and interest expense, resulting in higher risk for the Company. In addition, the main customers of the project are a few operators engaged in the petroleum drilling rig business, therefore, NFCW is at risk of reliance on revenue from a few customers and may have a significant impact on performance in the future. However, entering into the investment project is the asset acquisition transaction of the Company that provides valuable return since the investment in the project use a relatively low capital expenditure. As a result, the Equity Net Present Value (Equity NPV) of the project amounted to Baht 356.70 million – Baht 472.91 million or equivalent to the Equity Internal Rate of Return (EIRR) of 21.03 - 23.55 percent and the Cost of Equity (Ke) at 8.16 - 10.16 percent. The Project has an Equity Payback Period of 4 years and 11 months, up to 5 years. Therefore, entering into the investment project provides a valuable return and higher than the Company's Cost of Equity. Thus, the investment project is worth making use of the available resources and can generate long-term returns for the Company up to 30 years.

Risks that may arise from investment in the project to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure consist of;

- 1) Risk from operating performance is not as expected since the service fee is not as projected which may affect the performance of the project to be lower than the financial projection. In this regard, the Independent Financial Advisor has conducted a sensitivity analysis by increasing/decreasing revenue from the base case of 1.00 percent to cover the probability of changing service revenue and increasing/decreasing discount rate or Cost of Equity (Ke) 1.00 percent. As a result, a range of Equity Net Present Value (Equity NPV) is equal Baht 356.70 million – Baht 472.91 million, Equity IRR is equal to 21.03 - 23.55 percent and the Equity Payback Period is equal to 4.86 - 5.02 years
- 2) Risk from operating performance is not as expected due to the construction delay than expected. The Company anticipated a period of renovation and construction of the project of approximately 1 year in which all processes will be completed in October 2021. This may delay more than expected because the delay in delivery of the contractor's works and/or the construction is not in line with the plan, etc. Therefore, the Company's revenue may be recognized later than expected, resulting in a longer operating loss than expected. However, in the construction of the project, it is mainly the cost of moving gypsum pile in an area of approximately 35 rais. To move the gypsum pile, the Company has prepared and selected experienced contractors which have history of good performance in the operation and has a plan to assess the situation and continuously monitor the work of the contractors so that the contractors can deliver the works according to the work plan.
- 3) Since the revenue from area development service of NFCW depends on a few customers, especially for long-term customers. Currently, the Company is in the process of negotiating to agree details on prices and conditions. Thus, the Company has the risk that such customers stop using area development service of NFCW. However, according to asking for the purpose of using the area of the customers, monitoring of the activity of assembling structure and pipe system yard in the Gulf of Thailand and considering other competitors providing area development service, the Independent Financial Advisor opined that in terms of customer's demand for the service area, Currently, there are approximately 500 oil rigs in the Gulf of Thailand that will expire over the next 20 years in which they must be demolished on average 20-25 oil rigs per year, and according to the expectation from the oil rig operators, during the 30-year period, the Gulf of Thailand will have to produce an average of 15-20 new oil rigs per year. In addition, when considering other areas of the Gulf of Thailand such as Sattahip, Laem Chabang, Bang Saphan, etc., it is found that there are many limitations when compared to ports that are already in the industrial estates, such as those in crowded community area, restrictions on toxins, dust, smells, the rental period is too short or may have to share area with other agencies. As a result, operators have to

add more procedures and/or costs to make area more ready to be used if needed. While, NFCW is immediately available to provide area development service. In addition, within the Map Ta Phut Industrial Estate, there are still companies that engage in steel forging plants in which customers who have scrap from rig disassembling can also sell to a steel forging plant. Moreover, the project area has full facilities and the area development service can be used for continuous business operation for up to 30 years (can be extended for another 20 years). Clients and groups who are interested in the area can realize such advantages. Therefore, the area is in very high demand in the market. In this regard, the Company has a backup plan by closely monitoring other customers who are interested in the area development service in which the Company is ready to negotiate immediately. As a result, chances that the rental area will be canceled and/or left unoccupied are very small.

However, the Independent Financial Advisor has reviewed the cases where the area was canceled and left unoccupied and found that the Company was able to return the area to IEAT without any burden of the rental fee in the area to be returned and can return only the unwanted area. In this regard, the Company will only pay the rental fee in the first year which is the prepaid rent only. This will limit the cost and investment of the Company. Therefore, if the Company is unable to find customers to use the service, the Company can return those areas immediately, thus, the Company's service revenue is consistent with the Company's rental burden paid to IEAT. In this regard, the Independent Financial Advisor has conducted a projection in the absence of long-term customers to use the area at all. The Company will have the Equity Net Present Value (Equity NPV) of Baht 218.33 million – Baht 247.28 million and the Equity Internal Rate of Return (EIRR) of 13.79 - 15.73 percent, which is still a rate of return higher than the Cost of Equity (Ke) and worth the investment.

- 4) Since the nature of the project's business is a business that provides services to only 4-5 entrepreneurs, NFCW has business risks if such target customers encounter business or financial problems, resulting in failure to pay fee for area development service in the future or termination of the area service agreement with NFCW, etc. Therefore, if such an event occurs, NFCW's revenue and profit will not meet the projection. In this event, NFCW may have to find other customers to replace which may delay or lower revenue recognition. However, in providing the area development service of NFCW, the Company conducted a preliminary survey of customer needs in which the customers can be classified into short-term, medium-term and long-term customers who request to use NFCW's area development service. Each service provision shall be done in the form of a Letter of Intent and/or service agreement with customers, as well as the Company shall closely monitor the market situation and constantly evaluate to adjust business plans. Therefore, the Independent Financial Advisor has an opinion that the risks arising from providing services to specific groups of customers are still within the scope of the Company's management.

- 5) The Company also exposes to the risk from construction cost is higher than projected. The Company has estimated the construction costs of approximately Baht 100 million, most of which is the cost of moving the gypsum pile and other parts will be the cost of electrical system improvement. The above expenses are only the projection; therefore, there may be a possibility that the actual expenses may exceed the projected costs. This may affect the Company not receiving the return from the project as expected. However, in estimating such expenses, the Company has prepared complete construction documents and scopes of work, as well as there is a preparation of a study report to determine the process and the scopes of action clearly. The Company also allowed service providers to explore the area and estimate the expenses that may occur undoubtedly. In this regard, the Company has allowed at least 3 service providers to assess the price in order to prevent the risk from changes in any service provider in which the service fee is still within the price range projected by the Company.
- 6) The Company also exposes to the risk from disapproval of sources of funds from financial institutions. Since NFCW is a company that just established in 2018 and has not yet had a clear revenue stream. Therefore, there is a risk of not receiving credit from financial institutions or being unable to apply for a required loan amount. According to an interview with the management, if NFCW is unable to borrow money from financial institutions, the Company, as its major shareholder, may have to provide funding to NFCW instead. Currently, the Company has plans to raise funds from borrowing from financial institutions and/or use the Company's internal cash flow to support the project in the amount of approximately Baht 100.00 million. At present, the Company is in the process of negotiating details and terms of borrowing from financial institutions in the event that the Company has to borrow money instead of NFCW. According to the review of information on funding from a financial institution, there has been a letter of acceptance of credit line for NFC to be used in the project. However, since the credit line that the Company received must be repaid within 9 months, which is a short-term credit line, the Company has a plan to renew it upon maturity and gradually repay within a period of 5 years. In the event that the Company cannot renew with a financial institution, the Company plans to use the Company's cash flow from operation to repay this debt. Therefore, according to the review of funding for the project, the Independent Financial Advisor has an opinion that the Company and NFCW will have sufficient funds to invest in this project. In respect of the renewal conditions with financial institutions, the Company and NFCW must consider appropriately and carefully by taking into account the possibility and the maximum benefits of the Company and shareholders in long-term.
- 7) The Company also exposes to the risk from natural disaster. The occurrence of natural disasters such as storms, floods and earthquakes will directly affect the petroleum drilling business which are the target customers of this project. Such events may affect the utilization rate and the service fee of the area development service from the target customers of the project to be different from expectation. In addition, the aforementioned events may also affect NFCW's construction costs and construction

timeline. Risk from natural disasters may be short-term risk since part of the target customers are companies operating in the Gulf of Thailand which may have been affected by catastrophe or natural disasters. However, the Company and customers had a meeting and conducted management planning for moving goods onto the land and closely monitor the changing situation from natural disasters which can reduce the risk on this issue.

- 8) The Company also exposes to the risk from changes in government agencies' policies. Since the target customers of the project engage in the business of demolition and construction of oil rigs which is a business under strict supervision by government agencies, if the government agencies change the concession policy and other matters related to the demolition and construction of the oil rigs, such policies may have a direct impact on the target customers of the project and NFCW, resulting in NFCW's financial projection being unable to meet the projection. However, the Company has taken measures to monitor new laws or regulations that affect or involve both internal and external on a continuous basis.

In considering the feasibility of the investment project, the Independent Financial Advisor has an opinion that in the event of base case, Equity Net Present Value of the project is Baht 409.82 million. However, if there is any change that happens in the future which affects such assumptions, this may cause the future performance of the project not meet expectations or cause various variables used in the valuation changed and may result in changes in the Equity Net Present Value (Equity NPV) calculated by this approach as well.

In this regard, in order to assess the probability of the results based on the assumptions on the Discounted Cash Flow Approach, the Independent Financial Advisor has performed a sensitivity analysis of the project's fair valuation on the base case to cover the expected impact range. The Independent Financial Advisor has an opinion that there are two factors that may affect the fair value of the project, which are (1) changes in revenue of the project and (2) the Cost of Equity (Ke). The Independent Financial Advisor has set an increase / a decrease of 1.00 percent for revenue to cover a range of possibilities for service rate changes and also set an increase / a decrease of 1.00 percent for the Cost of Equity (Ke) because the cost of equity may fluctuate from risk-free yield, variance of the entity to the stock exchange and the return of the stock exchange. According to the Discounted Cash Flow Approach, the fair value of Equity Net Present Value (Equity NPV) is in a range of Baht 356.70 million – Baht 472.91 million, Equity Internal Rate of Return (Equity IRR) is in a range of 21.03 - 23.55 percent and the Payback Period is in a range of 4.86 - 5.02 years.

According to the sensitivity analysis above, the equity net present value is positive. In addition, the equity internal rate of return is higher than cost of equity (Ke). **Therefore, the Independent Financial Advisor has an opinion that the project is possible for investment.**

When considering the conditions precedent and terms of the transaction, the Independent Financial Advisor has an opinion that conditions precedent that the Company and NFCW have to perform in order to enter into a new land lease agreement with IEAT and terms of the transaction after receiving the approval from the

shareholders' meeting of the Company are appropriate since they are normal business terms as same as general transactions and there are no conditions that will deteriorate benefits of the Company and the Company's shareholders.

And according to consideration of the information and reasons mentioned in this report, the Independent Financial Advisor has an opinion that the shareholders should approve the entering into this asset acquisition transaction.

Nonetheless, in deciding whether to approve or disapprove the said transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

Details of the opinion of the Independent Financial Advisor can be summarized as follows;

Part 1: Details of the Transaction**1.1 Characteristics and Details of the Asset Acquisition****1.1.1 Objective and background of the Transaction**

The Board of Directors Meeting of NFC Public Company Limited (“**The Company**” or “**NFC**”) no. 4/2020, held on 13 August 2020, resolved to propose to the Shareholders’ Meeting to consider and approve for NFCW Company limited (“**NFCW**”), the subsidiary which the Company holds 100 percent shares, to invest in area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning) (“**The Project**”), located in No.2 Map Ta Phut Industrial Estate, I-2 Road, Map Ta Phut Sub-district, Mueang Rayong District, Rayong Province. The value of the Project or value of acquired assets is Baht 4,418.47 million

The investment is considered as the assets acquisition transaction of listed company under the Capital Market Supervisory Board No. Tor Jor. 20/2551 regarding Rules for Entering into Substantial Transactions within the Definition of an Acquisition or Disposal of Assets dated 31 August 2008 and its amendments, and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure and Compliance by Listed Companies relating to Acquisition or Disposal of Assets B.E. 2547 (“**Acquisition and Disposition Rules**”). The highest transaction size equal to 238.70 percent according to Value of Consideration basis, which is classified as category 4 as per the Notification on Acquisition or Disposition of Assets with the transactional size of higher than or equal to 100% of the Company’s total assets as of June 30, 2020. The Company hasn’t acquired other assets during the past 6 months. Thus, the Company is required to disclose the information regarding the transaction to the Stock Exchange of Thailand, arrange shareholder’s meeting to approve the asset acquisition transaction, and appoint an independent financial advisor to provide opinions on the transaction to the Stock Exchange of Thailand, and the company’s shareholders.

Therefore, by investing in area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning), the Company is required to disclose the information relating to this acquisition transaction as follows:

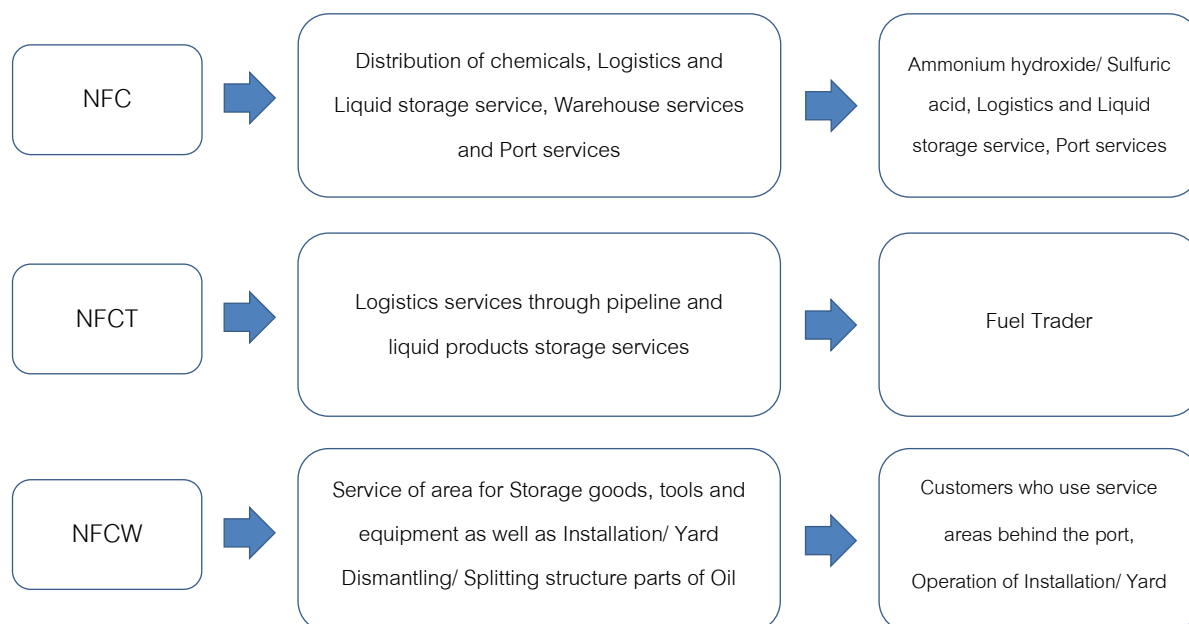
- (1) Disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand (“**SET**”)

- (2) Hold the shareholders' meeting to approve the acquisition transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity
- (3) Appoint an independent financial advisor (IFA) to render an opinion on the assets acquisition transaction to the Company's shareholders, as well as submit the opinion to Securities and Exchange Commission, Stock Exchange of Thailand, and the Company's shareholders

In this regard, the Board of Directors Meeting of the Company no. 4/2020, held on 13 August 2020, resolved to propose to the Shareholders' Meeting, held on 19 October 2020, to consider and approve the transaction.

1.1.2 General Characteristics of the Transaction

According to the Company's intention, NFCW, a subsidiary of the company, will develop the area behind the port to providing area service to customers who want to use the area for storage goods before import and / or export, storage tools and equipment and operating of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning) which requires the demolition and management of the expired rig, as well as construction and installation of new structures for replacement. These services support the business cycle of the petroleum drilling industry, which is an important business driving the country's economy. Moreover, these services can expand the business, leading to potential for increasing revenue and profit of the Company group.



Entering into the investment to provide area development service to support customers who want to use area behind the port, operators of steel fabrication and modularization and operators of dismantling/ cutting for the conveying pipe parts of oil rig project, the Company will transfer the leasehold right and/or partially return the

land in the Map Ta Phut Industrial Estate in the amount of approximately 252.17 rais (from a total area of approximately 596.33 rais) since it is an empty area without any building and does not cause benefits to the Company. At the same time, it is an opportunity for NFCW to utilize the leasehold right of the area to operate the area development service for operators who want to use the port area of Map Ta Phut Industrial Estate aforementioned which will be more efficient use of the area. In this regard, NFCW's project will lease 180.40 rais of NFC's existing area and request an additional area of approximately 54.32 rais, totaling the area used for the project is approximately 234.72 rais. For an area of approximately 68.06 rais, part of it will be returned to IEAT and the area of 3.71 rais will be used by the Company as access road of the project and customers who come to use the port services as follows;

Area of the Project in Map Ta Phut Industrial Port



Source: Information from the Company.

Remarks:

- Area of Steel Fabrication and Modularization project and operators of dismantling/ cutting for the conveying pipe parts of oil rig project, totaling 234.72 rais.
- Area that the Company will return to IEAT to be used as an area to support the MIT port, totaling 68.06 rais.
- Area that the Company will return to construct access road in the amount of 3.71 rais.
- Area of NFCT's Tank Farm project.

In this regard, NFCW will utilize the land leasehold of approximately 234.72 rais as abovementioned in order to provide area development service for customers who want to use area behind the port, operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project with full facilities. NFCW will be a land lessee directly from the Industrial Estate Authority of Thailand. The land lease period is 30 years and can be extended the lease period for another 20 years. The Company expects NFCW to be able to sign the land lease agreement with the Industrial Estate Authority of Thailand within the fourth quarter of 2020.

The objective of the project was due to the Company desires to utilize the area behind the port because there are customers who have intention to use space for storage of goods or equipment as well as operators who provide service for installation and assembly for oil rigs. Moreover the Gulf of Thailand, currently, there are approximately 500 oil rigs and many of them have a service life of more than 20-30 years which may not be worth using. In this regard, they must be managed through a standardized management process both de-commissioning part and module fabrication part. Therefore, NFCW has a plan to operate the service provision project in 2 phases as follows;

- 1) Short-term and medium-term plan; serving customers who use area for the storage yard, assembly yard/installation of structures yard and dismantling/cutting yard for oil rig with various facilities in order to support reclamation contractors of Map Ta Phut Port Development Project, Phase 3, and operators of installing steel structures and pipelines, as well as dismantling / cutting business of oil rig structures. Currently, NFCW has already proposed a service letter to 5-8 aforementioned operators for consideration. After receiving approval for the Project, the Company will immediately negotiate to make contracts with each customer and plan to provide area service to short-term and medium term customer as soon as possible.



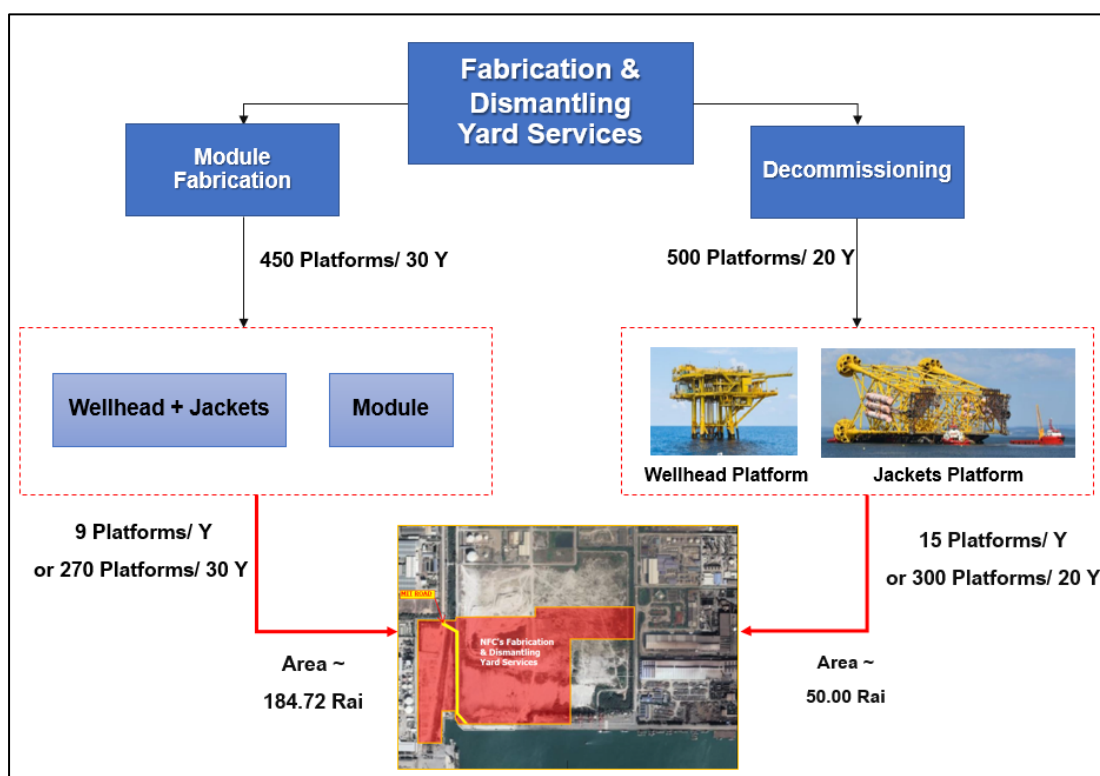
Business Model: A layout of short-term and medium-term area service.

In order to facilitate the management of short-term and medium-term area service, NFCW will provide open area services for storage goods or equipment. After agreement expired, the customers have to improve the area to be the same as the beginning so NFCW can provide services to other customers immediately.

- 2) Long-term plan; providing area development service for long-term agreement customers in the business of assembling / installing steel structures and pipelines and business of dismantling / cutting oil rig structures.

