



บริษัท ปุ๋ยเอ็นเอฟซี จำกัด (มหาชน)  
NFC FERTILIZER PUBLIC COMPANY LIMITED

# รายงานประจำปี 2558 (Annual Report 2015)



## **Table of Contents**

<b>Messages from the Chairman</b>	<b>1</b>
<b>Messages from the Audit Committee</b>	<b>2</b>
<b>Board of Directors</b>	<b>3</b>
<b>General Information</b>	<b>14</b>
<b>Policy and Overview of Business Operations</b>	<b>15</b>
<b>Nature of Business Operations</b>	<b>32</b>
<b>Risk Factors</b>	<b>36</b>
<b>Securities Details and Shareholders</b>	<b>39</b>
<b>Dividend Policy</b>	<b>40</b>
<b>Management Structure and Management</b>	<b>41</b>
<b>Good Governance</b>	<b>46</b>
<b>Corporate Social Responsibility</b>	<b>55</b>
<b>Internal Control</b>	<b>57</b>
<b>Related Transactions</b>	<b>59</b>
<b>Management Discussion And Analysis</b>	<b>62</b>
<b>Significant Financial Information</b>	<b>68</b>
<b>Others</b>	<b>77</b>
<b>Auditor's Report and Financial Statement</b>	<b>78</b>

## Messages from the Chairman

Many years ago, NFC Fertilizer Public Company Limited (the “Company”) was in the process of business rehabilitation under the Central Bankruptcy Court and the Company had completely and consistently complied with the conditions under the business rehabilitation plan. The Company therefore is released from such business rehabilitation in accordance with the Supreme Court’s judgment which ordered to dismiss the petition for business rehabilitation on the past 3 November 2015. The Company has additionally new business policies to take a step of integrated logistics businesses. This will be a connection of logistics businesses to be fully complete and proficiently.

The Board of Directors is confident that to step into this new business will develop the business which can facilitate the organization, private organizations as well as government agencies and the nation. This business is also in correspondence with the government policy desiring to develop the national logistics system to be equivalent to the developed countries of the world do.

In the name of the Board of Directors, I am hereby appreciated you, shareholders, investors, financial institutes, for giving well cooperation with the Company all the time. The Board of Directors aims for performing the duties with care and circumspectious and putting the devastation and ability to drive the Company more progressive.



Mr. Wisanu Niwesmarin  
Chairman

### **Audit Committee's Report**

The Audit Committee of NFC Fertilizer Public Company Limited is comprised of 3 honorary independent directors: Assoc.Prof.Dr. Seri Wongmonta being as the Chairman of the Audit Committee, Mrs. Aree Termwattamakdee, and Mr. Sumit Petcharapiratch being as members of the Audit Committee.

During 2015, the Audit Committee of NFC Fertilizer Public Company Limited had office terms as follows:

- 1 January - 13 November 2015, was consisted of Mrs. Sunee Sornchaitanasuk being as a member of the Audit Committee. Mrs. Sunee Sornchaitanasuk resigned from 13 November 2015.
- 1 January - 20 December 2015, was consisted of Assoc.Prof.Dr. Seri Wongmonta being as a member of the Audit Committee
- 21 - 31 December 2015, was consisted of Assoc.Prof.Dr. Seri Wongmonta being as the Chairman of the Audit Committee, Mrs. Aree Termwattamakdee, and Mr. Sumit Petcharapiratch being as members of the Audit Committee.

The Audit Committee has performed the duties and responsibilities as assigned by the Board of Directors and in accordance with the Stock Exchange of Thailand's regulation. In 2015, the Audit Committee gave opinion in the Board of Directors' meeting with the following summaries:

1. Review of the financial report: The Audit Committee reviewed the quarterly financial statement and the financial statement of 2015 of NFC Fertilizer Public Company Limited and the consolidated financial statements as well as related transactions, those transactions which may have conflict of interest with the management and the Auditor. The Audit Committee questioned the Auditor of the accurateness and completeness of the financial statements, the adequateness of the method of accounting record, and the scope of sufficiently auditing the disclosure of financial statements.
2. Review of the internal control system: The Audit Committee considered the operations, the credibility of the financial report with its opinion that there was not found any matters of significant problems or error.
3. Review of the risk Management: The Audit Committee considered the plan and guidelines on risk management which have affected the operations. There were meetings with the management of the Company and recommendations were given for improvement.
4. Review of the good governance: The Audit Committee reviewed the performance in accordance with the working system as set. The business conduct of the Company which was in compliance of the regulation of the Stock Exchange of Thailand as well as other laws relating to the business operation of the Company, especially, the related transactions to be ensure that the Company has complied with the normal business conditions appropriately.
5. Consideration of annual auditor's appointment: The Audit Committee considered, nominated, appointed and offered the auditor's remuneration of 2015, considering the quality of services, the operating performance's evaluation of the auditor and adequateness of the audit fee.