NFCW has conducted a feasibility study of the project to develop an area of approximately 234.72 rais consisting of;

- 1) Assembly/installation of steel structures and piping systems yard with an area of approximately 184.72 rais
- 2) Dismantling/Cutting of oil rig structures yard with an area of approximately 50.00 rais



Business Model: Yard for Assembling / Installing Steel Structure and Piping Systems and the demolition / decommissioning structure of the oil rig (Steel Fabrication and Modularization and De-Commissioning)

According to the total volume of approximately 500 oil rigs in the Gulf of Thailand, the Company expects that there will be approximately 300 rigs that need to be dismantled and cut into the port area of the Map Ta Phut Industrial Estate over a period of 20 years. The amount of raw materials to be processed in the project area is approximately 18,000 - 24,000 tons/year and the new oil rigs will be assembled and installed to replace the old

ones that have expired approximately 450 oil rigs within 30 years. Therefore, there will be operators who want to use the area behind the port to assemble / install steel structures approximately 15,000 - 20,000 tons/year.

Projection of raw materials amount to be loaded in the project area is as follows:

Business	Estimated Quantity		Remark
	(Ton/Year)	Platform/Year	
1) Dismantling/ cutting the conveying pipe parts of oil rig structure (De-Commissioning) ^{1/}			
- Oil Rig Structure	18,000 - 24,000	15 - 20	1,200 Ton/Platform
2) Module Fabrication	15,000 - 20,000	9 - 12	1,000 - 5,000 Ton/Platform

Source: Information from the Company's projection.

Remark:

1/ For parts of oil rig structure from demolition are petroleum wellheads that have been washed and cleaned to be free from harmful contaminants and the mouth of the holes have already been closed, as well as received permission from the Department of Industrial Works.

1.1.3 Date of the Transaction

The Company will invest in the project to provide area development service for operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project after the Extraordinary General Meeting of Shareholders No. 1/2020 has approved the transaction and when various regulatory conditions as stated in Section 3.2 are complete in which the Company expects to start investing in the project within the fourth quarter of 2020.

1.1.4 Parties involved and Relationship with the Company

(1) Service of Investment Projects

For the project of area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning), NFCW will provide service for petroleum rig operators in the Gulf of Thailand, which requires the demolition and appropriate management of the expired rig (De-Commissioning) with following details:

Service Provider: NFCW Company Limited

Service Recipients/Users: Petroleum rig operators in the Gulf of Thailand and other operators nearby who demand the service area in the port of Map Ta Phut Industrial Estate.

(2) Contract with the building contractor

To provide services for improving the project area, including handling of materials not related to the project such as gypsum piles, etc.

Employer: NFCW Company Limited

Employee: A construction company as a contractor



Photo by Independent Financial Advisor: Gypsum is by-product from chemical fertilizer production, which has been stored for a long time. NFCW has to employ contractors to relocate the gypsum to improve the area to be ready to provide area service to the customers of the Project

(3) Land lease agreement

NFCW will enter into an industrial land lease agreement for the project area of approximately 234.72 rais, with a lease period of 30 years and an extension of the lease for another 20 years with the following details;

Lessee: NFCW Company Limited

Lessor: Industrial Estate Authority of Thailand ("IEAT")

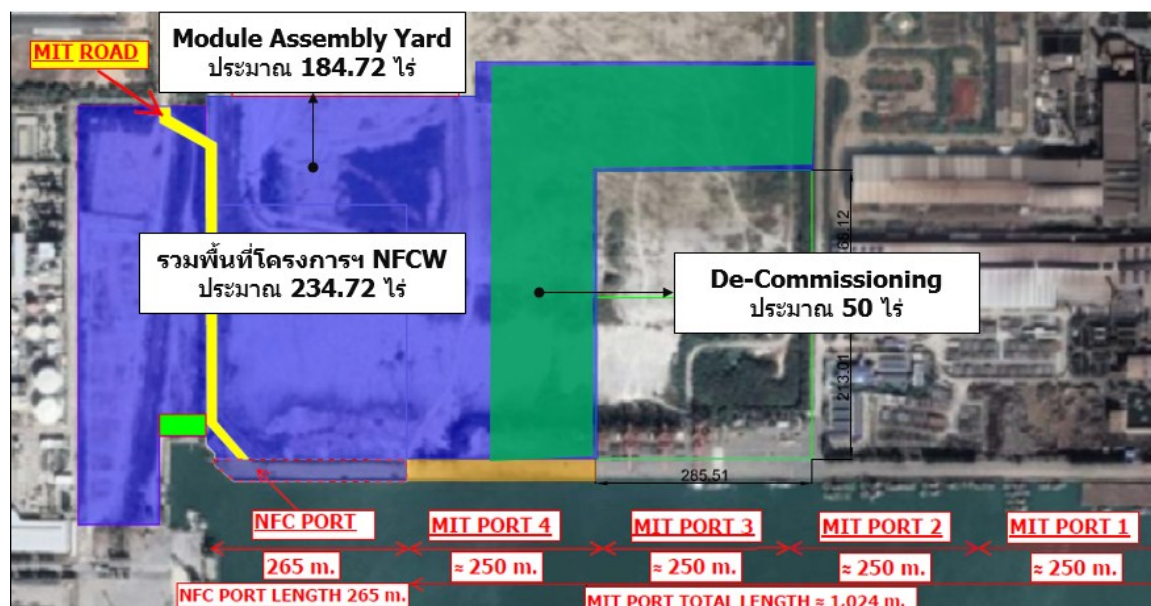
Relationship: None

All of the above counterparties of NFCW are not related person nor connected person to the Company and to NFCW in accordance with the Notification of the Capital Market Supervisory Board No. ThorChor.21/2551 Re: Rules on Connected Transaction and the Notification of the Office of the Securities and Exchange Commission Re: Disclosure of Information and Other Acts of Listed Company Concerning the Connected Transactions, B. E. 2546 (as amended). Therefore, the transaction is not considered as a connected transaction.

1.1.5 Details of the Acquired Assets

The project of area development to support and service for the operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure, with facility provided, located in the general industrial zone, No.2 Map Ta Phut Industrial Estate, I-2 Road, Map Ta Phut

Sub-district, Mueang Rayong District, Rayong Province under the leasehold of NFCW. The project area of approximately 234.72 rais under the land lease agreement with the Industrial Estate Authority of Thailand, with 30 years of tenant period, extended for another 20 years, provide services to the petroleum drilling rig operators in the Gulf of Thailand. Details of the project area is as the information below;



Project Area: Yard for Assembling / Installing Steel Structure and Piping Systems and the demolition / decommissioning structure of the oil rig (Steel Fabrication and Modularization and De-Commissioning)

1.1.6 Type of Size of Transaction

Calculation of the size of the asset acquisition transaction

The investment transaction is considered as the acquisition transaction in accordance with the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) ("Notification on Acquisition or Disposition of Assets"). The highest size of the Project, with reference to the Company's audited consolidated financial statements as of 30 June 2020, is 238.70 percent of total assets of the Company, as of 30 June 2020, based on the total consideration value criteria. The size of the Project which equal to 100 percent or higher is, therefore, considered as Type 4 Transaction under the Notification on Acquisition or Disposition of Assets, the details of which are as follows;

Basis for Calculation		Calculation	Transaction Size
1. Net Tangible Assets (NTA)	=	(NTA of investment x proportion of assets acquired) x 100	= N/A ^{1/}
		NTA of listed company	
2. Net Profits	=	(Net profits of investment x acquisition ratio) x 100	= N/A ^{1/}
		Net profits of listed company	

Basis for Calculation		Calculation	Transaction Size
3. Total Consideration Value	=	Total Consideration Value paid ^{2/} x 100	= 238.70%
		Total assets of the Company ^{3/}	
4. Value of Issued Securities	=	Equity shares issued for the payment of assets x 100	= N/A ^{4/}
		Total paid-up shares of the Company	

Remarks:

- 1/ Not applicable as this is the subsidiary which the Company holds 100 percent shares
- 2/ Total value of consideration paid equal to Project value of Baht 4,418.47 million, consists of:
- Construction Cost of the Project (inclusive of the estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand during construction period, which lasts around 1 year, Amount: Million Baht) 201.67 Million Baht*
 - Land lease guaranteed with IEAT 96.83 Million Baht
 - Financial Cost and fee during construction period 8.50 Million Baht**
 - Estimated land rental fee and maintenance fee of facility with IEAT (after construction) for another 29 years 4,111.47 Million Baht***
- Total 4,418.47 Million Baht**

* Construction Cost of the Project comprises Baht 99.72 million of construction cost, Baht 96.83 million of land rental fee, and Baht 5.12 million of other operating expenses

** Currently, the Company is in the process of negotiating with a financial institution to support the credit line for this project. Therefore, the financial costs and fees during construction may be changed after the conclusion with the financial institution

*** 30 – year land rental fee with IEAT, inclusive of 1-year construction and land improvement cost, is estimated from land rental rate of Baht 292,000 per rai per year with 3 percent growth rate per year (refer from the announcement of the Industrial Estate Authority of Thailand No. EPPO 010/2016 regarding the determination of rental rates of land in general industrial zones, Map Ta Phut Industrial Estate) with the rental rate of land (reclamation) of Baht 574,193 per rai per year, increased every 5 years at a rate of 10 percent (refer to the rental rate of the land reclamation area of IEAT)

- 3/ Total assets of the Company based on the audited consolidated financial statements as of 30 June 2020 equal to Baht 1,851.06 million
- 4/ There is no shares issued for payment of assets

In entering into this transaction, the transaction size is 238.70 percent, which result in the transaction be considered as Type 4 assets acquisition transaction or backdoor listing. Therefore, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand (“SET”), appoint an independent financial advisor to render an opinion on the assets acquisition transaction to the Company’s shareholders, deliver the invitation letter to the shareholders’ meeting to shareholders with the minimum information required set out in the Notification on Acquisition or Disposition of Assets for at least 14 days before the meeting, and obtain the shareholders’ approval for entering into the transaction with at least three-

fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity.

The Company has not entered into any other assets acquisition transaction during 12 months prior to the date the board of directors resolved to approve the entering into this assets acquisition transaction.

In this regard, the Company has considered and viewed that the Company is exempted and not required to file a new listing application (Relisting) with the SET as a result of such transaction, because such Project acquisition falls under all of the conditions set out in clause 24 of the Notification on Acquisition or Disposition of Assets, as follows:

1. The acquired business is similar to or supporting the existing business of the Company

Currently, NFC operates the business of providing logistics and liquid products storage services for ammonia and sulfuric acid, as well as Warehouse services and Port services. Providing service for warehouse and storage yard partially utilize the leasehold area from the Industrial Estate Authority of Thailand, causing underutilization of the land area. There is plenty of space in the land area available for further utilization. Therefore, investing in the project of area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning) will enable NFCW, or the subsidiary of the Company, to utilize more vacant space from leased land. The characteristic of asset is considered to support and complement the existing business of the Company.

2. The Company does not have any policy to make a significant change in its core business

The core business of the Company is providing logistics and liquid products storage services, including chemical and fuel products on the leasehold area from the Industrial Estate Authority of Thailand. The business expansion or the service of assembly and installation yard/ dismantling yard/ cutting structure parts of oil rig is aimed to utilize the empty space more effectively and to cover wider range of service. The core business will be sustained as the logistics and liquid products storage services.

3. The acquisition of the Project does not disqualify the Company for listing on the SET

The fact that NFCW invests in area development to support and service for the operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure, with facilities provided, will expand the range of products and services, and increase the Company's revenue, while the Company will still maintain qualification of the listed company in accordance with the requirement of the SET.

4. There is no significant change to the board of directors and the controlling power of the group of the Company, or the controlling shareholders

After investing in area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning), the Company will be able to increase revenue and utilize rental space of leased area effectively, and increase shareholder's value. The investment in the project is conducted by NFCW, the subsidiary of the Company whose 100 percent shares are held by the Company. After the investment in the Project, the Company will not change members of its board of directors, apart from those directors who will be retired by rotation, and there will be no change to the structure of major shareholders, the Company; thus, can still maintain qualifications to be a listed company in the Stock Exchange of Thailand; for example, qualified directors, executives and controlling persons without any prohibited characteristics, good corporate governance system, audit committee and independent directors whose characteristics compliant with the regulation, the auditor approved by the Securities and Exchange Commission ("SEC"), no conflict-of-interest structure, positive shareholder's equity in financial statement. The Company has considered and opined that the asset from investment in this project is revenue-generating asset and the status of listed company in SET will be maintained.

Although the entering into this transaction of the Company falls under the exception in clause 24 of the Notification on Acquisition or Disposition of Assets in all aspects, and the Company is, therefore, not required to file a new listing application (relisting) with the SET, the Company is still required to disclose the information relating to this acquisition transaction as follows:

- 1) Disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET").
- 2) Hold the shareholders' meeting to approve the acquisition transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity.
- 3) Appoint an independent financial advisor (IFA) to render an opinion on the assets acquisition transaction to the Company's shareholders, as well as submit the opinion to Securities and Exchange Commission, Stock Exchange of Thailand, and the Company's shareholders.

1.1.7 Value of Consideration

The value of the Project or value of acquired assets is Baht 4,418.47 million, consists of following items:

(1)	Cost of Construction and land improvement ^{1/}	100.72	Million Baht
(2)	Estimated 30-year rental fee with IEAT ^{2/}	4,212.42	Million Baht
(3)	Cash Deposit - Spin off land leasehold – IEAT ^{3/}	96.83	Million Baht

(4)	Financial costs during construction ^{4/}	8.50	Million Baht
	Total	4,418.47	Million Baht

Remarks: 1/ NFCW has received credit facility from a financial institution for construction improvement of land area's project. The repayment period is 5 years, approximately. NFCW will repay the loan by its operating profit.

2/ Estimated land rental expense from lease agreement with IEAT for a 30-year term, including the construction period and the improvement of the project area for 1 year, of which NFCW will pay by using the operating profit.

3/ NFCW must place collateral in cash for IEAT to guarantee the land lease agreement of Baht 96.83 million. As soon as the 5-year contract expires, the collateral will be changed to Bank Guarantee.

4/ Currently, the Company is in the process of negotiating with a financial institution to support the credit line for this project. Therefore, the financial costs and fees during construction may be changed after the conclusion with the financial institution.

1.1.8 The Basis of Determining the Value of Consideration

The Basis of determining the value of consideration for the investment in the Project has been determined based on the projection of the investment. The value of consideration is based on feasibility study and project internal rate of return (Project IRR), which is higher than 10 percent throughout the project period with the exclusion of asset's salvage value.

Besides the return of project, the Company also considers other reasons to support the investment decision of NFCW as follows;

1. To utilize the Company's asset productively by operating investment project on vacant and available land
2. The project internal rate of return (Project IRR) of the Company is 21.04 percent per year throughout the project period^{1/}
3. The Net Present Value (NPV) of the project is Baht 310.11 million and the payback period is 4.27 years (including 1-year construction period, approximately)^{1/}
4. The additional revenue from investment project will support existing revenue. The port area will be utilized effectively, which will benefit to all involving parties

Remark: ^{1/} Calculated by the Company's projection

1.1.9 Source of Fund and Sufficiency of the Source of Fund

Entering into the transaction, the Company will fund the project from the Company's internal cash flow and/or other necessary sources of fund deemed to be appropriate such as loan from financial institution etc. The total value of the NFCW project is around Baht 4,418.47 million, consisting of Baht 100.72 million for construction

and area improvement cost and Baht 96.83 million for security deposit of agreement. NFCW will receive fund from financial institution(s) in the amount of approximately Baht 100.00 million. The condition of withdrawal and repayment of the loan is deemed to be a normal condition from any general financial institution, which doesn't differ from other financial institutions' in terms of the impact to shareholder's right. In addition, NFCW plans to pay for Baht 4,212.42 million of the land rental fee during the first 30 years of the project and financial costs with construction in-progress fees of Baht 8.50 million from the operating cash flow.

1.1.10 Conditions of Entering into the Transaction

The entering into this transaction is considered as Type 4 assets acquisition transaction or backdoor listing; however, the Company is exempted and not required to file a new listing application (Relisting) with the SET because such Project acquisition falls under all of the conditions as follow;

- (1) The acquired business is similar to or supporting the existing business of the Company.
- (2) The Company does not have any policy to make a significant change in its core business.
- (3) The acquisition of the Project does not disqualify the Company for listing on the Stock Exchange of Thailand ("SET").
- (4) There is no significant change to the board of directors and the controlling power of the group of the Company, or the controlling shareholders.

Therefore, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET"), hold the shareholders' meeting to approve the acquisition transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity.

Since the company must transfer partial land lease rights to NFCW, there are conditions that must be proceeded as follows;

- (1) The Company must partially terminate the industrial land lease agreement No. I-20/1 and Joint Operation Agreement for the Development of Port Terminal Construction of Map Ta Phut Industrial Estate for NFCW to develop the investment project and for IEAT to use as a support area behind the MIT port and use as the access road.
- (2) Return the MIT Jetty Support area in order that IEAT can use as a support area behind the MIT port.
- (3) The Company must obtain approval from Industrial Estate Authority of Thailand (IEAT) for the waiver of partial leasehold rights of the Company, and the acquisition of land leasehold rights of NFCW in order to allow NFCW to operate area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of yard of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-

Commissioning), with a lease period of 30 years and an extension of the lease for another 20 years. NFCW must do legal acts and follow the rules, procedures, and conditions prescribed by the IEAT. However, IEAT has already approved the said principles.

- (4) NFCW entered into a land lease agreement with IEAT, an area of 234.72 rai, for investment project area and received letter of permission for land usage and business operation in industrial estate from IEAT.

1.1.11 Summary of Material Agreements in connection with the Transaction

(1) Letter of intent to transfer partial land use rights to NFCW dated 21 February 2020

Parties	:	<ul style="list-style-type: none"> Industrial Estate Authority of Thailand NFC Public Company Limited
Details	:	<ul style="list-style-type: none"> NFC returns leasehold rights of land area approximately 115.99 rais according to the land lease agreement 3/2535-NorPor. dated 18 September 1992 to allow NFCW to implement the project of module assembly yard, as well as wellhead platform assembly and de-commissioning yard. NFC returns leasehold rights of land area approximately 60 rais according to the joint operation agreement for the development of the port construction area of Map Ta Phut Industrial Estate dated 30 April 1996 in order for NFCW to use in the project. NFC returns leasehold rights of land area approximately 30 rais according to the land lease agreement 3/2535-NorPor. dated 18 September 1992 for IEAT to use the land for operating the Map Ta Phut Industrial Port (MIT) and some internal roads of NFC approximately 1.21 rais to serve as the entrance-exit between I-6 to Map Ta Phut Industrial Port (MIT).
Other conditions	:	NFC will comply with all notifications, regulations and procedures of IEAT, including any other related expenses or mutual agreement stipulated in the proposal.

(2) Letter of intent to use land for business operation in an industrial estate dated 21 February 2020

Parties	:	<ul style="list-style-type: none"> Industrial Estate Authority of Thailand NFCW Company Limited
Details	:	<ul style="list-style-type: none"> NFCW asks for the use of land area approximately 175.99 rais (the area under the existing land lease agreement where NFC returned the leasehold right to IEAT). NFCW asks for an additional land use of approximately 54.32 rais in the S1, S2 plot (the former land plot of Wyncoast project). <p>NFCW has a plan to bring the total area of land approximately 230.31 rais to operate module assembly yard, as well as wellhead platform assembly and de-commissioning yard.</p>
Other conditions	:	NFCW will comply with all notifications, regulations and procedures of IEAT, including any other related expenses or mutual agreement stipulated in the proposal.

(3) Letter of intent to implement the Company's public port management guidelines dated 16 March 2020

Parties	:	<ul style="list-style-type: none"> Industrial Estate Authority of Thailand NFC Public Company Limited
Details	:	<p>The Company proposes to revise details of the adjustment of the proposal for the management of the public port according to the new operation guidelines as follows;</p> <ul style="list-style-type: none"> The Company's subsidiary requests to use the area behind the port approximately 180.40 rais and the western area of approximately 54.32 rais for a total area of 234.72 rais to operate steel fabrication and modularization and dismantling/ cutting yard for the conveying pipe parts of oil rig project in which the project needs to use area adjacent to the MIT port and the Company's port. Request for IEAT to separate area of approximately 55.59 rais behind the port from the area of 60 rais according to the joint operation agreement for the development of the port construction area and bundled to be part of the area behind the port of approximately 234.72 rais in order for the Company and/or its subsidiary to enter into a new land lease agreement with IEAT. The agreement term is 30 years and can be extended for another 20 years. NFC is pleased to return the leased area of 30 rais, combined with the support area of MIT port, approximately 38.06 rais, totaling area of approximately 68.06 rais in order to optimize the management of the public port, resulting in an expansion in service provision to more customers of MIT port. In addition, NFC has also returned some internal road area of 3.71 rais for additional access to I-6 Road.
Other conditions	:	The Company and/or its subsidiary must be responsible for the costs of dismantling, moving or altering/modifying temporary and/or permanent buildings in the area to be used.

(4) Letter of response to the proposal for the management of public port guideline in Map Ta Phut Industrial Estate, issue dated 26 May 2020 (Ref. AorKor 5103.1.1/1477)

Parties	:	<ul style="list-style-type: none"> NFC Public Company Limited Industrial Estate Authority of Thailand
Details	:	<ul style="list-style-type: none"> IEAT agrees to the area management guideline proposed by NFC in which NFC will terminate the leasehold right of the area behind NFC's port of 55.59 rais in order to combine as part of the port area of approximately 234.72 rais by allowing NFCW to develop the area to support operators of steel fabrication and operators of modularization and dismantling/ cutting yard for the conveying pipe parts of oil rig project. The agreement term is 30 years and can be extended for another 20 years. IEAT determines the rental rate of land in the general industrial zone at Baht 292,000/rai/year by comparing the rental rate of the land in the general industrial zone according the announcement of the Industrial Estate Authority of Thailand No. EPPO 010/2016. IEAT determines the area usage fee rate in the industrial port area (land reclamation area) by comparing to the area usage fee rate of a private company according to the

		resolution of IEAT's Board No. 1/2018 dated 23 January 2018 until IEAT announces a new rental rate and to be effective from the date the Company made an agreement with IEAT.
Other conditions	:	NFCW must proceed legal acts and comply with the rules, methods and conditions determined by IEAT, as well as not be contrary to the concession agreement or any other agreements that IEAT granted the rights to other port operators and IEAT must not lose benefits from this matter.

1.2 Information of NFC Public Company Limited ("NFC" or "The Company")

Please refer to Attachment 1 of this report

1.3 Information of NFCW Company Limited ("NFCW")

Please refer to Attachment 2 of this report

Part 2: Opinion of the Independent Financial Advisor on the Reasonableness of Asset Acquisition Transaction

The Independent Financial Advisor has an opinion that the entering into the asset acquisition transaction is reasonable by considering various important factors including advantages, disadvantages, and risks of entering into the transaction as follows;

2.1 Objective of Entering into Transaction

The Board of Directors' Meeting of NFC Public Company Limited ("Company") No. 4/2020 held on 13 August 2020 has resolved to propose to the shareholders' meeting to consider and approve for NFCW Company Limited ("NFCW"), a subsidiary which the Company holds 100 percent shares, to invest in area development to support and service for the operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project ("Project"), located in No. 2 Map Ta Phut Industrial Estate, I-2 Road, Map Ta Phut Sub-district, Mueang Rayong District, Rayong Province. The value of the Project or value of acquired assets is Baht 4,418.47 million.

Since the Company currently operates the business of chemicals distribution such as ammonia, ammonium hydroxide and sulfuric acid, as well as services, including warehousing service, logistics and liquid storage services, port service in which the Company has a business policy to expand investment by focusing on new businesses that benefit core business operations and promote the utilization of the Company's current core assets for maximizing benefits and expanding the current businesses to create competitiveness and opportunities for the Company's long-term growth. Therefore, the Company considered investing in area development to support and service for the operators of structure assembly and pipe system yard, and the operators of dismantling/cutting yard for the conveying pipe parts of oil rig project. It also supports the oil rig industry business cycle, which is an important business in driving the country's economy and creating opportunities to increase revenue and profit for the group of the Company.

2.2 Advantages and Disadvantages of Entering into Transaction

2.2.1 Advantages of Entering into Transaction

(1) It is a risk diversification of sources of revenue and business operations of the group of Company

Since the Company's core business operation is an import of various chemicals for distribution to customers in which key ingredients or chemicals are characterized as commodity that fluctuates according to the trading prices in the world market at different times, directly affecting the main revenue of the business because the revenue from the chemicals distribution accounting for more than 85 percent of the total revenue as follows;

(Unit : Million Baht)

Revenue Structure	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
1.Revenue from chemicals distribution	990.67	89.98	1,085.92	92.03	1,080.75	91.46	347.36	86.81
- Ammonia	574.57	58.00	565.60	52.08	408.61	37.81	129.41	37.26
- Ammonium hydroxide	22.69	2.29	21.46	1.98	27.06	2.50	11.47	3.30
- Sulfuric acid	393.41	39.71	498.86	45.94	645.08	59.69	206.48	59.44
2.Revenue from services	110.34	10.02	94.07	7.97	100.90	8.54	52.76	13.19
- Warehousing service	12.24	11.09	29.96	31.85	35.77	35.45	20.56	38.97
- Logistics and liquid storage service	55.34	50.15	55.04	58.51	54.96	54.47	27.48	52.08
- Port service	40.15	36.38	9.07	9.64	10.17	10.08	4.72	8.95
Total Revenue	1,101.01	100.00	1,179.99	100.00	1,181.65	100.00	400.12	100.00

Source: Form 56-1 and the Company's financial statements.

Therefore, this transaction, which aims to provide area development service to petroleum rig operators in the Gulf of Thailand, will be a business that helps support the Company's revenue structure to be more diversified in terms of sources of revenue to other businesses, especially during the chemicals distribution business that is affected by the fluctuation of world market prices, resulting in a decline in the Company's revenue. After entering into the transaction, the Company is expected to have revenue from the area development service approximately 20-30 percent of the total revenue, causing the Company to reduce the dependence on revenue from the chemicals distribution by having more revenue from services, higher profitability, as well as better cash flow and liquidity, supporting the Company to have stability in business operations and improve financial strength which benefit the Company and shareholders in the long-term.

(2) It is an investment to acquire a long-term land lease agreement with IEAT

Entering into the Investment project, NFCW will have a long-term land lease agreement with IEAT instead of the existing land lease agreement that the Company made with IEAT, which will expire in 2022. By entering into this transaction, NFCW, a subsidiary of the Company, will enter into the new land lease agreement with IEAT in which the period of land lease agreement is 30 years (can be extended for another 20 years), which is a guarantee that the Company and its subsidiary will be able to use the area behind the port and continue to

operate the business continuously, both the Company's existing business and NFCW's business, which is area development to support and service for the operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project. This is for the industrial business' operation in the Map Ta Phut Industrial Estate of NFCW. Therefore, entering into this transaction will provide confidence that the Company and its subsidiary will definitely have the right to use the area behind the port for another 30 years.

(3) It is an opportunity to receive a good return on investment

Investment in the project will help the Company to have an opportunity to receive a good return on investment because;

- Location of the leasehold right of the aforementioned land is near the port of Map Ta Phut Industrial Estate. In the future, it is likely that such area will be in high demand due to high demand of area for entrepreneurs who run businesses related to exporting machines and/or products to foreign countries, petroleum rig operators in the Gulf of Thailand who require the demolition and management of the expired rig (De-Commissioning), as well as construction and installation of new structures for replacement, giving the Company an opportunity to provide area development service to customers who want to use the area easily.
- The Company has recurring income from the provision of area development services for entrepreneurs who have to dismantle the petroleum drilling rigs in the Gulf of Thailand.

The Independent Financial Advisor conducted a feasibility study of the Project according to the base case and found that the Equity Net Present Value (Equity NPV) is equal to Baht 409.82 million, the Equity Internal Rate of Return (EIRR) is equal to 22.30 percent and the Equity Payback Period is equal to 4.94 years. Therefore, entering into the transaction is an investment in the project that has potential and opportunity to receive a good return on investment. In addition, the project can also generate long-term revenue for the Company.

(4) The Company does not have to spend large capital expenditure on the purchase of land or pay upfront fee in the first year

According to the terms of the industrial land lease agreement between NFCW and the Industrial Estate Authority of Thailand (IEAT), NFCW can make utilization on land for a period of 30 years without paying an upfront fee. Typically, long-term leases are subject to have relatively high expenses for upfront fee. NFCW has an obligation to pay only rent to IEAT, enabling NFCW to manage the cash flow from operation to pay rent to IEAT by not using large capital expenditure in the first year before the construction of the investment project and the start of business, compared to buying land or having to pay upfront fee or upfront rental fee in which some lessors ask to collect on the first day of agreement.

(5) Increased opportunities for efficient use of resources

Since the purpose of the said project is to provide area development service for entrepreneurs who want to use the area behind Map Ta Phut Port as a storage area and do construction activities according to various objectives of customers such as entrepreneurs who run businesses related to exporting machines and/or products to foreign countries, petroleum rig operators in the Gulf of Thailand who require the demolition and management of the expired rig (De-Commissioning), as well as construction and installation of new structures for replacement. From above, target operators may have to use the Company's port for the relocation, which will promote higher revenues from the port of the group of the Company as the port business will charge a service fee in accordance with vessel volume and docking time. This also helps promote business operations in the back of the port which will have both employment and increasing revenue for both private sector and nearby communities.

(6) It is a project that promotes investment in accordance with the government policy and in line with the country's long-term energy development plan

The project aims to serve entrepreneurs who have to demolish oil rigs in accordance with the policy of the Ministry of Energy in order to have the correct management as stipulated in the Petroleum Act B.E. 2541 and the operating plan for the years 2019 – 2022 since there are approximately 500 oil rigs in the Gulf of Thailand that will expire over the next 20 years in which they must be demolished on average 20-25 oil rigs per year. According to the policy of the Ministry of Energy which has an objective to properly manage the demolition of expired oil rigs in the Gulf of Thailand as defined in the Petroleum Act B.E. 2541 and the operating plan for the years 2019 – 2022. According to the expectation from the oil rig operators, during the 30-year period, the Gulf of Thailand will have to produce an average of 15-20 new oil rigs per year. Therefore, it can be said that the Gulf of Thailand needs to use the area for demolition and installation of new oil rigs approximately 15-20 oil rigs per year.

Therefore, the aforementioned project is a support for the oil rig industry business cycle, which is a key driver of the country's economy.

(7) It is an investment that provides a valuable return

Entering into the investment project is an asset acquisition of the Company that provides a good return since the investment in the project use a relatively low capital expenditure, as a result, the Equity Net Present Value (Equity NPV) of the project amounted to Baht 356.70 million – Baht 472.91 million or equivalent to the Equity Internal Rate of Return (EIRR) of 21.03 - 23.55 percent and the Cost of Equity (Ke) at 8.16 - 10.16 percent. The Project has an Equity Payback Period of 4 years and 11 months, up to 5 years. Therefore, entering into the investment project provides a valuable return and higher than the Company's Cost of Equity. Thus, the investment project is worth making use of the available resources and can generate long-term returns for the Company up to 30 years.

Summary of the Project's Return on Investment

• Equity Net Present Value (Equity NPV) ^{1/}	THB 356.70 – 472.91	Million
- Equity Internal Rate of Return (EIRR)	21.03 – 23.55	%
- Discount rate: Cost of Equity (Ke) ^{2/}	8.16 – 10.16	%
- Payback Period	4.86 – 5.02	Years

Remarks: 1/ Calculated by the Independent Financial Advisor in which shareholders can study more details in Part 3, Section 3.5: Discounted Cash Flow Approach of this Opinion Report of the Independent Financial Advisor.

2/ Calculated by the Independent Financial Advisor based on the Company's financial statements as of 30 June 2020.

2.2.2 Disadvantages of Entering into Transaction**(1) The Company will have more liabilities and interest expenses**

Construction of the investment project on the leasehold of the aforementioned land uses the main source of funds from the Company's capital increase of approximately Baht 195.00 million and loans from financial institutions approximately Baht 100.00 million. In the event that NFCW has fully used the loan, this will result in the overall picture of the Company and its subsidiary to have an increase in interest-bearing liabilities from financial institutions in the consolidated financial statements. According to the consolidated financial statements ended in the second quarter of 2020, the Company had interest-bearing liabilities of Baht 561.63 million, which consisted mainly of liabilities under lease agreements. Interest-bearing debt to equity ratio was equal to 0.62 times. After receiving loan from financial institutions to be used in the Project, the Company's interest bearing debt to equity ratio will increase to 0.73 times which is not high compared to companies in the same industry. In this regard, the project will cost a high capital expenditure only for the initial period. It will take approximately 1 year to renovate the area and construct the investment project. However, according to the project's loan repayment projection, the loan balance will gradually reduce and the full repayment will be made within 5 years from the start of the project according to assumptions, estimates and conditions that the Company negotiated with financial institutions.

(2) It is an investment in the business that relies on only a few customers

Since the target customers of the aforementioned project are entrepreneurs who run businesses related to the petroleum drilling rig business. In Thailand, there are only a few entrepreneurs. Therefore, NFCW will have to rely on the main revenue from entrepreneurs who lease area to carry out activities related to petroleum drilling rigs, resulting in NFCW being at risk of revenue dependence from a few target customers and may have a significant impact on performance in the future.

However, at present, the Company is in the process of contacting and negotiating with customers who have multiple space requirements so that the Company's customer base shall be diverse with the area development service period of short term (1-3 years), medium term (3-10 years) and long term (30 years). The Company has customers in the group who want to use the area development services for various purposes such

as using the area for material storage and construction activities, assembling and exporting machines, raw materials storage for export, assembling structure and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project, etc. NFCW will monitor closely when the agreements are nearing the end of the lease terms and will hurry to negotiate with existing customers or contact to find new customers who are interested in using the area immediately. In this regard, since the area is located in the Map Phut industrial area next to the Gulf of Thailand with a good location and full of facilities, NFCW expected to be able to manage the acquisition of new customers easily.

(3) There is a loss performance in the initial phase of the project

According to the project's projection, during the first year, there will be a loss of approximately Baht 2.95 million because the project is under renovation and construction and customers who use the area development service still have a small percentage of the total area of the project. However, after the construction of the project is completed and the target customers enter into agreements to use the area development service, NFCW will begin to make a profit which will gradually increase as the increasing occupancy rate.

2.3 Advantages and Disadvantages of Not Entering into Transaction
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2.3.1 Advantages of Not Entering into Transaction

(1) The Company has cash that can be used to invest in other projects with higher returns and/or lower risk

Since entering into the investment project, NFCW has to use funding for the renovation and construction phase of the project in the first year in which the source of such funding, part of it will come in the form of capital increase from the Company of approximately Baht 195.00 million, or 76.49 percent of the Company's cash according to the Company's financial statements ended 30 June 2020. Therefore, entering into the investment project may make the Company losing an opportunity to use cash of approximately Baht 195.00 million to invest in other projects and/or invest in projects that have lower risk than this project. However, according to the Independent Financial Advisor's careful consideration of the rate of return and the risks, the project has the potential to generate revenue and profits for the Company in the long run and thus increase the Company's business expansion opportunities.

(2) The Company will not have any loan burden and interest burden from the project

If the Company does not enter into this transaction, NFCW, a subsidiary of the Company, does not need to borrow approximately Baht 100.00 million to invest in improving the area and constructing the project and does not have to bear interest on such loans. Therefore, NFCW will have a credit line with financial institutions and/or can negotiate with financial institutions to use in investing in other projects or for other purposes in the future. In addition, if NFCW does not invest in the project, the consolidated financial statements of the Company will not

have loan burden from financial institutions approximately Baht 100.00 million and interest burden from the project at the rate of 6.50 percent throughout the projection of debt repayment. In this regard, the Company's current interest-bearing debt is equal to Baht 561.63 million. After receiving loan from financial institutions to use in the Project, the Company's interest-bearing debt will be Baht 661.63 million referring to the Company's consolidated financial statements as of 30 June 2020.

2.3.2 Disadvantages of Not Entering into Transaction

(1) There is an opportunity not to receive a renewal of the land lease agreement from IEAT

If NFCW does not enter into the project of area development service for operators of structural and pipe assembly (Steel Fabrication and Modularization) and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project this time, when the existing land lease agreement expires in 2022, NFC may not be able to renew the land lease agreement with IEAT, resulting in the Company's loss of revenue-generating benefits from the right to use the area.

(2) Losing opportunities to generate revenue and increase competitiveness

If the Company does not invest in the project, it may affect the Company to lose opportunities to generate continuous revenue and unable to diversify risks from the core business of chemicals distribution which is fluctuating with global market conditions. Moreover, the Company is also unable to expand the customer base from the existing customers.

(3) Being unable to use the available resources efficiently

If the Company does not invest in this project, the Company will not have opportunity or have little opportunity to generate revenue from the Company's existing port operations at full capacity. Moreover, the nature of the project area, which is an area adjacent to the port and requires regular transport of goods in and out, will enable NFC to generate additional port revenue as well.

2.4 Risks from entering into the Transaction

(1) Risk from operating performance is not as expectation

(A) Risk from operating performance is not as expected since the service fee is not as projected which may affect the performance of the project to be lower than the financial projection. In this regard, the Independent Financial Advisor has conducted a sensitivity analysis by increasing/decreasing revenue from the base case of 1.00 percent to cover the probability of changing service revenue and increasing/decreasing discount rate or Cost of Equity (Ke) 1.00 percent. As a result, a range of Equity Net Present Value (Equity NPV) is equal Baht

356.70 million – Baht 472.91 million, Equity IRR is equal to 21.03 - 23.55 percent and the Equity Payback Period is equal to 4.86 - 5.02 years.

(B) Risk from operating performance is not as expected due to the construction delay than expected. The Company anticipated a period of renovation and construction of the project of approximately 1 year in which all processes will be completed in October 2021. This may delay more than expected because the delay in delivery of the contractor's works and/or the construction is not in line with the plan, etc. Therefore, the Company's revenue may be recognized later than expected, resulting in a longer operating loss than expected. However, in the construction of the project, it is mainly the cost of moving gypsum pile in an area of approximately 35 rais. To move the gypsum pile, the Company has prepared and selected experienced contractors which have history of good performance in the operation and has a plan to assess the situation and continuously monitor the work of the contractors so that the contractors can deliver the works according to the work plan.

(2) Risk from customers not using area development service of NFCW

Since the revenue from area development service of NFCW depends on a few customers, especially for long-term customers. Currently, the Company is in the process of negotiating to agree details on prices and conditions. Thus, the Company has the risk that such customers stop using area development service of NFCW. However, according to asking for the purpose of using the area of the customers, monitoring of the activity of assembling structure and pipe system yard in the Gulf of Thailand and considering other competitors providing area development service, the Independent Financial Advisor has an opinion as follows:

In terms of demand for area development service, customers who need the Company's area service are the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project. Currently, there are approximately 500 oil rigs in the Gulf of Thailand that will expire over the next 20 years in which they must be demolished on average 20-25 oil rigs per year. According to the policy of the Ministry of Energy which has an objective to properly manage the demolition of expired oil rigs in the Gulf of Thailand as defined in the Petroleum Act B.E. 2541 and the operating plan for the years 2019 – 2022. According to the expectation from the oil rig operators, during the 30-year period, the Gulf of Thailand will have to produce an average of 15-20 new oil rigs per year.

In addition, when considering other areas of the Gulf of Thailand such as Sattahip, Laem Chabang, Bang Saphan, etc., it is found that there are many limitations when compared to ports that are already in the industrial estates, such as those in crowded community area, restrictions on toxins, dust, smells, the rental period is too short or may have to share area with other agencies. As a result, operators have to add more procedures and/or costs to make area more ready to be used if needed. While, NFCW is immediately available to provide area development service. In addition, within the Map Ta Phut Industrial Estate, there are still companies that engage in steel forging plants in which customers who have scrap from rig disassembling can also sell to a steel forging

plant. Moreover, the project area has full facilities and the area development service can be used for continuous business operation for up to 30 years (can be extended for another 20 years). Clients and groups who are interested in the area can realize such advantages. Therefore, the area is in very high demand in the market. In this regard, the Company has a backup plan by closely monitoring other customers who are interested in the area development service in which the Company is ready to negotiate immediately. As a result, chances that the rental area will be canceled and/or left unoccupied are very small.

However, the Independent Financial Advisor has reviewed the cases where the area was canceled and left unoccupied and found that the Company was able to return the area to IEAT without any burden of the rental fee in the area to be returned and can return only the unwanted area. In this regard, the Company will only pay the rental fee in the first year which is the prepaid rent only. This will limit the cost and investment of the Company. Therefore, if the Company is unable to find customers to use the service, the Company can return those area immediately, thus, the Company's service revenue is consistent with the Company's rental burden paid to IEAT.

In this regard, the Independent Financial Advisor has conducted a projection in the absence of long-term customers to use the area at all. The Company will have the Equity Net Present Value (Equity NPV) of Baht 218.33 million – Baht 247.28 million and the Equity Internal Rate of Return (EIRR) of 13.79 - 15.73 percent, which is still a rate of return higher than the Cost of Equity (Ke) of 8.16 – 10.16 percent and worth the investment.

(3) Risk from relying on a few customers

Since the nature of the project's business is a business that provides services to only 4-5 entrepreneurs, NFCW has business risks if such target customers encounter business or financial problems, resulting in failure to pay fee for area development service in the future or termination of the area service agreement with NFCW, etc. Therefore, if such an event occurs, NFCW's revenue and profit will not meet the projection. In this event, NFCW may have to find other customers to replace which may delay or lower revenue recognition.

In providing the area development service of NFCW, the Company conducted a preliminary survey of customer needs in which the customers can be classified into short-term, medium-term and long-term customers who request to use NFCW's area development service. Each service provision shall be done in the form of a Letter of Intent and/or service agreement with customers, as well as the Company shall closely monitor the market situation and constantly evaluate to adjust business plans. Therefore, the Independent Financial Advisor has an opinion that the risks arising from providing services to specific groups of customers are still within the scope of the Company's management.

(4) Risk from construction cost is higher than projected

Entering into the investment project, the Company has estimated the construction costs of approximately Baht 100 million, most of which is the cost of moving the gypsum pile of approximately Baht 89.07 million and

other parts will be the cost of electrical system improvement, operating costs according to environmental controls, etc. The above expenses are projected only, therefore, there may be a possibility that the actual expenses may exceed the projected costs. This may affect the Company not receiving the return from the project as expected.

However, in estimating such expenses, the Company has prepared complete construction documents and scopes of work, as well as there is a preparation of a study report to determine the process and the scopes of action clearly. The Company also allowed service providers to explore the area and estimate the expenses that may occur undoubtedly. In this regard, the Company has allowed at least 3 service providers to assess the price in order to prevent the risk from changes in any service provider in which the service fee is still within the price range projected by the Company.

(5) Risk from a disapproval of sources of funds from financial institutions

Since NFCW is a company that just established in 2018 and has not yet had a clear revenue stream. Therefore, there is a risk of not receiving credit from financial institutions or being unable to apply for a required loan amount. According to an interview with the management, if NFCW is unable to borrow money from financial institutions, the Company, as its major shareholder, may have to provide funding to NFCW instead. Currently, the Company has plans to raise funds from borrowing from financial institutions and/or use the Company's internal cash flow to support the project in the amount of approximately Baht 100.00 million. At present, the Company is in the process of negotiating details and terms of borrowing from financial institutions in the event that the Company has to borrow money instead of NFCW. According to the review of information on funding from a financial institution, there has been a letter of acceptance of credit line for NFC to be used in the project. However, since the credit line that the Company received must be repaid within 9 months, which is a short-term credit line, the Company has a plan to renew it upon maturity and gradually repay within a period of 5 years. In the event that the Company cannot renew with a financial institution, the Company plans to use the Company's cash flow from operation to repay this debt. Therefore, according to the review of funding for the project, the Independent Financial Advisor has an opinion that the Company and NFCW will have sufficient funds to invest in this project. In respect of the renewal conditions with financial institutions, the Company and NFCW must consider appropriately and carefully by taking into account the possibility and the maximum benefits of the Company and shareholders in long-term.

(6) Risk from natural disasters

The occurrence of natural disasters such as storms, floods and earthquakes will directly affect the petroleum drilling business which are the target customers of this project. Such events may affect the utilization rate and the service fee of the area development service from the target customers of the project to be different from expectation. In addition, the aforementioned events may also affect NFCW's construction costs and construction timeline. Risk from natural disasters may be short-term risk since part of the target customers are companies operating in the Gulf of Thailand which may have been affected by catastrophe or natural disasters.

However, the Company and customers had a meeting and conducted management planning for moving goods onto the land and closely monitor the changing situation from natural disasters which can reduce the risk on this issue.

(7) Risk from changes in government agencies' policies

Since the target customers of the project engage in the business of demolition and construction of oil rigs which is a business under strict supervision by government agencies, if the government agencies change the concession policy and other matters related to the demolition and construction of the oil rigs, such policies may have a direct impact on the target customers of the project and NFCW, resulting in NFCW's financial projection being unable to meet the projection. However, the Company has taken measures to monitor new laws or regulations that affect or involve both internal and external on a continuous basis.

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Part 3: Opinion of the Independent Financial Advisor on the Reasonableness of Asset Acquisition Transaction and the Appropriateness of Terms of Transaction

In considering the reasonableness of the investment in the area development project to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning) ("Project") that NFCW Company Limited ("NFCW") will invest for a period of 30 years from November 2020 to October 2050, which is currently in the process of preparing the land lease agreement between NFCW and the Industrial Estate Authority of Thailand ("IEAT"). For valuation of the Project, the Independent Financial Advisor has assessed the Project value based on the upcoming land lease agreement between NFCW and IEAT for a period of 30 years, which has considered the feasibility of the Project and taken into account the ability to generate future cash flows of the Project from the date that NFCW expected to invest for improving the area and constructing the Project from November 2020 until the end of the land lease agreement in October 2050. In this regard, NFCW will take approximately 1 year to construct and renovate part of the area, resulting in a total service period of approximately 29 years.

The Independent Financial Advisor has considered the feasibility of the Project based on the assumption that NFCW will operate the Project continuously throughout the 30-year period that NFCW leased land with IEAT. The Independent Financial Advisor has used the valuation approaches that can reflect the returns that the shareholders will receive from investing in the Project as follows;

- Equity Net Present Value (Equity NPV) This approach will calculate the present value of the free cash flow to equity which is equal to the present value of the equity cash Inflows minus the present value of the equity cash outflows by using the Cost of Equity (K_e) as the discount rate. The end result is the net present value of equity free cash flow. (Unit: Baht)
- Equity Internal Rate of Return (Equity IRR) This approach will calculate the rate of return on investment in the Project of shareholders which is a discount rate that cause the net present value of an equity free cash flow to be zero. (Unit: Percentage)
- Payback Period This approach will calculate the break-even point of the Project in order to consider how long it will take to return the investment of the Project by calculating from accumulated free cash flow to equity. (Unit: Years)

The Independent Financial Advisor's opinion is based on the assumption that the information and documents received are correct and truthful without any material changes, as well as considering the economic conditions and information that occurred during the study only. If the aforementioned factors have changed significantly from the present, the Project value may be affected by such changes and may affect the Company's transaction and the opinion of the Independent Financial Advisor this time. In addition, assumptions regarding the

construction and renovation period, including assumptions about finance costs may change if there are delays in construction and development of the Project in which the Independent Financial Advisor has referred the construction and renovation schedule, investment budget, as well as estimate costs and expenses from the Company.

I V Global Securities Public Company Limited has been appointed by the Company's Board of Directors to be an Independent Financial Advisor ("Independent Financial Advisor" or "IFA") in giving an opinion on this acquisition of assets by considering the information received from the Company, including information generally disclosed such as resolutions of the Company's Board of Directors that approved to enter into the transaction and related information, auditor's report and financial statements of the Company and other companies related to the transaction, as well as interviews with the Company's management related to entering into the transaction for the preparation of the opinion report of the Independent Financial Advisor this time.

The report in this section covers (1) the study of reasonableness of the investment in the Project (2) the appropriateness of terms of transaction.

3.1 A Study of the Reasonableness of Investing in the Project

In the financial projection of the Project, the Independent Financial Advisor has prepared a financial projection of the Project based on the following assumptions;

3.1.1 Key Assumptions used in the Financial Projection

The Independent Financial Advisor has prepared a financial projection of the Project based on the information received from the Company, including from the interviews with the Company's management on the conservative basis with the following key assumptions;

1. Revenue

According to a review of the business plan and operating plan of the Project, the Independent Financial Advisor estimated assumptions regarding service area and service rates from the area service agreement of customers with the remaining agreement period, proposals to provide area services to target customers, and from interviews with the Company's management. Revenue projection can be divided into 2 parts as follows;

1.1 Revenue from area service

Revenue from area service is the revenue that NFCW charges for providing area service to customers who require the use of storage space, which is the Company's existing service and/or service area to support operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting

yard for the conveying pipe parts of oil rig project. In this regard, NFCW will charge for area service according to the type of area service agreements as follows;

1.1.1 Short-term area service agreement

NFC, currently, provides area for 3 short-term customers in which area service agreements are short-term with the terms ranging from 2 months to 1 year and 2 months. The service rate is THB 70 per square meter per month where the customers use the area of 600 to 5,000 square meters. After NFCW completed the land lease agreement with IEAT and started the Project, NFC will move customers who have short-term area service agreements to enter into area service agreements with NFCW instead, which is expected to start operation within the fourth quarter of 2020.

1.1.2 Medium-term area service agreement

At present, there are 4 customers who need to enter into medium-term area service agreements, which are in the process of negotiating the proposal. The agreement terms range from 3 years to 10 years and the service rate is THB 50 per square meter per month. According to the proposal that the Company submitted to customers, customers demand for area service of 48,000 square meters to 128,000 square meters. The Independent Financial Advisor has reviewed the proposal of the Company and found that there is a high probability that customers will decide to use the area service because customers had informed the Company regarding the size of area that they want to use and service rate of the area to the Company before the Company will prepare proposals for the customers. NFCW will start preparing area service agreements with medium-term customers after receiving a resolution to approve the acquisition transaction from the Extraordinary General Meeting of Shareholders and after entering into the land lease agreement with IEAT, which is expected to start operation in the fourth quarter of 2020 onwards.

1.1.3 Long-term area service agreement

At present, there is 1 customer who wants to enter into a long-term service agreement which is in the process of negotiation with the Company. The agreement term is 29 years in which the service rate for the area in 2021, the first year that a long-term customer will start using the area, is equal to THB 30 per square meter per month and will increase at a rate of 10.00 percent every 5 years until the year 2050 where the service rate will be THB 48.32 per square meter per month. The determination of service rate for a long-term customer is based on the interviews with the Company's management. The long-term customer demands for area service of 80,000 square meters to 368,000 square meters. In 2021, the long-term customer will start using 80,000

square meters and increase to 240,000 square meters in 2024 to replace partial medium-term customers which the area service agreements will expire and increase to 320,000 square meters in 2025 to replace partial medium-term customers which the area service agreements will expire, as well as increase to 368,000 square meters in 2031 to use the area instead of the entire medium-term customers which the area service agreements will expire. Therefore, from the year 2031 onwards, the Project will provide the entire area to long-term customers until the end of the land lease agreement with IEAT in 2050.

Summary table of service area and service rate of the Project

Customer	Service Area ^{1/} (Square Meters) ^{2/}	Service Area per square meter per month	Service Term ^{3/}
Short-term area service agreement			
Customer 1	600 (0.38 Rai)	THB 70.00	2 Months (November 2020 – December 2020)
Customer 2	2,500 (1.56 Rai)	THB 70.00	2 Months (November 2020 – December 2020)
Customer 3	5,000 (3.13 Rai)	THB 70.00	1 Year 2 Months (November 2020 – December 2021)
Medium-term area service agreement			
Customer 4	48,000 (30.00 Rai)	THB 50.00	10 Years (January 2021 – December 2030)
Customer 5	64,000 (40.00 Rai)	THB 50.00	3 Years (January 2022 – December 2024)
Customer 6	128,000 (80.00 Rai)	THB 50.00	3 Years (November 2020 – October 2023)
Customer 7	48,000 (30.00 Rai)	THB 50.00	3 Years (January 2021 – December 2023)
Long-term area service agreement			
Customer 8	80,000 - 368,000 (50.00 – 230.00 Rai)	THB 30.00 - 48.32	29 Years 4 Months (July 2021 – October 2050)

Source: Information from the Company

Remark: 1/ The Project will construct control building on an area of 4.00 Rai, so the service area that can provide service to customers is 230.72 Rai.

2/ Area calculation ratio of 1 Rai = 1,600 square meters

3/ Service terms are estimated since NFCW received the lease agreement from the IEAT.

1.2 Revenue from utility service

The Independent Financial Advisor estimated revenue from utility service which is a service fee that NFCW will charge to each customer using the service area, consisting of; electricity costs, where NFCW

will calculate from the actual electricity consumption of each customer and additionally charge at the rate of 15 percent of the electricity cost that the customers actually used. And water service fee, including water supply service fee which NFCW will charge customers at a rate of THB 25 per unit and raw water service fee which NFCW will charge customers at the rate of THB 15 per unit of consumption.

The provision of area and utility service of the Project are divided into 3 phases according to the Company's information which assessed based on the proportion of the area usage and the estimated amount of utility usage for each type of activity of each customer as follows;

Phase 1: In 2020, customers who use area service consist of short-term and medium-term customers where the nature of using the area service is for storage of goods of 136,100 square meters. In Phase 1, customers who use the area service will use a small amount of utility service. As a result, the estimated electricity consumption is 1,000 kWh and water supply consumption is 48 cubic meters per day, as well as raw water consumption is 10 cubic meters per day.

Phase 2: From the year 2021 to 2025, customers who use the area service consist of short-term, medium-term and long-term customers where the nature of using the area service is for storage of goods, machine assembly and dismantling/cutting the conveying pipe of oil rig structure by utilizing 309,000 to 368,000 square meters of service area. Therefore, customers will use more utilities in which the estimated electricity consumption is 4,000 kWh, water supply consumption is 68 cubic meters per day and raw water consumption is 15 cubic meters per day.

Phase 3: From the year 2026 to 2050, customers who use the area service consist of medium-term and long-term customers where the nature of using the service area is for machine assembly, steel fabrication and modularization), and dismantling/cutting the conveying pipe of oil rig structure by using a service area of 368,000 square meters. As a result, customers will use more utility services than Phase 2 in which the estimated electricity consumption is 8,000 kWh, water supply consumption is 98 cubic meters per day and raw water consumption is 20 cubic meters per day.

Summary Table of Revenues from Service

(Units: THB Million)	2020	2021	2022	2023	2024	2025	2026
Revenue from area service	13.93	153.44	202.48	189.68	156.23	159.03	159.03
Growth rate (%)			31.96%	-6.32% ^{1/}	-17.63% ^{1/}	1.79%	0.00%
Revenue from utility service	3.13	74.29	74.29	74.29	89.10	93.59	148.29
Growth rate (%)			0.00%	0.00%	19.93%	5.03%	58.46%
Total revenues from service	17.07	227.73	276.77	263.97	245.33	252.61	307.32

(Units: THB Million)	2027	2028	2029	2030	2031	2032	2033
Revenue from area service	159.03	159.03	159.03	171.70	164.34	164.34	164.34
Growth rate (%)	0.00%	0.00%	0.00%	7.97%	-4.29% ^{2/}	0.00%	0.00%
Revenue from utility service	148.29	148.29	148.29	148.29	148.29	148.29	148.29
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total revenues from service	307.32	307.32	307.32	319.99	312.63	312.63	312.63

(Units: THB Million)	2034	2035	2036	2037	2038	2039	2040
Revenue from area service	164.34	180.37	180.37	180.37	180.37	180.37	198.00
Growth rate (%)	0.00%	9.75%	0.00%	0.00%	0.00%	0.00%	9.78%
Revenue from utility service	148.29	148.29	148.29	148.29	148.29	148.29	148.29
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total revenues from service	312.63	328.66	328.66	328.66	328.66	328.66	346.29

(Units: THB Million)	2041	2042	2043	2044	2045	2046	2047
Revenue from area service	198.00	198.00	198.00	198.00	217.40	217.40	217.40
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	9.80%	0.00%	0.00%
Revenue from utility service	148.29	148.29	148.29	148.29	148.29	148.29	148.29
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total revenues from service	346.29	346.29	346.29	346.29	365.69	365.69	365.69

(Units: THB Million)	2048	2049	2050 ³
Revenue from area service	217.40	217.40	181.16
Growth rate (%)	0.00%	0.00%	-16.67%
Revenue from utility service	148.29	148.29	123.58
Growth rate (%)	0.00%	0.00%	-16.67%
Total revenues from service	365.69	365.69	304.74

Source: Information from the Company and projection by IFA

Remark: 1/ Decrease in revenue growth rate due to Customer 6 do not using the service for a full year

2/ Decrease in revenue growth rate due to expiration of medium-term contract

3/ The land lease agreement with IEAT will expire in October 2050, so the income in 2050 is recorded only 10 months.

2. Cost of service

IFA has referenced details of cost of service from the Notification of the rental rate of the Industrial Estate Authority of Thailand, including the Notification of the service fee and other expenses of IEAT, as well as the interviews with the Company's management. The details are as follows;

Cost of service	Details and Assumptions
Land rental cost	NFCW will enter into a land lease agreement with IEAT for a total area of 234.72 rais or 375,552 square meters. Details of the land lease can be divided into 2 parts as follows;

Cost of service	Details and Assumptions
	<ul style="list-style-type: none"> - Rental cost of land reclamation of 100.27 rais, the rental rate is THB 0.57 million per rai per year and adjusted with a growth rate of 10 percent every 5 years, based on the rental rate of land reclamation of IEAT. - Rental cost of licensed area of 134.45 rais, the rental rate is THB 0.29 million per rai per year and adjusted with a growth rate of 3 percent per year, according to the Notification of the determination of the land rental rate in general industrial zones, Map Ta Phut Industrial Estate of IEAT.
Maintenance cost	Maintenance cost is THB 13,200 per rai per year, calculated from the total area of 234.72 rais throughout the agreement period, according to the Notification of the Industrial Estate Authority of Thailand, Subject: Determination of Maintenance Cost for facilities and utilities in the Map Ta Phut Industrial Estate.
Security fee	Security fee is THB 4,344 per rai per year, calculated from the total area of 234.72 rais throughout the agreement period, according to the Notification of the Industrial Estate Authority of Thailand, Subject: Determination of Maintenance Cost for Environmental and Safety Facilities in the Map Ta Phut industrial Estate.
Letter of guarantee fee	<p>In entering into the land lease agreement with IEAT, NFCW has to place collateral in a form of cash guarantee equal to the first year rental cost and a letter of guarantee of a local financial institution equal to the first year rental cost. After the leasing period for 5 years, the collateral can be changed to letter of guarantee. Therefore, the letter of guarantee fee will consist of;</p> <ul style="list-style-type: none"> - For the first 5 years, the amount of letter of guarantee is equal to THB 96.83 million which will be charged at 1.00 percent for letter guarantee fee, referring to the letter of guarantee fee that the Company used the service with a financial institution for a Project located in the area adjacent to the Project. - After the first 5 years, the amount of letter of guarantee is equal to THB 193.67 million which will be charged at 0.75 percent for letter guarantee fee, referring to the letter of guarantee fee that the Company used the service with a financial institution for a Project located in the area adjacent to the Project.
Insurance premium	Insurance premium of the Project for the sum insured of approximately THB 100 million is charged at a rate of 0.90 percent, based on the insurance premium that the Company has used the service with a financial institution for a Project located in the area adjacent to the Project. Therefore, insurance premium will be THB 0.90 million per year throughout the Project period.
Electricity cost	Electricity cost varies according to the actual electricity consumption of customers using the area service. Electricity usage is based on the estimates of the Company's engineers which evaluated from activities of each customer. The tariff to be paid to IEAT is a fixed rate at the peak period of THB 4.21 per kilowatt and during the off-peak period of THB 2.63 per kilowatt, based on the electricity tariff of the Provincial Electricity Authority, Category 3, medium-sized businesses.
Water supply bill	Water supply bill varies according to the actual water usage of customers using the area

Cost of service	Details and Assumptions
	service. Water supply usage is based on the estimates of the Company's engineers which evaluated from activities of each customer. The water supply bill to be paid to IEAT is a fixed rate in which water supply cost is THB 24.50 per cubic meter and raw water cost is THB 14.00 per cubic meter, based on to the Notification of the Industrial Estate Authority of Thailand, Subject: Determination of the rate of raw water and tap water in Map Ta Phut Industrial Estate.
Other expenses	<p>Other expenses consist of;</p> <ul style="list-style-type: none"> - Security cost is projected at THB 1.8 million per year and has a growth rate of 1.50 percent per year, in line with Thailand's average inflation rate for the previous 10 years. - Staff training cost is estimated at THB 0.24 million and has a growth of 1.50 percent per year, in line with Thailand's average inflation rate for the previous 10 years. - Property tax is equal to THB 3.51 million per year and will be fixed until the end of the Project period, based on the Company's projection which is estimated from the property appraisal price by the Treasury Department multiplied by the property tax rate.

Source: Information from the Company and projection from management

Summary Table of Cost of service

(Units: THB Million)	2020	2021	2022	2023	2024	2025	2026
Land rental cost							
Rental cost of land reclamation	(9.21)	(57.57)	(57.57)	(57.57)	(57.57)	(58.53)	(63.33)
Growth rate (%)			0.00%	0.00%	0.00%	1.67%	8.20%
Rental cost of licensed area	(4.84)	(30.94)	(40.64)	(41.86)	(43.11)	(44.41)	(45.74)
Growth rate (%)			31.35%	3.00%	3.00%	3.00%	3.00%
Maintenance cost	(0.43)	(2.71)	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)
Growth rate (%)			14.19%	0.00%	0.00%	0.00%	0.00%
Security fee	(0.14)	(0.89)	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)
Growth rate (%)			14.19%	0.00%	0.00%	0.00%	0.00%
Letter of guarantee fee	(0.16)	(0.97)	(0.97)	(0.97)	(0.97)	(1.05)	(1.45)
Growth rate (%)			0.00%	0.00%	0.00%	8.33%	38.46%
Insurance premium	(0.15)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)
Growth rate (%)			0.00%	0.00%	0.00%	0.00%	0.00%
Electricity cost	(2.67)	(64.16)	(64.16)	(64.16)	(76.99)	(80.84)	(128.32)
Growth rate (%)			0.00%	0.00%	20.00%	5.00%	58.73%
Water supply bill	(0.06)	(0.50)	(0.50)	(0.50)	(0.54)	(0.60)	(0.71)
Growth rate (%)			0.00%	0.00%	10.00%	10.00%	18.11%
Other expenses	(0.34)	(5.58)	(5.61)	(5.64)	(5.67)	(5.70)	(5.74)
Growth rate (%)			0.56%	0.56%	0.57%	0.57%	0.58%
Total cost of service	(18.01)	(164.22)	(174.46)	(175.72)	(189.88)	(196.16)	(250.31)

Remark: Land rental fee with IEAT in the first year (November 2020 to October 2021) totaled THB 96.83 million, contributing to assets of THB 10.60 million, consisting of the rental of 4 rai of land reclamation in the construction area of control building for a period of 2 months amounting to THB 0.38 million, and rental of 35 rai of license area in relocate gypsum area for a period of 12-month amounting to THB 10.22 million.

(Units: THB Million)	2027	2028	2029	2030	2031	2032	2033
Land rental cost							
Rental cost of land reclamation	(63.33)	(63.33)	(63.33)	(64.39)	(69.66)	(69.66)	(69.66)
Growth rate (%)	0.00%	0.00%	0.00%	1.67%	8.20%	0.00%	0.00%
Rental cost of licensed area	(47.11)	(48.53)	(49.98)	(51.48)	(53.03)	(54.62)	(56.25)
Growth rate (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Maintenance cost	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Security fee	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Letter of guarantee fee	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Insurance premium	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Electricity cost	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Water supply bill	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other expenses	(5.77)	(5.80)	(5.84)	(5.87)	(5.91)	(5.94)	(5.98)
Growth rate (%)	0.58%	0.59%	0.59%	0.60%	0.60%	0.61%	0.62%
Total cost of service	(251.71)	(253.16)	(254.65)	(257.24)	(264.10)	(265.72)	(267.40)

(Units: THB Million)	2034	2035	2036	2037	2038	2039	2040
Land rental cost							
Rental cost of land reclamation	(69.66)	(70.83)	(76.63)	(76.63)	(76.63)	(76.63)	(77.91)
Growth rate (%)	0.00%	1.67%	8.20%	0.00%	0.00%	0.00%	1.67%
Rental cost of licensed area	(57.94)	(59.68)	(61.47)	(63.31)	(65.21)	(67.17)	(69.19)
Growth rate (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Maintenance cost	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Security fee	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Letter of guarantee fee	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Insurance premium	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(Units: THB Million)	2034	2035	2036	2037	2038	2039	2040
Electricity cost	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Water supply bill	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other expenses	(6.02)	(6.06)	(6.09)	(6.13)	(6.17)	(6.21)	(6.25)
Growth rate (%)	0.62%	0.63%	0.63%	0.64%	0.64%	0.65%	0.65%
Total cost of service	(269.12)	(272.06)	(279.69)	(281.58)	(283.52)	(285.51)	(288.85)

(Units: THB Million)	2041	2042	2043	2044	2045	2046	2047
Land rental cost							
Rental cost of land reclamation	(84.29)	(84.29)	(84.29)	(84.29)	(85.70)	(92.72)	(92.72)
Growth rate (%)	8.20%	0.00%	0.00%	0.00%	1.67%	8.20%	0.00%
Rental cost of licensed area	(71.26)	(73.40)	(75.60)	(77.87)	(80.21)	(82.61)	(85.09)
Growth rate (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Maintenance cost	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)	(3.10)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Security fee	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)	(1.02)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Letter of guarantee fee	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)	(1.45)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Insurance premium	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Electricity cost	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)	(128.32)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Water supply bill	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)	(0.71)
Growth rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other expenses	(6.29)	(6.34)	(6.38)	(6.42)	(6.47)	(6.51)	(6.55)
Growth rate (%)	0.66%	0.66%	0.67%	0.68%	0.68%	0.69%	0.69%
Total cost of service	(297.35)	(299.53)	(301.77)	(304.08)	(307.87)	(317.34)	(319.87)

(Units: THB Million)	2048	2049	2050 ^{1/}
Land rental cost			
Rental cost of land reclamation	(92.72)	(92.72)	(77.27)
Growth rate (%)	0.00%	0.00%	-16.67%
Rental cost of licensed area	(87.64)	(90.27)	(77.10)
Growth rate (%)	3.00%	3.00%	-14.59%
Maintenance cost	(3.10)	(3.10)	(2.58)
Growth rate (%)	0.00%	0.00%	-16.67%
Security fee	(1.02)	(1.02)	(0.85)
Growth rate (%)	0.00%	0.00%	-16.67%

(Units: THB Million)	2048	2049	2050 ^{1/}
Letter of guarantee fee	(1.45)	(1.45)	(1.21)
Growth rate (%)	0.00%	0.00%	-16.67%
Insurance premium	(0.90)	(0.90)	(0.75)
Growth rate (%)	0.00%	0.00%	-16.67%
Electricity cost	(128.32)	(128.32)	(106.93)
Growth rate (%)	0.00%	0.00%	-16.67%
Water supply bill	(0.71)	(0.71)	(0.59)
Growth rate (%)	0.00%	0.00%	-16.67%
Other expenses	(6.60)	(6.65)	(6.16)
Growth rate (%)	0.70%	0.70%	-7.29%
Total cost of service	(322.47)	(325.14)	(273.45)

Source: Information of the Company and projection by IFA

Remark: Rental agreement with IEAT will expire in October 2050, so the income in 2050 is recorded only 10 months.

3. Administrative expense

Details of assumptions regarding administrative expense of the Project are as follows;

Administrative expense	Details and Assumptions
Employee expense	The Independent Financial Advisor has estimated employee expense in respect of salaries with a growth rate of 6.5 percent per year, based on the Company's policy. Social security and welfare are fixed throughout the Project period. In addition, the Independent Financial Advisor has estimated provident fund and employee bonus at 20 percent of salary over the Project period.
Utility expense	The Independent Financial Advisor estimated the utility expense to grow at 3.00 percent per year according to the Company's projection, which is in line with the average of the gross domestic product for the previous 10 years.
Office rent	Office rent is derived from NFCW entering into the lease office agreement with NFC for an area of 30 square meters, THB 400 per square meter, or THB 12,000 per month in the first year. The Independent Financial Advisor estimated that the office rent will have a growth rate at 3.00 percent per year according to the Company's policy, which is in line with the average of the gross domestic product for the previous 10 years.
Office expense	Office expense consists of office equipment and document printing expense. The Independent Financial Advisor estimated office expense to grow at 3.00 percent per year according to the Company's projection, which is consistent with the average of the gross domestic product for the previous 10 years.

Source: Information from the Company and projection from management

4. Initial Capital Investment

The Independent Financial Advisor estimated the initial capital investment of the Project based on the projection of the Company's initial capital investment in the Project, including the interviews with the Company's management. Details are as follows;

Initial Capital Investment	Details and Assumptions
Installation cost of Electrical & Control system	Equal to THB 3.50 million, according to the Company's projection. The installation cost of electrical and control system consists of the installation costs for electrical system, control system, CCTV camera system and the construction cost of a control building to support a provision of area development service to customers. In addition, there are expenses for machinery / equipment maintenance and installation to replace the old ones in the amount of THB 2.10 million in 2030 and 2040.
Costs of IEE/EIA work	Equal to THB 7.15 million, according to the Company's projection where it is an estimated costs required to prepare an environmental impact report in order to comply with the rules and requirements of IEAT.
Cost of Gypsum Relocation	Equal to THB 89.07 million, according to the Company's projection. It is the cost of preparing the area by relocating gypsum piles away from the Project's area of approximately 35 rais. In this regard, NFCW will hire a third party to complete the relocation of gypsum pile within 1 year from the start of the Project.
Office equipment expense	Equal to THB 0.20 million, according to the Company's projection which is the cost of general office equipment for coordinating with customers and relevant agencies such as computer, notebook, digital cameras and CCTV camera, etc. There is an expense of THB 0.06 million to purchase replacement equipment every 5 years.
First-year rental	Equal to THB 96.83 million which NFCW has to pay to the IEAT after entering into a land lease agreement in November 2020.
Deposit for IEAT	In entering into the land lease agreement with IEAT, NFCW has to place collateral in a form of cash guarantee equal to the first year rental cost in amount of THB 96.83 million and a letter of guarantee of a local financial institution equal to the first year rental cost.

Source: Information from the Company and projection from management

The Independent Financial Advisor estimated that the Project will not have scrap value based on the interviews with the Company's management, forecasting that the scrap value is equal to demolition value.

5. Depreciation

IFA uses assumption based on accounting policy from the Company which shows in financial statement. The details are as the following:

Building and Equipment

Land Improvement	29	Years
Building and Equipment	5	Years
Office Equipment	5	Years

6. Corporate Income Tax

IFA uses assumption of corporate income tax 20% throughout the estimation period

7. Working Capital

The working capital of the Project consists of trade accounts receivable, advance payment and trade payables. IFA estimates the number of working capital days as follows:

Average Receivable Collection Period	30	Days
Average Payable Payment Period	30	Days

Average receivable collection period is based on the time of billing for service charge to customers. Average payable payment period is based the time of payment of services to the IEAT and trade payables including maintenance cost, security fee, utility bill, office rental and office expenses etc.

8. Financial Cost

The Project has investment value of THB 295.00 million. The sources of funds used for the transaction as follow:

Sources of funds	Investment Value (THB Million)	Proportion (%)
1. Capital increase from NFC	195.00	66.10
2. Debt	100.00	33.90
Total	295.00	100.00

Source: Information from the Company and projection from management

As of the issue date of this report, NFCW is in the process of negotiating loans with a financial institution. If NFCW is unable to acquire loan from a financial institution, NFC plans to negotiate with a financial institution to issue bills of exchange with the face value of THB 100.00 million, interest rate of 6.50 percent per annum, which is a discount interest. Fee for issuing the bills of exchange is 2.00 percent per year and a repayment period is 9 months. The objective of the issuance is to support NFCW to be used in the implementation of the Project where NFCW is required to repay the interest and principal to NFC in the same way that NFC repays interest and principal to the bills of exchange holders. According to the interviews with the Company's management, the Independent Financial Advisor estimated that NFC will renew the bills of exchange at maturity date and gradually repay THB 20 million per year. Therefore, the Independent Financial Advisor estimated the loan of the Project by using an alternative that NFC will

issue bills of exchange as a credit line to support NFCW to be used in the Project implementation so that the Projection shall be based on a conservative basis.

9. Discount Rate

IFA use combined operating cash flow of the Project, and discounted by Cost of Equity (K_e), which is calculated at 9.16%

The calculation of K_e is as follows:

$$K_e = R_f + \beta_l (R_m - R_f)$$

Whereas:

Risk Free Rate R_f	=	Risk Free Rate is calculated at 1.29% per year, based on 3-year average return of Thai government bond 10 years (as of August 13, 2020).
Market Expected Return R_m	=	Market Expected Return is calculated at 9.99% per year, based on 3-year average return from stock exchange of Thailand (as of August 13, 2020).
Beta β_l	=	Beta is at 0.90, calculated by comparing volatility of return of Stock Exchange of Thailand to return of the Project's similar companies.
Market premium, $R_m - R_f$	=	The difference between market expected return and risk free rate as of August 13, 2020 is at 8.70%.

Source: Data from Bloomberg as of August 13, 2020

Calculation of Levered Beta of the Company

IFA calculate Levered Beta of the Project by using the mean of unlevered beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Project, adjusted for debt to equity ratio of NFC to reflect the capital structure risk of the Project.

Table of average unlevered beta

Average Unlevered Beta is calculated by using listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Project as per below:

No.	Company Name	Symbol	Unlevered Beta
1.	Amata Corporation Public Company Limited	AMATA	0.77
2.	Navanakorn Public Company Limited	NNCL	0.62
3.	Wyncoast Industrial Park	WIN	0.42
	Mean		0.60

Source: Data from Bloomberg as of August 13, 2020

$$\text{Beta } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

	Average unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand with revenue similar to that of the Project and with assumption of no debt, calculated based on 3 year average figure as of August 13, 2020 ^{1/}		
β_u	=		= 0.60
t	=	Corporate income tax rate	= 20.00%
D/E	=	Debt to Equity ratio of NFC ^{2/}	= 0.62 times ^{3/}

Source: 1/ Data from Bloomberg as of August 13, 2020

2/ Information from NFC's financial statement as of June 30, 2020 which is reviewed by the auditor which received approval by the SEC.

3/ The IFA used NFC's debt to equity ratio to calculate beta to be able to reflect the capital structure risk of the Project.

Based on above calculation, the Levered Beta of the Project is equal to 0.90.

3.1.2 Valuation result by using Discounted Cash Flow Approach

1. Income statement forecast

The Independent Financial Advisor has estimated the Project's income statement according to the table below:

(Unit: THB Million)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue from area service	13.93	153.44	202.48	189.68	156.23	159.03	159.03	159.03	159.03	159.03	171.70
Revenue from utility service	3.13	74.29	74.29	74.29	89.10	93.59	148.29	148.29	148.29	148.29	148.29
Total revenue	17.07	227.73	276.77	263.97	245.33	252.61	307.32	307.32	307.32	307.32	319.99
Cost of service	(18.01)	(164.22)	(174.46)	(175.72)	(189.88)	(196.16)	(250.31)	(251.71)	(253.16)	(254.65)	(257.24)
Depreciation	(0.26)	(2.10)	(4.48)	(4.48)	(4.48)	(4.37)	(3.67)	(3.67)	(3.67)	(3.67)	(4.09)
Total Cost	(18.27)	(166.32)	(178.95)	(180.20)	(194.37)	(200.53)	(253.98)	(255.39)	(256.83)	(258.32)	(261.33)
Gross profit	(1.20)	61.41	97.82	83.77	50.97	52.09	53.34	51.94	50.49	49.00	58.66
Administrative expenses	(0.67)	(3.95)	(3.58)	(3.50)	(3.14)	(2.79)	(2.81)	(2.97)	(3.15)	(3.34)	(3.53)
Operating profit	(1.87)	57.46	94.25	80.27	47.82	49.30	50.53	48.96	47.34	45.66	55.13
Interest expenses	(1.08)	(5.96)	(4.33)	(3.68)	(2.06)	(0.43)	-	-	-	-	-
Profit before tax	(2.95)	51.50	89.92	76.59	45.77	48.87	50.53	48.96	47.34	45.66	55.13
Tax	0.00	(10.30)	(17.98)	(15.32)	(9.15)	(9.77)	(10.11)	(9.79)	(9.47)	(9.13)	(11.03)
Net profit (loss)	(2.95)	41.20	71.93	61.27	36.61	39.09	40.43	39.17	37.87	36.53	44.10

(Unit: THB Million)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Revenue from area service	164.34	164.34	164.34	164.34	180.37	180.37	180.37	180.37	180.37	198.00	198.00
Revenue from utility service	148.29	148.29	148.29	148.29	148.29	148.29	148.29	148.29	148.29	148.29	148.29
Total revenue	312.63	312.63	312.63	312.63	328.66	328.66	328.66	328.66	328.66	346.29	346.29
Cost of service	(264.10)	(265.72)	(267.40)	(269.12)	(272.06)	(279.69)	(281.58)	(283.52)	(285.51)	(288.85)	(297.35)
Depreciation	(4.09)	(4.09)	(4.09)	(4.09)	(3.67)	(3.67)	(3.67)	(3.67)	(3.67)	(4.09)	(4.09)
Total Cost	(268.19)	(269.82)	(271.49)	(273.22)	(275.74)	(283.37)	(285.25)	(287.19)	(289.19)	(292.94)	(301.44)

(Unit: THB Million)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Gross profit	44.44	42.81	41.14	39.41	52.92	45.29	43.41	41.47	39.47	53.35	44.85
Administrative expenses	(3.74)	(3.97)	(4.20)	(4.46)	(4.72)	(5.01)	(5.31)	(5.46)	(5.48)	(5.49)	(5.51)
Operating profit	40.70	38.85	36.93	34.96	48.20	40.28	38.09	36.01	33.99	47.86	39.34
Interest expenses	-	-	-	-	-	-	-	-	-	-	-
Profit before tax	40.70	38.85	36.93	34.96	48.20	40.28	38.09	36.01	33.99	47.86	39.34
Tax	(8.14)	(7.77)	(7.39)	(6.99)	(9.64)	(8.06)	(7.62)	(7.20)	(6.80)	(9.57)	(7.87)
Net profit (loss)	32.56	31.08	29.55	27.96	38.56	32.22	30.48	28.81	27.20	38.29	31.47

(Unit: THB Million)	2042	2043	2044	2045	2046	2047	2048	2049	2050
Revenue from area service	198.00	198.00	198.00	217.40	217.40	217.40	217.40	217.40	181.16
Revenue from utility service	148.29	148.29	148.29	148.29	148.29	148.29	148.29	148.29	123.58
Total revenue	346.29	346.29	346.29	365.69	365.69	365.69	365.69	365.69	304.74
Cost of service	(299.53)	(301.77)	(304.08)	(307.87)	(317.34)	(319.87)	(322.47)	(325.14)	(273.45)
Depreciation	(4.09)	(4.09)	(4.09)	(3.67)	(3.67)	(3.67)	(3.67)	(3.67)	(3.05)
Total Cost	(303.62)	(305.87)	(308.18)	(311.54)	(321.02)	(323.54)	(326.14)	(328.82)	(276.50)
Gross profit	42.67	40.43	38.11	54.15	44.67	42.15	39.55	36.87	28.24
Administrative expenses	(5.53)	(5.55)	(5.56)	(5.58)	(5.60)	(5.62)	(5.64)	(5.66)	(4.74)
Operating profit	37.14	34.88	32.55	48.56	39.07	36.53	33.91	31.21	23.50
Interest expenses	-	-	-	-	-	-	-	-	-
Profit before tax	37.14	34.88	32.55	48.56	39.07	36.53	33.91	31.21	23.50
Tax	(7.43)	(6.98)	(6.51)	(9.71)	(7.81)	(7.31)	(6.78)	(6.24)	(4.70)
Net profit (loss)	29.71	27.90	26.04	38.85	31.26	29.22	27.13	24.97	18.80

Source: Information from the Company and projection by IFA

2. Cash flow forecast

IFA has performed the financial projection for expected future free cash flow of the Project by using Discount Free Cash Flow to Equity Approach discounted by the appropriate discount rate which is the Cost of Equity (Ke). The summary of financial projection is as follows.

(Unit: THB Million)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue	17.07	227.73	276.77	263.97	245.33	252.61	307.32	307.32	307.32	307.32	319.99
Cost	(18.01)	(164.22)	(174.46)	(175.72)	(189.88)	(196.16)	(250.31)	(251.71)	(253.16)	(254.65)	(257.24)
SG&A	(0.67)	(3.95)	(3.58)	(3.50)	(3.14)	(2.79)	(2.81)	(2.97)	(3.15)	(3.34)	(3.53)
Earnings before Interest, Tax, and Depreciation	(1.61)	59.56	98.73	84.75	52.31	53.67	54.21	52.64	51.01	49.34	59.22
Depreciation	(0.26)	(2.10)	(4.48)	(4.48)	(4.48)	(4.37)	(3.67)	(3.67)	(3.67)	(3.67)	(4.09)
Profit before Interest and Tax	(1.87)	57.46	94.25	80.27	47.82	49.30	50.53	48.96	47.34	45.66	55.13
Income Tax (Excluding Interest)	0.00	(11.49)	(18.85)	(16.05)	(9.56)	(9.86)	(10.11)	(9.79)	(9.47)	(9.13)	(11.03)
Profit after Tax	(1.87)	45.96	75.40	64.22	38.26	39.44	40.43	39.17	37.87	36.53	44.10
Depreciation	0.26	2.10	4.48	4.48	4.48	4.37	3.67	3.67	3.67	3.67	4.09
Capital Expenditure	(39.14)	(72.00)	-	-	-	(0.06)	-	-	-	-	(2.16)
Working Capital	184.69	194.93	198.09	199.63	196.70	105.64	107.36	108.53	109.74	110.98	118.58
Increase (Decrease) in Working Capital	(184.69)	(10.24)	(3.16)	(1.55)	2.94	91.06	(1.72)	(1.17)	(1.21)	(1.24)	(7.60)
Free Cash Flow to Project (FCFF)	(225.44)	(34.18)	76.72	67.15	45.68	134.82	42.38	41.67	40.34	38.96	38.44
Interest Payment (After Tax)	(0.87)	(4.77)	(3.47)	(2.95)	(1.65)	(0.35)	-	-	-	-	-
Loan Borrowing	100.00	80.00	60.00	100.00	20.00	-	-	-	-	-	-
Loan Repayment	0.00	(100.00)	(80.00)	(120.00)	(40.00)	(20.00)	-	-	-	-	-
Free Cash Flow to Equity (FCFE)	(126.31)	(58.94)	53.26	44.20	24.03	114.47	42.38	41.67	40.34	38.96	38.44
Year	0.38	1.38	2.38	3.38	4.38	5.38	6.38	7.38	8.38	9.38	10.38
Cost of Equity (Ke)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
Discount Factor	0.97	0.89	0.81	0.74	0.68	0.62	0.57	0.52	0.48	0.44	0.40

(Unit: THB Million)	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Revenue	312.63	312.63	312.63	312.63	328.66	328.66	328.66	328.66	328.66	346.29	346.29
Cost	(264.10)	(265.72)	(267.40)	(269.12)	(272.06)	(279.69)	(281.58)	(283.52)	(285.51)	(288.85)	(297.35)
SG&A	(3.74)	(3.97)	(4.20)	(4.46)	(4.72)	(5.01)	(5.31)	(5.46)	(5.48)	(5.49)	(5.51)
Earnings before Interest, Tax, and Depreciation	44.79	42.94	41.03	39.05	51.88	43.96	41.77	39.68	37.67	51.95	43.43
Depreciation	(4.09)	(4.09)	(4.09)	(4.09)	(3.67)	(3.67)	(3.67)	(3.67)	(3.67)	(4.09)	(4.09)
Profit before Interest and Tax	40.70	38.85	36.93	34.96	48.20	40.28	38.09	36.01	33.99	47.86	39.34
Income Tax (Excluding Interest)	(8.14)	(7.77)	(7.39)	(6.99)	(9.64)	(8.06)	(7.62)	(7.20)	(6.80)	(9.57)	(7.87)
Profit after Tax	32.56	31.08	29.55	27.96	38.56	32.22	30.48	28.81	27.20	38.29	31.47
Depreciation	4.09	4.09	4.09	4.09	3.67	3.67	3.67	3.67	3.67	4.09	4.09
Capital Expenditure	-	-	-	-	(0.06)	-	-	-	-	(2.16)	-
<i>Working Capital</i>	119.29	120.65	122.05	123.49	132.09	133.62	135.20	136.82	138.49	148.04	149.81
Increase (Decrease) in Working Capital	(0.71)	(1.36)	(1.40)	(1.44)	(8.61)	(1.53)	(1.57)	(1.62)	(1.67)	(9.55)	(1.77)
Free Cash Flow to Project (FCFF)	35.94	33.81	32.24	30.62	33.57	34.37	32.58	30.86	29.20	30.67	33.79
Interest Payment (After Tax)	-	-	-	-	-	-	-	-	-	-	-
Loan Borrowing	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow to Equity (FCFE)	35.94	33.81	32.24	30.62	33.57	34.37	32.58	30.86	29.20	30.67	33.79
Year	11.38	12.38	13.38	14.38	15.38	16.38	17.38	18.38	19.38	20.38	21.38
Cost of Equity (Ke)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
Discount Factor	0.37	0.34	0.31	0.28	0.26	0.24	0.22	0.20	0.18	0.17	0.15

(Unit: THB Million)	2042	2043	2044	2045	2046	2047	2048	2049	2050
Revenue	346.29	346.29	346.29	365.69	365.69	365.69	365.69	365.69	304.74
Cost	(299.53)	(301.77)	(304.08)	(307.87)	(317.34)	(319.87)	(322.47)	(325.14)	(273.45)
SG&A	(5.53)	(5.55)	(5.56)	(5.58)	(5.60)	(5.62)	(5.64)	(5.66)	(4.74)
Earnings before Interest, Tax, and Depreciation	41.24	38.97	36.64	52.24	42.74	40.20	37.58	34.88	26.56
Depreciation	(4.09)	(4.09)	(4.09)	(3.67)	(3.67)	(3.67)	(3.67)	(3.67)	(3.05)
Profit before Interest and Tax	37.14	34.88	32.55	48.56	39.07	36.53	33.91	31.21	23.50
Income Tax (Excluding Interest)	(7.43)	(6.98)	(6.51)	(9.71)	(7.81)	(7.31)	(6.78)	(6.24)	(4.70)
Profit after Tax	29.71	27.90	26.04	38.85	31.26	29.22	27.13	24.97	18.80
Depreciation	4.09	4.09	4.09	3.67	3.67	3.67	3.67	3.67	3.05
Capital Expenditure	-	-	-	(0.06)	-	-	-	-	-
Working Capital	151.64	153.52	155.45	166.06	168.12	170.23	172.41	174.66	15.88
Increase (Decrease) in Working Capital	(1.82)	(1.88)	(1.94)	(10.61)	(2.05)	(2.12)	(2.18)	(2.24)	158.78
Free Cash Flow to Project (FCFF)	31.98	30.12	28.20	31.86	32.88	30.78	28.62	26.40	180.64
Interest Payment (After Tax)	-	-	-	-	-	-	-	-	-
Loan Borrowing	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-
Free Cash Flow to Equity (FCFE)	31.98	30.12	28.20	31.86	32.88	30.78	28.62	26.40	180.64
Year	22.38	23.38	24.38	25.38	26.38	27.38	28.38	29.38	30.38
Cost of Equity (Ke)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
Discount Factor	0.14	0.13	0.12	0.11	0.10	0.09	0.08	0.08	0.07
Additional Net Present Value of Free Cash Flows to Equity	214.82								
Investment Value from Equity	195.00								
Net Present Value of the Free Cash Flows to Equity	409.82								

Source: Information from the Company and projection by IFA

3. Summary of Base Case

According to the above assumptions, the Independent Financial Advisor considered the capital investment in this Project and the ability to generate free cash flow to equity, and discounted such free cash flow by an appropriate discount rate, i.e.: Cost of Equity to obtain the Equity Net Present Value (Equity NPV), as well as calculated the Equity Internal Rate of Return (Equity IRR) and Payback Period as follows;

Valuation result	Value
Net Present Value of the Free Cash Flows to Equity (THB Million)	409.82
Equity Internal Rate of Return (%)	22.30
Payback Period (Years)	4.94

Source: Projection by IFA

4. Sensitivity Analysis

IFA has performed the sensitivity analysis on the valuation of the Project to cover the potential impact to determine the range of change in each factor based on historical data and likelihood to occur. IFA has determined the factors that may affect the fair value of the Project for 2 factors which are as follows.

- (1) Change in revenue of the Project, in order to obtain fair value that cover the fluctuation of rate of service area. IFA assumes that revenue will change more and less of 1.00 percent from the base case, which will be change of revenue by -1.00 to +1.00 percent.
- (2) Cost of Equity (Ke), in order to obtain fair value that cover fluctuation in interest rate, return from stock market, IFA assumes that Cost of Equity will increase and decrease by 1.50 percent from base case, which will be Cost of Equity of 8.16 to 10.16 percent.

Summary Sensitivity Analysis

Net Present Value of the Free Cash Flows to Equity (Equity NPV)

		Cost of Equity (Ke)				
		10.16%	9.66%	9.16%	8.66%	8.16%
Change in revenue	1.00%	399.12	415.49	433.15	452.24	472.91
	0.50%	388.51	404.38	421.49	439.98	460.01
	0.00%	377.91	393.26	409.82	427.72	447.10
	-0.50%	367.30	382.15	398.16	415.46	434.19
	-1.00%	356.70	371.03	386.49	403.20	421.28

Source: Projection by IFA

Equity Internal Rate of Return

		Cost of Equity (Ke)				
		10.16%	9.66%	9.16%	8.66%	8.16%
Change in revenue	1.00%	23.55%	23.55%	23.55%	23.55%	23.55%
	0.50%	22.93%	22.93%	22.93%	22.93%	22.93%
	0.00%	22.30%	22.30%	22.30%	22.30%	22.30%
	-0.50%	21.66%	21.66%	21.66%	21.66%	21.66%
	-1.00%	21.03%	21.03%	21.03%	21.03%	21.03%

Source: Projection by IFA

Payback Period

		Cost of Equity (Ke)				
		10.16%	9.66%	9.16%	8.66%	8.16%
Change in revenue	1.00%	4.86	4.86	4.86	4.86	4.86
	0.50%	4.90	4.90	4.90	4.90	4.90
	0.00%	4.94	4.94	4.94	4.94	4.94
	-0.50%	4.98	4.98	4.98	4.98	4.98
	-1.00%	5.02	5.02	5.02	5.02	5.02

Source: Projection by IFA

5. Summary of valuation result by Discounted Cash Flow Approach

As the results, the valuation of results of Net Present Value of the Free Cash Flows to Equity (Equity NPV) is between THB 356.70 – 472.91 Million, Equity Internal Rate of Return is between 21.03% – 23.55%, and payback period is between 4.86 - 5.02 years.

According to the sensitivity analysis above, all cases of changes in cost of equity, the equity net present value is positive. In addition, the equity internal rate of return is higher than cost of equity (Ke). Therefore, the Independent Financial Advisor has an opinion that the Project is possible for investment.

In this regard, the Independent Financial Advisor has conducted a projection in the absence of long-term customers to use the area at all. The Company will have the Equity Net Present Value (Equity NPV) of THB 218.33 million – THB 247.28 million and the Equity Internal Rate of Return (EIRR) of 13.79 - 15.73 percent, which is still a rate of return higher than the Cost of Equity (Ke) of 8.16 – 10.16 percent and worth the investment.

3.2 Appropriateness of the conditions of the entering into the transaction

In entering into this transaction, the transaction is Type 4 assets acquisition transaction under the Notification on Acquisition or Disposition of Assets. Therefore, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand (“SET”), and

obtain the shareholders' approval for entering into the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity. The Company must deliver the invitation letter to the shareholders' meeting, together with the opinion report of the Independent Financial Advisor to shareholders at least 14 days before the meeting, as well as there are conditions that must be performed under the land lease agreement as follows;

Conditions Precedent	Appropriateness
Key conditions precedent Duties of NFC	
1) NFC is approved for entering into the transaction by the shareholders' meeting.	- In accordance with the Notification of the Capital Market Supervisory Board, TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed an Acquisition or Disposition of Assets (and its amendments) dated 31 August 2008, as well as under the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operation Concerning the Acquisition and Disposition of Assets of a Company B.E. 2547 dated 29 October 2004 ("Assets Acquisition or Disposition Notifications"). The highest size of the Project is equal to 238.70 percent according to the value of consideration basis.
2) NFC has to return the land leasehold rights under the Industrial Land Lease Agreement No. I-20/1 and the Joint Operation Agreement for the Development of the Port Termination Construction in the total amount of 180.40 rais to IEAT.	- In order for NFCW to be used in the Project.
3) NFC has to return the land leasehold rights under the Industrial Land Lease Agreement No. I-20/1 and return the reclamation area in the total amount of 68.06 rais to IEAT.	- In order to meet conditions stipulated in the letter of response to the proposal for the management of public port guideline in Map Ta Phut Industrial Estate
4) NFC has to return the road area according to the Industrial Land Lease Agreement No. I-20/1 and the Joint Operation Agreement for the Development of the Port Termination Construction in the total amount of 3.71 rais to IEAT for the use as public road.	- In order to meet conditions stipulated in the letter of response to the proposal for the management of public port guideline in Map Ta Phut Industrial Estate
5) NFC has to revise the Initial Environmental Examination ("IEE") of the National Fertilizer Project to cover due to changes in size and area utilization.	- To enable NFCW to operate the Project and to be in accordance with the regulations of IEAT and related agencies.



Conditions Precedent	Appropriateness
6) NFC has to revise EIA of the Company's terminal project to cover NFCW's business operations.	- To enable NFCW to operate the Project and to be in accordance with the regulations of IEAT and related agencies.
7) NFC has to submit a general request (IEAT 01/3) to increase the type of NFCW's business.	- To enable NFCW to operate the Project and to be in accordance with the regulations of IEAT and related agencies.
Duties NFCW	
1) NFCW must comply with measures to prevent and correct environmental impacts and measures to monitor environmental impacts specified in EIA, the amended version of the port project prepared by the Company, which has been already approved by the Office of Natural Resources and Environmental Policy and Planning ("ONEP").	- To enable NFCW to operate the Project and to be in accordance with the regulations of IEAT and related agencies.
2) NFCW must be approved by IEAT in applying for a permission to use the land leasehold right and must proceed according to the notifications and regulations of IEAT.	- Since business operations in the Map Ta Phut Industrial Estate are in charge of IEAT, any operation must be approved by IEAT before being performed

When considering terms of the transaction and sources of funds used in entering into the transaction mentioned above, the Independent Financial Advisor has an opinion that terms of this transaction are fair since they are normal business terms as same as general transactions and there are no conditions that will deteriorate benefits of the Company and the Company's shareholders.

Part 4 Summary of Opinion of the Independent Financial Advisor

The Board of Directors' Meeting of NFC Public Company Limited ("**Company**" or "**NFC**") No. 4/2020 held on 13 August 2020 has resolved to propose to the Extraordinary General Meeting of Shareholder No. 1/2020 which is scheduled on 19 October 2020 to consider and approve for NFCW Company Limited ("**NFCW**"), a subsidiary which the Company holds 100 percent shares, to invest in area development to support and service for the operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project ("**Project**").

Entering into the investment project is considered as the asset acquisition transaction in accordance with the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed an Acquisition or Disposition of Assets dated 31 August 2008 (and its amendments), as well as under the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operation Concerning the Acquisition and Disposition of Assets of a Company B.E. 2547 ("**Assets Acquisition or Disposition Notifications**"). The highest size of the Project, with reference to the Company's audited consolidated financial statements as of 30 June 2020, is 238.70 percent of total assets of the Company and the Company does not have the acquisition of other assets during the previous 6 months. In this regard, the size of the project which equal to 100 percent or higher is considered as Type 4 Transaction under the Notification on Acquisition or Disposition of Assets. Therefore, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand in which the Company has to appoint an independent financial advisor to render an opinion on the assets acquisition transaction to the SET and the Company's shareholders.

As a result, entering into the investment project of area development service to support and service for the operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand under the Assets Acquisition or Disposition Notifications and hold the shareholders' meeting to obtain approval for entering into the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity.

Opinion of the Independent Financial Advisor can be summarized as follow;

Reasonableness of Entering into Transaction

Objective and necessity of entering into transaction

The Company has a business plan to develop the project on partial area under the land lease agreement in which the Company will waive part of land leasehold rights under the Land Lease Agreement No. I-20/1 to NFCW Company Limited ("**NFCW**"), a subsidiary which the Company holds 100 percent shares, and allow NFCW

to enter into the new land lease agreement with IEAT, with a lease period of 30 years and an extension of the lease for another 20 years under the right to renew the land lease agreement according to the Notification of IEAT regarding the determination of rental rates of land in general industrial zones, Map Ta Phut Industrial Estate, in order to utilize for the business of area development service for the operators of structure assembly and pipe system yard, and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig project.

NFCW has a plan to operate the service provision project in 2 phases as follows;

1) Short-term and medium-term plan; serving the storage yard, assembly yard/installation of structures yard and dismantling/cutting yard for oil rig with various facilities in order to support reclamation contractors of Map Ta Phut Port Development Project, Phase 3, and operators of installing steel structures and pipelines, as well as dismantling / cutting business of oil rig structures.

2) Long-term plan; providing area development service for long-term agreement customers in the business of assembling / installing steel structures and pipelines and business of dismantling / cutting oil rig structures.

Currently, there are approximately 500 oil rigs in the Gulf of Thailand and many of them have a service life of more than 20-30 years which may not be worth using. In this regard, they must be managed through a standardized management process both de-commissioning part and module fabrication part. Therefore, in order to utilize the land that the Company currently has and increase the opportunity to generate revenue for the Company in the future, the Company has considered investing in the aforementioned project.

Advantages and Disadvantages of Entering into Transaction

Advantages of Entering into Transaction

- It is a risk diversification of sources of revenue and business operations of the group of Company
- It is an investment to acquire a long-term land lease agreement with IEAT
- It is an opportunity to receive a good return on investment
- The Company does not have to spend large capital expenditure on the purchase of land or pay upfront fee in the first year
- Increased opportunities for efficient use of resources
- It is a project that promotes investment in accordance with the government policy and in line with the country's long-term energy development plan
- It is an investment that provides a valuable return

Disadvantages of Entering into Transaction

- The Company will have more liabilities and interest expenses
- It is an investment in the business that relies on only a few customers

- There is a loss performance in the initial phase of the project

Advantages and Disadvantages of Not Entering into Transaction

Advantages of Not Entering into Transaction

- The Company has cash that can be used to invest in other projects with higher returns and/or lower risk
- The Company will not have any loan burden and interest burden from the project

Disadvantages of Not Entering into Transaction

- There is an opportunity not to receive a renewal of the land lease agreement from IEAT
- Losing opportunities to generate revenue and increase competitiveness
- Being unable to use the available resources efficiently

Risks from Entering into Transaction

- Risk from operating performance is not as expectation
- Risk from customers not using area development service of NFCW
- Risk from relying on a few customers
- Risk from construction cost is higher than projected
- Risk from a disapproval of sources of funds from financial institutions
- Risk from natural disasters
- Risk from changes in government agencies' policies

Reasonableness of Entering into the Investment project

The area development project to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure, which will be operated by NFCW this time, is a project that arises from the Company's desire to use some of the land that the Company has a land lease agreement with IEAT and has not yet utilized at maximum level. The Independent Financial Advisor has an opinion that Discounted Cash Flow Approach, together with the cost-effectiveness indicators, are reasonable assessment of the investment project by considering Equity Net Present Value (Equity NPV) since it is a return directly attributable to the shareholders in this investment. In this regard, the Independent Financial Advisor has considered based on the conservative basis by considering the feasibility of the project, operation plan, source of customers to use the service, primarily petroleum rig operators in the Gulf of Thailand, seeking to manage the decommissioning of expired oil rigs in the Gulf of Thailand and needed to be dismantled in order to be properly managed, including the existing customers to be able to utilize the port area and the area behind the port more efficiently.

The Independent Financial Advisor has an opinion that in the event of base case, Equity Net Present Value of the project is Baht 409.82 million. However, if there is any change that happens in the future which affects such assumptions, this may cause the future performance of the project not meet expectations or cause various variables used in the valuation changed and may result in changes in the Equity Net Present Value (Equity NPV) calculated by this approach as well.

In this regard, in order to assess the probability of the results based on the assumptions on the Discounted Cash Flow Approach, the Independent Financial Advisor has performed a sensitivity analysis of the project's fair valuation on the base case to cover the expected impact range. The Independent Financial Advisor has an opinion that there are two factors that may affect the fair value of the project, which are (1) changes in revenue of the project and (2) the Cost of Equity (Ke). The Independent Financial Advisor has set an increase / a decrease of 1.00 percent for revenue to cover a range of possibilities for service rate changes and also set an increase / a decrease of 1.00 percent for the Cost of Equity (Ke) because the cost of equity may fluctuate from risk-free yield, variance of the entity to the stock exchange and the return of the stock exchange. According to the Discounted Cash Flow Approach, the fair value of Equity Net Present Value (Equity NPV) is in a range of Baht 356.70 million – Baht 472.91 million, Equity Internal Rate of Return (Equity IRR) is in a range of 21.03 - 23.55 percent and the Payback Period is in a range of 4.86 - 5.02 years.

According to the sensitivity analysis above, the equity net present value is positive. In addition, the equity internal rate of return is higher than cost of equity (Ke). Therefore, the Independent Financial Advisor has an opinion that the project is possible for investment.

Appropriateness of Terms of Transaction

In entering into this transaction, the transaction is Type 4 assets acquisition transaction under the Notification on Acquisition or Disposition of Assets. Therefore, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET"), and obtain the shareholders' approval for entering into the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity. The Company must deliver the invitation letter to the shareholders' meeting, together with the opinion report of the Independent Financial Advisor to shareholders at least 14 days before the meeting.

The Independent Financial Advisor has an opinion that in order to implement the project in accordance with the law and regulations of IEAT, which is the authority in managing the area of Map Ta Phut Industrial Estate, NFC and NFCW, which will be the operator of the project, should comply with the conditions precedent such as requesting an approval to enter into the transaction from the shareholders' meeting, returning land leasehold rights to IEAT, terminating the joint operation agreement for the development of the port termination construction

of Map Ta Phut Industrial Estate, including implementing measures to prevent and correct environmental impacts, as well as measures to monitor environmental impact specified in IEE/EIA etc.

When considering the conditions precedent and terms of the transaction, the Independent Financial Advisor has an opinion that conditions precedent that the Company and NFCW specified in the land lease agreement and terms of the transaction after receiving the approval from the shareholders' meeting of the Company are appropriate since they are normal business terms as same as general transactions and there are no conditions that will deteriorate benefits of the Company and the Company's shareholders.

And according to consideration of the information and reasons mentioned in this report, the Independent Financial Advisor has an opinion that the shareholders should approve the entering into this asset acquisition transaction.

Please see a summary of opinion of the Independent Financial Advisor in “Executive Summary”, Page 3 of this report.

Nonetheless, in deciding whether to approve or disapprove the said transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

I V Global Securities Public Company Limited as the Independent Financial Advisor hereby certifies that we have provided the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

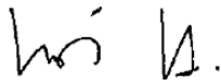
In this regard, the independent Financial Advisor's opinion is based on the information obtained from document and/or the interviews with the Company's management as well as information disclosed to the public and other relevant information. The Independent Financial Advisor assumed that the aforementioned information was complete and accurate, and reflects the operating environment and most up-to-date information at the time of issuance of this report. Therefore, if the above information is not correct and/or not true and/or there is a significant change in the future, these may affect the opinion of the Independent Financial Advisor. For this reason, the Independent Financial Advisor is unable to confirm the impact of these factors that may occur on the Company and shareholders in the future. The purpose of this report is to provide a recommendation to shareholders of the Company and the opinion of the Independent Financial Advisor should not be misconstrued as an endorsement to enter into the Transaction, or a guarantee of the outcome of the Transaction.

I V Global Securities Public Company Limited as the Independent Financial Advisor of the Company hereby certifies that we have studied and analyzed the data provided by the professional standard and on the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

Yours Faithfully,

Independent Financial Advisor

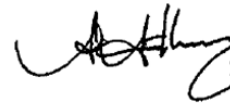
I V Global Securities Public Company Limited



(Miss Krisaporn Kunchan)

Vice President

Supervisor Financial Advisory



(Mrs. Sriporn Sudthipongse)

President and CEO

Attachment 1
Company Information and Operating Results
of
NFC Public Company Limited

Source: Form 56-1 of NFC Public Company Limited

1. General Information

ชื่อบริษัท	:	NFC Public Company Limited ("The Company")
ประเภทธุรกิจ	:	The Company operates 2 main businesses, including; 1. Chemical products distribution 2. Services
Registration Number	:	0107538000495
Website	:	http://www.nfc.co.th
Head Office Address	:	No. 88 SC Group building 3th floor, The Park Land Road, Bangna Nuea Sub-District, Bangna District, Bangkok. 10260
Telephone	:	(02) 348-0580
Fax	:	(02) 348-0578
Registration capital	:	THB 897,462,271.50 Divided into 1,196,616,362 common shares with a par value of THB 0.75
Paid-up capital	:	THB 815,874,792.00 Divided into 1,087,833,056 common shares with a par value of THB 0.75



2. Nature of business

2.1 Primary Business History and Development

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 THB 50 Million and, consequently, has been promoted by the Board of Investment (BOI). Currently, 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.

2.2 Principal changes and developments in the previous 3 years

Year	Event
2016	<ol style="list-style-type: none">On April 29, 2016, the Ordinary General Meeting of Shareholders resolved to approve the Company to proceed as follows:<ul style="list-style-type: none">Increased capital to Private Placement of THB 282.90 Million by issuing ordinary shares, approximately 1,768,106,235 shares at a par value of THB 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 THB 0.16 per share to THB 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 THB 0.16 per share, totaling THB 282.90 Million, and registered the paid-up capital of THB 1,359.79 Million divided into 8,498.70 Million shares at par value of THB 0.16.On June 10, 2016, the Company changed the par value from THB 0.16 per share to THB 0.50 per share, resulting in a change in share capital from THB 0.16 per share 8,498.70 Million shares to 2,719.58 Million sharesOn 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.
2017	<ol style="list-style-type: none">On 28 June 2017, the Company had changed its name from NFC Fertilizer Public Company Limited to NFC Public Company Limited, and also changes 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 THB 0.50 per share to THB 1.25 per share. Then, the Company had decreased its registered and paid-up capital of the Company amount of THB 543.92 Million from its registered and paid-up capital of THB 1,359.79 Million to the new registered and paid-up capital of THB 815.87 Million by reducing the value of shares from THB 1.25 per share to THB 0.75 per share to compensate for the Company's deficit.
2018	<ol style="list-style-type: none">On 8 May 2018, The Stock Exchange of Thailand (SET) has considered that NFC has completed the qualification in compliance with the procedure and guidelines for removal from being delisted. Therefore, SET removes the

Year	Event
	<p>causes of possible delisting of NFC's securities and resumes its securities trading under Industrials Industry in Petrochemicals & Chemicals Sector from 15 June 2018 onwards.</p> <p>2. In the Extraordinary Meeting 1/2018 on 21 November 2018, there was an approve for the Company to increase the registered capital by 81,587,479.50 Baht from the existing registered capital of 815,874,792 Baht to the newly registered capital of 897,462,271.50 Baht by issuing 108,783,306 newly issued ordinary shares at the par value of 0.75 Baht 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.</p>
2019	<p>1. In the Extraordinary General Meeting 1/2019 on 21 June 2019, there was an approval for the NFCT Co., Ltd, held 100% shares by the Company, to invest in the Fuel Tank Farm Project with value of the project of 2,569.99 million baht in order to provide services on fuel liquid storage and logistics by transporting through the pipeline, located on land under NFCT's leasehold right. The Tank Farm Project is expected to complete within quarter 3 of 2021</p> <p>2. The Board of Directors' meeting on June 21, 2019, resolved to acquire 3,250,000 shares of NFCT at 100 baht per share to support the Fuel Tank Farm Project</p>

2.3 Type of Business

The Company operates businesses, including:

1. The distributor of chemicals products such as Ammonia, Ammonium Hydroxide and Sulfuric acid
2. Provide Warehouse services, Logistics and Liquid storage service including Port service in Map Ta Phut Industrial Estate, Rayong

1. Distribution of chemicals

The company is the importer and distributors 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 Ammonium Hydroxide and Sulfuric acid.

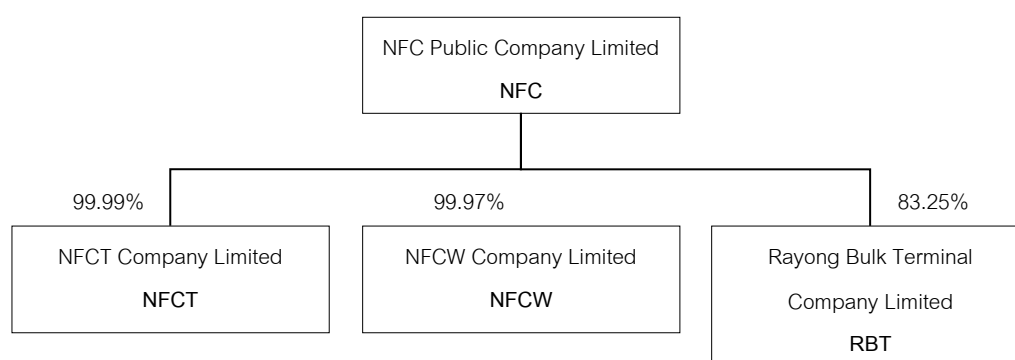
- Ammonia the Company imports Ammonia from Malaysia to sell to domestic customers for Monosodium glutamate industry, Latex industry, Refrigerant industry and Chemical industry, by distribution through customer group of Trader and distributed directly to End User.
- Ammonia Hydroxide The factory is located in Pathumthani province to sell to domestic customers for Power plants/Gas separation plants, Pollution Control industry, Rubber industry 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.

2. 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.

2.4 The Company Group Structure

The Company has three subsidiaries company, including: 1) Rayong Bulk Terminal Company Limited, which is engaged in the business of pier area 2) NFCT Company Limited, which is engaged in Tank farm and Logistics service and 3) NFCW Company Limited, which is engaged in warehouse and storage yard. Shareholding structure of the Company is as follows:



Source: Information from the Company

The Company has 3 subsidiary companies as follows:

- 1) Rayong Bulk Terminal Company Limited ("RBT"), which is operated in the business of pier area and warehouses with registered capital of 764.00 million baht.

- 2) NFCT Company Limited (“NFCT”), which is operated in the business of a liquid warehouse service with registered capital of 326.00 million baht.
- 3) NFCW Company Limited (“NFCW”), which is operated in the business of a warehouse and yard service with registered capital of 1.00 million baht.

2.5 Revenue Structure

Total revenue structures of the business group in previous 3 years and for 6-month period of 2020 are illustrated as follow:

(Unit : THB Million)

Revenue Structure	2017		2018		2019		Jan – June 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
1.Revenue from Sale chemical products	990.67	89.98	1,085.92	92.03	1,080.75	91.46	347.36	86.81
- Ammonia	574.57	58.00	565.60	52.08	408.61	37.81	129.41	37.26
- Ammonium Hydroxide	22.69	2.29	21.46	1.98	27.06	2.50	11.47	3.30
- Sulfuric acid	393.41	39.71	498.86	45.94	645.08	59.69	206.48	59.44
2. Revenue from Services	110.34	10.02	94.07	7.97	100.90	8.54	52.76	13.19
- Warehouse services	12.24	11.09	29.96	31.85	35.77	35.45	20.56	38.97
- Logistics and Liquid storage service	55.34	50.15	55.04	58.51	54.96	54.47	27.48	52.08
- Port service	40.15	36.38	9.07	9.64	10.17	10.08	4.72	8.95
Total Revenue	1,101.01	100.00	1,179.99	100.00	1,181.65	100.00	400.12	100.00

Source: Annual report of the Company as of 2019 and financial statement of the Company

3. Board of Directors

On the date November 11, 2019 the board of directors of the Company consists of 12 persons, including:

No.	Name	Position
1.	GEN. Montree Sungkasap	Chairman of the board of directors/Chairman of the risk management committee
2.	Mr. Nuttaphob Ratanasuwanthawee	Chairman of the Executive Committee / Vice Chairman /Chief Executive Officer
3.	Mr. Suppakit Duyapich	Director
4.	Mr. Yongyos Palanitisena	Director
5.	Mrs. Sunee Sornchaitanasuk	Director
6.	Mr. Wiboon Rasmeepaisarn	Director
7.	Mrs. Bongkot Rungkornpaisarn	Director
8.	Mr. Kijja Smunyahirun	Director
9.	Mr. Nataphong Ratanasuwanthawee	Director
10.	Mr. Virasak Sutanthavibul	Independent Director / Chairman of the Audit Committee

No.	Name	Position
11.	Mr. Seri Wongmonta	Independent Director / Audit Committee
12.	Mrs. Aree Termwattanapakdee	Independent Director / Audit Committee

Source: SET and Company affidavit

Pursuant to the letter of affidavit of the Company dated November 11, 2019, the Authorized Signatories Directors of the Company are Mr. Nuttaphob Ratanasuwanthawee, Mr. Yongyos Palanitisen, Mrs. Bongkot Rungkompaisarn, Mr. Kijja Smunyahirun or Mr. Nataphong Ratanasuwanthawee, in which two out of these five directors jointly affix their signatures together with the corporate seal.

4. Shareholders

List of major shareholders of NFC Public Company Limited as of August 28, 2020 are as follows:

Name	Number of shares	Portion of paid-up capital
1. Mr. Nuttaphob Ratanasuwanthawee	690,329,994	63.46
2. Inter Spec Global Company Limited	176,000,000	16.18
3. BENTAYGA HOLDINGS LTD	86,000,000	7.91
4. Mr. Asia Phukhunanun	28,164,000	2.59
5. Mr. Pratya Semsuksakulchai	23,885,000	2.20
6. Ms. Rapatpon Trongwongsa	9,828,400	0.90
7. Mr. Visoot Kajchamaporn	9,600,000	0.88
8. Mr. Sitamon Ansathammarat	5,912,761	0.54
9. Mr. Archwee Ansathammarat	4,759,000	0.44
10. Mr. Nataphong Ratanasuwanthawee	4,741,302	0.44
Total shares held by major 10 shareholders	1,039,220,457	95.53
Other Shareholders	48,612,599	4.47
Total	1,087,833,056	100.00

Source: Information of major shareholders of NFC Public Company Limited as of 28 August 2020 from Thailand Securities Depository Company Limited (TSD)

5. Summary of Financial Positions and Operating Performance

Summary table of financial positions of the Company and its Subsidiaries as of year ended 2017, 2018, 2019 and 30 June 2020

(Unit: THB Million)

Summary of financial position	2017		2018		2019		30 June 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Asset								
Current Asset								
Cash and cash equivalents	112.42	9.70	288.08	20.19	87.50	7.28	254.92	13.77

Summary of financial position	2017		2018		2019		30 June 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Temporary investments in available - for - sale	197.95	17.07	298.13	20.90	0.00	-	-	-
Trade and other current receivables	176.54	15.23	150.49	10.55	201.44	16.75	113.74	6.14
Inventories	72.38	6.24	117.84	8.26	78.49	6.53	77.13	4.17
Other current assets	11.15	0.96	71.95	5.04	21.87	1.82	0.91	0.05
Non-Current assets or disposal groups classified as held for sale	-	-	-	-	-	-	14.24	0.77
Total current assets	570.44	49.20	926.50	64.95	389.30	32.37	460.95	24.90
Non-current assets								
Other long-term investments	3.01	0.26	2.68	0.19	2.68	0.22	2.68	0.14
Property, plant and equipment	492.34	42.46	402.98	28.25	385.91	32.09	594.57	32.12
Right of use assets	-	-	-	-	0.00	-	445.68	24.08
Intangible assets	0.23	0.02	2.64	0.19	2.13	0.18	1.81	0.10
Deferred tax asset	34.54	2.98	45.40	3.18	8.82	0.73	13.99	0.76
Other non - current assets	58.90	5.08	46.39	3.25	413.62	34.40	331.38	17.90
Total non - current assets	589.01	50.80	500.09	35.05	813.17	67.63	1,390.12	75.10
Total assets	1,159.46	100.00	1,426.58	100.00	1,202.47	100.00	1,851.06	100.00
Liabilities and shareholder's equity								
Current liabilities								
Bank overdraft and short-term loan from financial institution	0.00	-	216.46	15.17	83.08	6.91	125.88	6.80
Trade and other current payables	146.13	12.60	147.90	10.37	152.92	12.72	346.53	18.72
Current Portion of lease liabilities	-	-	-	-	-	-	32.22	1.74
Other current liabilities	1.85	0.16	0.59	0.04	-	-	-	-
Total current liabilities	147.98	12.76	364.95	25.58	236.00	19.63	504.63	27.26
Non-current liabilities								
Lease liabilities	-	-	-	-	-	-	403.53	21.80
Non - current provisions for employee benefit	10.63	0.92	11.33	0.79	10.88	0.90	9.65	0.52
Other non - current provisions	38.23	3.30	35.79	2.51	18.43	1.53	18.39	0.99
Other non - current liabilities	3.67	0.32	3.42	0.24	3.42	0.28	3.42	0.18
Total Non - Current Liabilities	52.53	4.53	50.54	3.54	32.72	2.72	434.98	23.50
Total Liabilities	200.51	17.29	415.49	29.12	268.72	22.35	939.61	50.76
Shareholders' equity								
Share capital - ordinary share								
Authorized share capital	815.87	70.37	897.46	62.91	897.46	74.63	897.46	48.48
Issued and paid share capital	815.87	70.37	815.87	57.19	815.87	67.85	815.88	44.08
Surplus (Deficit) from business combination under the common control	(255.26)	(22.02)	(255.26)	(17.89)	(255.26)	(21.23)	(255.26)	(13.79)
Retained earnings								

Summary of financial position	2017		2018		2019		30 June 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Legal reserve	6.70	0.58	9.35	0.66	22.55	1.88	22.55	1.22
Unappropriated	199.78	17.23	292.38	20.50	235.29	19.57	247.15	13.35
Other components of shareholder's equity	192.59	16.61	149.97	10.51	116.98	9.73	82.99	4.48
Total equity attributable to owners of the company	959.68	82.77	1,012.31	70.96	935.43	77.79	913.30	49.34
Non-controlling interests of subsidiary	(0.74)	(0.06)	(1.22)	(0.09)	(1.68)	(0.14)	(1.85)	(0.10)
Total shareholders' equity	958.95	82.71	1,011.09	70.88	933.75	77.65	911.45	49.24
Total liabilities and shareholders' equity	1,159.46	100.00	1,426.58	100.00	1,202.47	100.00	1,851.06	100.00

Source: Financial statement of the Company

Summary table of operating results of the Company and its Subsidiaries for year 2017, 2018, 2019 and six months (Jan-June) of 2020

(Unit: THB Million)

Summary Operating Results	2017		2018		2019		Jan-June 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Revenue from sales of chemical products	990.66	0.90	1,085.92	0.92	1,080.75	0.91	347.36	0.87
Revenue from services	110.34	0.10	94.07	0.08	100.91	0.09	52.76	0.13
Total Revenues from Sales and Services	1,101.01	1.00	1,179.99	1.00	1,181.65	1.00	400.12	1.00
Costs of sales and services								
Cost of chemical products sold	795.69	0.72	929.99	0.79	974.69	0.82	305.77	0.76
Cost of services	24.63	0.02	18.11	0.02	19.50	0.02	11.44	0.03
Total costs of sales and services	820.32	0.75	948.10	0.80	994.19	0.84	317.21	0.79
Gross profit	280.69	0.25	231.89	0.20	187.46	0.16	82.91	0.21
Other income	27.73	0.03	14.28	0.01	27.31	0.02	5.40	0.01
Profit before expenses	308.42	0.28	246.17	0.21	214.77	0.18	88.30	0.22
Selling expenses	46.96	0.04	48.43	0.04	43.15	0.04	15.57	0.04
Administrative expenses	144.19	0.13	154.84	0.13	154.03	0.13	93.37	0.23
Operating Profit	117.27	0.11	42.90	0.04	17.59	0.01	(20.64)	(0.05)
Financial costs	0.88	0.00	2.83	0.00	16.41	0.01	6.82	0.02
Total expenses	192.02	0.17	206.11	0.17	213.59	0.18	115.77	0.29
Profit (Loss) before income tax expense	116.39	0.11	40.07	0.03	1.18	0.00	(27.47)	(0.07)
Income (Expense) tax	97.79	0.00	10.85	0.01	(36.13)	(0.03)	5.17	0.01
Net profit (loss) for the year	214.19	0.11	50.92	0.04	(34.95)	(0.03)	(22.30)	(0.06)

Summary Operating Results	2017		2018		2019		Jan-June 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Net Income- Portion of non-controlling interests in subsidiaries	(0.50)	(0.00)	(0.48)	(0.00)	(0.46)	(0.00)	(0.17)	(0.00)
Net Income- Portion of the Company's Shareholders	214.69	0.19	51.40	0.04	(34.49)	(0.03)	(22.13)	(0.06)

Source: Financial statement of the Company

Summary table of statement of cash flow of the Company and its Subsidiaries for year 2017, 2018, 2019 and six months (Jan-June) of 2020

(Unit: THB Million)

List	2017	2018	2019	Jan – June 2020
Net Cash provided from (Used in) Operating Activities	228.86	77.76	(240.42)	408.41
Net Cash provided from (Used in) Investing Activities	(199.51)	(118.56)	220.00	(281.89)
Net Cash provided from (Used in) Financing Activities	(0.88)	216.46	(180.16)	40.90
Net increase (decrease) cash and cash equivalents	28.47	175.66	(200.58)	167.42
Cash and cash equivalents at end of period	112.42	288.08	87.50	254.92

Source: Form 56-1 and financial statement of the Company

Summary table of financial ratios of the Company and its Subsidiaries as of 2017, 2018, 2019 and six months (Jan-June) of 2020

Financial Ratio	Unit	2017	2018	2019	Jan – June 2020
Liquidity Ratio					
Current Ratio	Time	3.85	2.54	1.65	0.91
Quick Ratio	Time	3.29	2.02	1.22	0.73
Profitability Ratio					
Gross Profit Margin	%	25.49	19.65	15.86	20.72
Operating Profit Margin	%	10.65	3.64	1.49	(5.16)
Cash to Profit Margin	%	195.15	181.28	(1,366.90)	(1,978.46)
Net Profit Margin	%	10.58	4.32	(2.96)	(5.57)
Return On Equity	%	13.63	5.17	(3.59)	(2.42)
Efficiency Ratio	%				
Return On Asset	%	19.61	3.94	(2.66)	(1.46)
Asset Turnover	Time	1.01	0.91	0.90	0.26
Leverage Ratio or Financial Ratio					
Debt to Equity Ratio	Time	0.21	0.41	0.29	1.03
Interest Coverage Ratio	Time	133.38	15.15	1.07	(3.03)

Source: Calculated by the IFA

Operation results and financial position analysis of 2020 (Jan - June)

For the quarter 2/2020 ended 30 June 2020 (6-month period), the Company's net loss attributable to equity holders of the Company was 22.13 MB, performance decreased 29.88 MB. or 398.19% compared to Quarter 2/2019

- Gross Profit decreased by 15.88 MB. or 16.08% Because of total revenue decreased 242.80 MB. or 41.59%
- Other Income decreased by 16.43 MB. or 75.28%
- Total Expenses decreased by 3.12 MB. or 2.63%
- Financial Cost decreased by 1.67 MB. or 19.70%
- Tax income increased by 0.36 MB or 6.50%

Details are as followings:

Revenue from sales and services

For the quarter 2/2020 ended 30 June 2020 (6-month period), the Company had total revenue from sales and services of 400.12 MB., decreased by 242.80 MB. or 37.76% compared to quarter 2/2019 because

- Revenue from sales of chemical products was 347.36 MB., decreased by 247.33 MB. or 41.59% compared to quarter 2/2019 due to
- Revenue from sales of chemical products was 127.08 MB., decreased by 177.35 MB. or 58.26% compared to quarter 2/2019 due to
 - Sales of Sulfuric acid decreased by 120.12 MB from decrease of the sulfuric acid price because the global market price decreased while sales volume increased by 87,132 tons or 45.62%.
 - Sales of Ammonia decreased by 124.79 MB from sale volume decreased by 5,963 tons or due to major customers have reduced purchase volumes because of customer changing the production process and the average sale price per ton is slightly decreased as well.
 - Sales of Ammonium Hydroxide decreased by 2.28 MB due to higher average sale price per ton, while the lower sale volume of 344 Tons
- Total service income was 52.76 MB., increased by 4.53 MB. or 9.39% compared to quarter 2/2019 due to
 - Revenue from warehouse service increased by 4.60 MB due to expansion of service area and number of customers increased
 - Revenue from Logistic & Liquid warehouse service not changed
 - Revenue from Port Service decreased by 0.07 MB due to the decreased of shipment number.

Cost of sales and services and gross margin

For the quarter 2/2020 ended 30 June 2020, the Company's cost of sales and services was 317.21 MB., decreased by 226.91 MB. or 41.70% compared to quarter 2/2019 and gross margin was increased to 20.72% against quarter 2/2019 at 15.37% due to

- Cost of chemical products decreased by 229.03 MB. or 42.83% compared to quarter 2/2019 due to
 - Cost of sale Sulfuric acid decreased by 133.81 MB. due to the decreased in the price of imported chemical products in accordance with the market price trend while sale volume increased by 87,132 tons
 - Cost of sale Ammonia decreased by 92.20 MB. from sale volume decreased by 5,963 tons
 - Cost of sale Ammonium Hydroxide decreased by 3.02 MB. From lower sale volume of 344 ton
- The gross margin of chemical products decreased by 18.29 MB. or 30.55% effecting to gross margin ratio increased to 11.97% compared to quarter 2/2019 at 10.07% due to the lower cost of chemical products
- Cost of services increased by 2.12 MB. or 22.72% compared to quarter 2/2019

Other Income

For the quarter 2/2020 ended 30 June 2020 (6-month period), the Company had income that not related to the main business of 5.40 MB., decreased by 16.43 MB. or 75.28% compared to quarter 2/2019, resulting from

- Net Gypsum Revenues decreased by 17.98 MB. due to from sale volume decreased.
- Interest income decreased by 2.36 MB.
- Other income increased by 1.09 MB.
- Gain from exchange rate increased by 2.96 MB.
- Gain from sale assets increased by 0.05 MB.
- Provision for outdated inventory decreased by 0.03 MB

Total Expenses

For the quarter 2/2020 ended 30 June 2020 (6-month period), the Company had total expenses of 108.95 MB., increased by 1.45MB., or 1.31% compared to quarter 2/2019 due to

- Selling expenses decreased by 10.15 MB. or 39.47%, due to lower cost of transportation effected from lower sale ammonia.
- Administrative expenses increased by 8.70 MB. or 10.28% resulting from
 - Employee expenses decreased by 8.01 MB.
 - Professional service expenses decreased by 11.14 MB.

- Impairment assets held for sale increased by 19.99 MB.
- Other administrative expenses decreased by 0.11 MB.

Financial Costs

For the quarter 2/2020 ended 30 June 2020 (6-month period), the Company had Financial Costs of 6.82 MB., decreased by 1.67 MB. or 19.70% when compared to quarter 2/2019(6-month period) due to the Company decreased credit facilities utilization with Financial Institutions.

Financial Position

From the Company's financial statement for the quarter 2/2020 ended 30 June 2020, the Company had total assets of 1,851.06 MB., total liabilities of 939.61 MB., Non-controlling interests of subsidiaries loss 1.85 MB. and shareholders' equity of 913.30 MB. or book value of 0.84 Baht per share, and at the end of 2019, the Company had total assets of 1,202.47 MB., total liabilities of 268.72 MB., Non-controlling interests of subsidiaries loss 1.68 MB. And shareholders' equity of 935.43 MB. or book value of 0.86 Baht per share.

As at 30 June 2020, the Company had a working capital in cash of 254.92 MB., with enough for current operation business. The significant changed for financial position of the Company are as follows

- As of 30 June 2020, the Company's total assets were 1,851.06 MB., increased by 648.59 MB. or 53.94% compared to the end of year 2019 as per following details
 - Cash and cash equivalents of 254.92 MB., increased by 167.42 MB. or 191.34% from net cash provided from operating activities compared to last year.
 - Trade accounts receivable and other current account receivables were by 113.74 MB., decreased by 87.70 MB. or 43.54% from reclassify prepaid expenses to right of use assets from TFRS 16 adoption, decreased Other Receivable Revenue Department and decreased Advance payment to suppliers.
 - Inventories were 77.13 MB., decreased by 1.36 MB. or 1.73% from Ammonia decreased by 3.08 MB. from sale volume decreased Goods in transit Sulfuric acid increased by 11.81 MB., Ammonium Hydroxide increased by 0.09 MB., Gypsum bags increased by 0.22 MB., Supplies and others decreased by 10.40 MB. Due to the allowance for deteriorated goods for sale.
 - Others current asset of 0.91 MB., decreased by 20.96 MB. or 95.84% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions decreased.
 - Non-current assets or disposal groups classified as held for sale increased by 14.24 MB. Because of demolition unused factory buildings and disposal scrap metal after demolition to unrelated company.

- Property, plant and equipment (PPE) of by 594.57 MB., increased by 208.66 MB. or 54.07% due to net depreciation increased by 44.74 MB., from Purchase and investment of PPE during the year of 215.64 MB., which consists of the purchase of assets and equipment of NFC 1.74 MB., and invest EPC Contractor project of NFCT about 213.91 MB.
- Right of use asset increased by 445.68 MB. from TFRS 16 adoption
- Other non-current asset of Baht 331.38 MB. decreased 82.24 MB. or 19.88% due to amortized for the advance of subsidiaries' construction EPC contractor project.
- As of 30 June 2020, the Company had total liabilities of 939.61 MB., increased by 670.89 MB. or 249.66% compared to the end of year 2019
 - Bank overdraft and short-term loan from financial institution of 125.88 MB., increased by 42.80 MB. or 51.52% from increased usage credit facilities (LC/TR) with financial institutions.
 - Trade accounts payable and other current account payable of 346.53 MB., increased by 193.61 MB. or 126.61% this was mainly due to Trade accounts payable increased by 214.68 MB. from Trade account payable EPC Contractor project NFCT not yet due, while other account payable decreased by 21.07 MB. From advance service income increased by 2.24 MB., while liability payable to IEAT decreased by 26.00 MB. and other account payable increased by 2.69 MB.
 - Current portion of lease liabilities by 32.22 MB.
 - Lease liabilities by 403.53 MB. from TFRS 16 adoption.
- As of 30 June 2020, the Company had shareholders' equity of 911.45 MB., decreased by 22.30 MB. or 2.39 % compared to the end of year 2019 due to the Company's comprehensive loss of 22.13 MB. Other components of shareholder's equity caused by the surplus from the revaluation of assets decreased by 33.99 MB. mainly caused by demolition unused factory buildings and disposal scrap metal after demolition to unrelated company and a portion of non-controlling interests in subsidiaries of loss 0.17 MB. At present, the Company has a paid-up capital 815.87 MB. ordinary shares 1,087.83 Million shares at par value 0.75 Baht.

Cash flow statement of the Company

For the quarter 2/2020 ended 30 June 2020, the Company has loss before income tax expense 27.47 MB. and net cash flow increased by 167.42 MB., resulting from

- Cash flow provided from the operating 408.41 MB. resulting from trade accounts payable EPC Contractor project NFCT not yet due
- Cash flow used in from investing 281.88 MB., mostly due to investment in the EPC Contractor project NFCT 213.91 MB.

- Cash flow provided from financing activities 40.89 MB. resulting from receive trade credit facilities LC/TR to Financial Institutions 42.80 MB. and pay rental fees from financial lease agreements 1.91 MB.

Operation results and financial position analysis of year 2018-2019

Operating Performance of the Company and its subsidiaries

The yearly performance ended on 31 December 2019. The Company and its subsidiaries had a net loss of 34.95 million Baht which can be classified into shareholders equity lost 34.49 million Baht which increased 85.89 million Baht, accounted for 167.10% comparing to the profit for the shareholders in the previous year which was 51.40 million Baht. Moreover, it was effect from the Company's revenue which was 1,181.65 million Baht, rose by 1.66 million Baht or 0.14% compared to 2018. Revenue from the sales was from the chemical products which was 1,080.75 million Baht, decreased 5.17 million Baht or 0.48%. However, the revenue from services was 100.90 million Baht, increased 6.83 million Baht or 7.26%. According to the 2019 performance, it was founded that, in 2018, the Company has recognized deferred tax income expenses at 36.13 million Baht. The gross profit of the Company declined 44.43 million Baht which accounted for 19.16%. Other income rose by 13.03 million Baht or 91.25%, the total expenses dropped 6.09 million Baht or 3%, and finance costs increased 13.58 million Baht or 470.86%. Besides, non-controlling interests in subsidiaries decreased by 0.02 million Baht.

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

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

Revenues from sales and services

In 2019, the Company and its subsidiaries had total revenues from sales and services of 1,181.65 million Baht, an increase of 1.66 million Baht or 0.14%, compared to the year 2017 with revenues from sales and services of 1,179.99 million Baht, revenue from sales of chemical products was 1,080.75 million Baht, increased by 5.17

million Baht or 0.48%. Sale of Sulfuric acid increased by 146.22 million Baht or 29.31% due to the sulfuric acid price increased because supply in the global market is scarce. Sales volume decreased by 17,053 tons or 5.59%. Sales of Ammonia decreased by 156.98 million Baht or 27.76% from sale volume decreased by 7,140 tons or 26.66% because the key customer bought less due to their changes in the production process so the average sale price per ton is declined. Sales of Ammonium Hydroxide decreased by 5.59 million Baht or 26.04% due to lower average sale price per ton, while the higher sale volume of 1,569 Tons or 44.63%. Total service income was 100.90 million Baht, increased by 6.83 million Baht or 7.26% compared to last year due to. Revenue from warehouse service increased by 5.81 million Baht or 17.83% due to expansion of service area and the number of customers increased. Revenue from Logistic & Liquid warehouse service decreased by 0.80 million Baht or 0.15%. Revenue from Port Service increased by 1.10 million Baht or 12.13% due to the rise of the Company's terminal revenue.

In 2018, the Company and its subsidiaries had total revenues from sales and services of 1,179.99 million Baht, an increase of 78.98 million Baht or an increase of 7.17%, compared to the year 2017 with revenues from sales and services of 1,101.01 million Baht, revenue from sales of chemical products was 1,085.92 million Baht, increased by 95.25 million Baht or 9.61%. Sale of Sulfuric acid increased by 105.44 million Baht 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 8.96 million Baht 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 1.23 million Baht 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 94.07 million Baht, decreased by 16.27 million Baht or 14.75% compared to last year due to. Revenue from warehouse service increased by 17.73 million Baht or 119.39% due to expansion of service area and the number of customers increased. Revenue from Logistic & Liquid warehouse service decreased by 0.30 million Baht or 0.54% due to contract price adjustment with the customer. Revenue from Port Service decreased by 33.70 million Baht or 78.79% due to the declining of the Company's terminal revenue.

Cost of sales and services

In the year 2019, the Company and its subsidiaries had the cost of sales and services of 994.19 million Baht, an increase of 46.09 million Baht or an increase of 4.86% from the previous year. Cost of chemical products increased by 44.70 million Baht or 4.81% because the costs of Sulfuric acid rose by 162.09 million Baht or 31.85% from the cost of the chemical production increased according to the world market prices. While the costs of Ammonia dropped 121.72 million Baht or 30.24% from 7,178 tons or 26.81% decline of sales, costs of Ammonium Hydroxide rose 4.33 million Baht or 23.24% from 1,569 tons or 44.63% growth of sales. As a result, the gross margin of chemical products decreased by 49.87 million Baht or 31.98% affecting to gross margin ratio dropped to 9.81% from the prior year at 14.36% due to the surge of the chemical product costs in the world market trend. Cost of services also increased by 1.39 million Baht or 7.68% compared to the previous year.

In the year 2018, the Company and its subsidiaries had the cost of sales and services of 948.10 million Baht, an increase of 127.78 million Baht or an increase of 15.58% from the previous year. Cost of chemical products increased by 134.30 million Baht or 16.88% from the cost of the chemical production increased according to the world market prices. As a result, the gross margin of chemical products decreased of 39.09 million Baht or 20.03% affecting to gross margin ratio dropped to 14.36% from the last year at 19.68% due to the higher cost of chemical products in the world market trend. Cost of services decreased by 6.52 million Baht or 26.47% compared to last year due to the declining of the Company's terminal revenue.

Other Income

In the year 2019, the Company and its subsidiaries had other income of 27.31 million Baht, showing an increase of 13.03 million Baht or 91.25% from the same period of last year. Resulting from Net Gypsum Revenues increased by 11.37 million Baht. Interest from Saving Accounts increased by 0.03 million Baht. Insurance claim compensation and other miscellaneous income increased by 0.20 million Baht. Provision for outdated inventory decreased by 0.67 million Baht. Gain on sales of fixed assets decreased by 0.60 million Baht. Gain from exchange rate decreased by 1.68 million Baht. Gain on sales of investment increased by 4.38 million Baht.

In the year 2018, the Company and its subsidiary had other income of 14.28 million Baht, showing a decrease of 13.45 million Baht or a decrease of 44.90% from the same period of last year. Resulting from Net Gypsum Revenues decreased by 8.34 million Baht. Gain on Sales of Fixed Assets decreased by 3.09 million Baht. Reversal of doubtful debts decreased by 5.55 million Baht. Interest from Saving Accounts increased by 2.54 million Baht. Gain from exchange rate increased by 0.98 million Baht. Insurance claim compensation increased by 0.11 million Baht. Provision for outdated inventory increased by 0.24 million Baht. Other miscellaneous income decreased by 0.34 million Baht.

Total cost

In the year 2019, the Company and its subsidiaries had total expenses of 197.18 million Baht, a decrease of 6.09 million Baht or 3.00% from the previous year. Selling expenses decreased by 5.28 million Baht or 10.90%, due to the dropped of transportation cost affected by the decline of Ammonia production. Administrative expenses decreased by 0.81 million Baht or 0.52% resulted from lower employee expenses (reversal of accrued bonuses for 2018) comparing to the previous year.

In the year 2018, the Company and its subsidiary had total expenses of 203.27 million Baht, an increase of 12.13 million Baht or an increase of 6.35% from the previous year. Selling expenses increased of 1.48 million Baht or 3.15%, due to higher cost of transportation affected by oil price increased. Administrative expenses increased by 11.65 million Baht or 7.39% resulted from employee expenses from increasing in the number of employees in order to have a suitable management structure for the business operation.

Deferred income tax

In the year 2019, the Company and its subsidiaries had deferred income tax of 36.13 million Baht, thus, net loss for the year was 34.95 million Baht or equivalent to 0.0317 Baht per share.

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

Profitability

In the year 2019, the Company and its subsidiaries had a gross profit margin of 15.86% 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 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.

Liquidity and adequacy of capital

In the year 2019, the Company and its subsidiary had a liquidity ratio of 1.65 times, decreased by approximately 0.89 times compared to 2018, with an average collection period of 66 days, sales period of 36 days and the repayment period of 54 Days, resulting in a 48 days cash cycle. In the year 2019, the Company had an operating loss and net cash from operating activities of 240.43 million Baht. In addition, the Company and its subsidiary had a debt to equity ratio of 0.29 times, a decrease of 0.12 times compared with 2018 and the interest coverage ratio is (15.85) times.

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 the repayment period of 40 Days, resulting in a 59 days cash cycle. In the year 2018, the Company had an operating profit and net cash from operating activities of 80.21 million Baht. In addition, the Company and its subsidiary had a debt to equity ratio of 0.41 times, an increase of 0.20 times compared with 2017 and the interest coverage ratio is 33.17 times.

Financial position of the Company and its subsidiary company

For the year ended December 31, 2019, the Company and its subsidiaries had total assets of 1,202.47 million Baht, total liabilities of 268.72 million Baht and shareholders' equity of 935.43 million Baht or book value of 0.86 Baht per share, and as of December 31, 2018. The Company and its subsidiaries had total assets of 1,426.58 million Baht, total liabilities of 415.49 million Baht, non-controlling interests - loss of 1.22 million Baht, and shareholders' equity of 1,012.31 million Baht or book value of 0.93 Baht per share. The details are as follow:

In 2019, the total asset decreased by 224.11 million Baht or 15.71% compared to the end of the year 2018. The current asset decreased by 537 million Baht or 57.98%. Cash and short-term investments of 87.5 million Baht, decreased by 498.71 million Baht or 85.07% from the operating cash flow because a temporary investment has been made to invest project in a subsidiary. Trade accounts receivable and other current account receivables were 201.44 million Baht, increased by 50.95 million Baht or 33.86% from the increase on Other Receivable Revenue Department, Advance Payment to Suppliers. Inventories were 78.49 million Baht, decreased by 39.35 million Baht or 33.39% from Ammonia decreased 38.61 million Baht, and Supplies and others decreased by 0.44 million Baht due to sold during the year. Others current asset of 21.87 million Baht, decreased by 50.08 million Baht or 69.60% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions decreased. Property, plant and equipment (PPE) of 385.91 million Baht, decreased by 17.07 million Baht or 4.24% due to the depreciation of building and building improvements, machinery and office supplies Land improvements and vehicles increased by 105.55 million Baht, and Purchase of PPE during the year of 89.43 million Baht, which consists of the purchase of assets and equipment of NFC 4.93 million Baht, and invest project of NFCT about 84.50 million Baht Other non-current assets of 413.62 million Baht, increased 367.23 million Baht or 791.61% due to advance payment for the construction project of a subsidiary.

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

In 2019, the Company had total liabilities of 268.72 million Baht, decreased by 146.77 million Baht. or 35.32% compared to the end of the year 2018. The liabilities could be divided into 236.00 million Baht of current liabilities and 32.72 million Baht of non-current liabilities. The short-term loan from the financial institution of 83.08 million Baht, decreased by 133.38 million Baht or 61.62% from decremental usage credit facilities (LC/TR) with financial institutions. Trade accounts payable and other current accounts payable of 152.92 million Baht, increased by 5.02 million baht or 3.39% this was mainly due to Trade accounts payable increased by 0.97 million Baht while other accounts payable increased by 4.05 million Baht from an increase of customer's advance payment for goods increased by 4.32 million Baht, while liability payable to IEAT decreased by 4.05 million Baht accrued bonus increased 3.41 million Baht and other accounts payable increased by 0.37 million Baht

In the year 2018, the Company and its subsidiary had total liabilities of 415.49 million Baht, divided into current liabilities of 364.95 million Baht and non-current liabilities of 50.54 million Baht, which increased of 214.98 million Baht or 107.22%, compared to 2017. During the year 2018, the Company started to use trade credit facilities from banks resulting in an increase in short-term loan from banks of 216.46 million Baht. Trade accounts payable and other current accounts payable increased of 1.77 million Baht or 1.21% this was mainly due to Trade accounts payable decreased of 10.76 million Baht while other current accounts payable increased of 12.53 million Baht from an increase from customer's advance payment for goods increased of 9.67 million Baht, other accrued expenses increased of 4.42 million Baht, while liability payable to IEAT decreased of 1.56 million Baht.

In the year 2019, the Company and its subsidiaries had shareholders' equity of 933.75 million Baht, decreased by 77.34 million Baht or 7.65% compared to 2018 due to the Company's operating results had a net loss of 30.11 million Baht, had non-controlling interests loss of 0.46 million Baht, and paid the dividend of 46.78 million Baht in 2nd Quarter/2019. At present, the Company has a paid-up capital of 815.88 million Baht or ordinary shares 1,087.83 million shares at par value 0.75 Baht.

In the year 2018, the Company and its subsidiary had shareholders' equity of 1,012.31 million Baht, increased by 52.63 million Baht or 5.48% compared to 2017 due to the Company's operating results of 51.40 million Baht. At present, the Company has a paid-up capital of 815.88 million Baht or ordinary shares 1,087.83 million shares at par value 0.75 Baht.

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Attachment 2

Business overview and operating performance

Of

NFCW Company Limited

Source: Form 56-1 of NFC Public Company Limited

1. General Information

Company Name : NFCW Company Limited

Type of Business : Warehouse and yard service

Registration Number : 0105561131469

Web Site : <http://www.nfc.co.th>

Head Office Location : No. 88 SC Group building 3rd floor, The Park Land Road,
Bangna Nuea Sub-District, Bangna District, Bangkok 10260

Telephone : (02) 348-0580

Fax : (02) 348-0579

Registered Capital : Baht 1,000,000
10,000 ordinary shares at par value Baht 100 per share

Paid-up Capital : Baht 1,000,000
10,000 ordinary shares at par value Baht 100 per share



2. Business Operations

2.1 Company Background and Significant Developments

NFCW Company Limited ("NFCW") was established on 2 August 2018 operating warehouse and yard service. The parent company of NFCW is NFC Public Company Limited which has the main business for distribution of chemicals products and services.

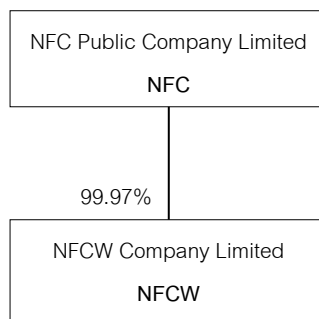
The Board of Directors Meeting of NFC Public Company Limited no. 4/2020, held on 13 August 2020, resolved to propose to the Shareholders' Meeting to consider and approve for NFCW, the subsidiary which NFC Public Company Limited holds 100 percent shares, to invest in area development to support and service for the operators of structure assembly and pipe system yard (Steel Fabrication and Modularization), and the operators of dismantling/ cutting yard for the conveying pipe parts of oil rig structure (De-Commissioning) ("The Project"), located in No.2 Map Ta Phut Industrial Estate, I-2 Road, Map Ta Phut Sub-district, Mueang Rayong District, Rayong Province. The value of the Project or value of acquired assets is Baht 4,418.47 million.

2.2 Business Operations

NFCW Company Limited has the main business for warehouse and yard service.

2.3 The Shareholding Structure of NFCW

NFCW Company Limited has the parent company which is NFC Public Company Limited.



Source: Information from NFCW

3. Board of Directors

List of Board of Directors as at 17 February 2020 consists of 3 directors as follows:

ลำดับ	รายชื่อ	ตำแหน่ง
1.	Mr. Nuttaphob Ratanasuwanthawee	Chairman / Director
2.	Mr. Nataphong Ratanasuwanthawee	Director
3.	Mrs. Bongkot Rungkornpaisarn	Director

Source: Certificate of NFCW

Directors authorized to enter signatures binding NFCW based on certificate on 17 February 2020 are Mr. Nuttaphob Ratanasuwanthawee, Mr. Nataphong Ratanasuwanthawee, or Mrs. Bongkot Rungkornpaisarn. Two directors jointly sign their names, with NFCW's common seal being affixed.

4. Shareholding Structure

List of shareholders in NFCW as of 24 April 2020 is as follows:

Shareholder Name	Number of Shares	% of Paid-up Capital
1. NFC Public Company Limited	9,997	99.97
2. Mr. Nuttaphob Ratanasuwanthawee	1	0.01
3. Mr. Nataphong Ratanasuwanthawee	1	0.01
4. Mrs. Bongkot Rungkornpaisarn	1	0.01
Total	1,000	100.00

Source: Certified copy of the list of shareholders of NFCW on 24 April 2020

5. Summary of Financial Positions and Operating Performance

Statement of financial position of NFCW as of 2018 and 2019 is as follows:

(Unit: Baht)

Statement of financial position	2018		2019	
	Amount	%	Amount	%
Assets				
Current assets				
Cash and cash equivalents	992,991	100.00	976,031	99.99
Trade and other current receivables	12	0.00	49	0.01
Total current assets	993,003	100.00	976,080	100.00
Total assets	993,003	100.00	976,080	100.00
Liabilities and shareholders' equity				
Current liabilities				
Trade and other current payables	15,000	1.51	15,150	1.55
Total current liabilities	15,000	1.51	15,150	1.55
Total liabilities	15,000	1.51	15,150	1.55
Shareholders' equity				
Share capital				
Registered	1,000,000	100.70	1,000,000	102.45
Issued and paid-up	1,000,000	100.70	1,000,000	102.45
Retained earnings				
Unappropriated	(21,997)	(2.22)	(39,070)	(4.00)
Total shareholders' equity	978,003	98.49	960,930	98.45
Total liabilities and shareholders' equity	993,003	100.00	976,080	100.00

Source: Financial statement of NFCW

Statement of profit and loss of NFCW as of 2018 and 2019 is as follows:

(Unit: Baht)

Statement of profit and loss	2018		2019	
	Amount	%	Amount	%
Revenue				
Other income	1,163	100.00	3,727	100.00
Total revenue	1,163	100.00	3,727	100.00
Expenses				
Administrative expenses	22,830	1,963.03	20,650	554.06
Other expenses	330	28.37	150	4.02
Total expenses	23,160	1,991.40	20,800	558.09
Profit (Loss) before income tax expenses	(21,997)	(1,891.40)	(17,073)	(458.09)
Income tax (expenses)	-	-	-	-
Net profit (loss) for the year	(21,997)	(1,891.40)	(17,073)	(458.09)

Source: Financial statement of NFCW

Cash flow of NFCW as of 2018 and 2019 is as follows:

(Unit: Baht)

List	2018	2019
Cash flows (paid) from operating activities	(7,009)	(16,960)
Cash flows (paid) from investment activities	-	-
Cash flows (paid) from financing activities	1,000,000	-
Net increase (decrease) in cash and cash equivalents	992,991	(16,960)
Cash and cash equivalents as at end of period	992,991	976,031

Source: Financial statement of NFCW

Financial ratios of NFCW as of 2018 and 2019 are as follows:

Financial Ratios	Unit	2018	2019
Liquidity Ratio			
Current Ratio	Times	66.20	64.43
Quick Ratio	Times	66.20	64.43
Profitability Ratio			
Gross Profit Margin	Percent	N/A	N/A
Operating Profit Margin	Percent	N/A	N/A
Cash to Profit Margin	Percent	N/A	N/A
Net Profit Margin	Percent	(1,891.40)	(458.09)
Return on Equity	Percent	(2.25)	(2.64)
Efficiency Ratio			
Return on Asset	Percent	(2.22)	(2.60)
Asset Turnover	Times	0.00	0.01
Leverage Ratio or Financial Ratio			

Financial Ratios	Unit	2018	2019
Debt to Equity Ratio	Times	0.02	0.02
Interest Coverage Ratio	Times	(65.66)	(112.82)

Source: Calculated by IFA

Operating Performance and Financial Position Analysis for 2019

Operating performance

For the year ended 31 December 2019, NFCW's net loss attributable to equity holders of NFCW was Baht 17,073, performance increased from last year Baht 4,924 or 167.10%.

- Other income increased by Baht 2,564 or 220.46%
- Total expenses decreased by Baht 2,360 or 10.19%
- Financial cost decreased by Baht 180 or 54.55%

Operating performance of NFCW did not significantly change because NFCW did not operate in 2019 and was in the process of preparation for future business plan.

Financial position

From NFCW's financial statement for year ended of 2019, NFCW had total assets of Baht 976,080, total liabilities of Baht 15,150 and shareholders' equity of Baht 960,930 and at the end of 2018, NFCW had total assets of Baht 993,003, total liabilities of Baht 15,000 and shareholders' equity of Baht 978,003.

The significant changes for financial position of NFCW are as follows:

- As of 31 December 2019, NFCW's total assets were Baht 976,080, decreased by Baht 16,923 or 1.70% compared to the end of year 2018
- As of 31 December 2019, NFCW's total liabilities were Baht 15,150, increased by Baht 150 or 1.00% compared to the end of year 2018
- As of 31 December 2019, NFCW's total shareholders' equity were Baht 960,930, decreased by Baht 17,073 or 1.75% compared to the end of year 2018

Financial position of NFCW did not significantly change because NFCW did not operate in 2019 and was in the process of preparation for future business plan.

Cash flow statement of NFCW

For the year ended 31 December 2019, NFCW's net cash flow decreased by Baht 16,960, resulting from cash flow from the operating decreased Baht 16,960 from operating expenses.