Assoc.Prof.Dr. Seri Wongmonta

Chairman of the Audit Committee

## Board of Directors



Mr. Wisanu Niwesmarin  
Chairman



Mr. Nuttaphob Ratanasuwanthawee  
Vice Chairman



Assoc.Prof.Dr. Seri Wongmonta  
Chairman of the Audit Committee/Independent Director



Mr. Sumit Petcharapirat  
Audit Committee/Independent Director



Mrs. Aree Termwattanapakdee  
Audit Committee/Independent Director



Mr. Suppakit Duyapich  
Director



Mr. Yongyos Palanitisena  
Director



Mrs. Sunee Sornchaitanasuk  
Director



Mr. Wiboon Rasmeepaisarn  
Director



Mr. Nataphong Ratanasuwanthawee  
Director



Mrs. Bongkot Rungkompaisarn  
Director



Mr. Kijja Smunyahirun  
Director

### **Biography and Experience**

1. Mr. Wisanu Niwesmarin (Chairman)

#### **Education**

Bachelor Degree, Bachelor of Science, Kasetsart University

Master of Business Administration of SOUTHEASTERN OKLAHOMA STATE UNIVERSITY

ADVANCE COURSE IN MANAGEMENT DEVELOPMENT PROGRAMME, WESTPAC COLLEGE

#### **Experience**

2001 - 2005: Chief Executive Officer of NFC Fertilizer Public Company Limited

1998 - 2000: Advisor of NFC Fertilizer Public Company Limited

1997 - 1998: Managing Director of Bangkok Asian Finance Co., Ltd.

1996 - 1997: Managing Director of CL Sahaviriya Finance & Securities Co., Ltd.

1995

Director of Thai Copper Industries Public Co., Ltd.

Director of Bangkok Polyester Co., Ltd.

President of Solving Toll Way Problem

1994 - 1996: Deputy Managing Director of Bangkok Metropolitan Bank Public Co., Ltd.

1992 – 1994: Senior Deputy Managing Director of ITF Finance & Securities Public Co., Ltd.

1985 - 1992: Member of Executive Committee of A.G.C. (THAILAND) FINANCE&SECURITIES Co., Ltd.

1982 - 1995: Director of STAR OF SIAM INC., NEW YORK, U.S.A.

1980 - 1981: General Manager of Tangent Engineering Co., Ltd.

1977 - 1979: Marketing and Credit Division of Siam Commercial Bank Public Co., Ltd.

2. Mr. Nuttaphob Ratanasuwanthawee (Vice Chairman)

#### **Education**

Master Degree/ Master of Arts (Political Science) / Ramkamhaeng University

Bachelor Degree/ Bachelor of Arts (Political Science) / Ramkamhaeng University

#### **Diploma**

Directors Accreditation Program (DAP) 28/2004, Thai Institute of Directors (IOD)

Directors Certification Program (DCP) 53/2005, Thai Institute of Directors (IOD)

#### **Experience**

2004 - present: Managing Director and Chief Executive Officer of NFC Fertilizer Public Company Limited

1985 - present: Chairman and Managing Director of SC Group (Logistics Business)

- NP Marine Co., Ltd.

- SC Carrier Co., Ltd.

- Liquid Gass Supply Co., Ltd.

- SC Management Co., Ltd.

- Chemical and Aromatic (Thailand) Co., Ltd.

- SC Logistics Co., Ltd.

- Roong Natee Co., Ltd.

1981 – 1989: Managing Director of Unique Gas& Petrochemicals Co., Ltd.

1979 – 1981: Sale Manager of Gutwirth (Thailand) Co., Ltd.

1977 - 1979: Rattana Suwan Industrial Limited Partnership

3. Assoc.Prof.Dr. Seri Wongmonta (Chairman of the Audit Committee)

**Education**

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

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

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

Bachelor Degree, Bachelor of Arts (Honor)

English Literature and Foreign Language,

Thammasat University

**Experience**

Current: Chairman of Good Communication Limited Partnership

Current: Chairman of the Audit Committee NFC Fertilizer Public Company Limited

2008 - present: Lecturer at The Graduate School, Naresuan University

2008 - 2009: Advisor of Ministry of Agriculture and Cooperatives

2008: Director of Master of Communication Arts, Suan Dusit Rajabhat University

2008: Director of Philosophy of Management, Suan Dusit Rajabhat University

2007: Advisor of Deputy Minister of Ministry of Transport named Mr. Nikorn Jumnong

1997 - 2000: Chairman of Better Impact Communication Company Limited (BIC)

1995 - 1996: Vice President of Marketing Department, Siam TV and Communication Co., Ltd.

1991 - 1994: President of Integrated Communication Co., Ltd.

1979 - 1991: Vice President of Research Department of Far East Advertising Co., Ltd.

1979 - 1979: Vice President of Research Department of Ted Bates Advertising Co., Ltd.

4. Mr. Sumit Petcharapirat (Audit Committee)

**Education**

Bachelor of Engineering of Chiang Mai University

Master of Business Administration of National Institute of Development Administration

**Experience**

1988 - present: Managing Director of Chairatchakarn (Bangkok) Company Limited and Toyota Chairatchakarn Company Limited

2005 – 2007: Vice President of Academic Department, Business Administration Alumni Association of National Institute of Development Administration

2007 – 2009: Vice President of Administration Department, Business Administration Alumni Association of National Institute of Development Administration

2009 – 2011: President of Business Administration Alumni Association of National Institute of Development Administration

2009 – 2011: Director of Business Administration Alumni Association of National Institute of Development Administration

2009 – 2013: Director of Business Incubator of National Institute of Development Administration

2011 – 2013: Vice President of Business Administration Alumni Association of National Institute of Development Administration

2014: Director of Engineering Alumni Association, Chiang Mai University

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

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

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



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

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

2013 - present: Director of Right-Livelihoods Foundation

2013 - present: Conciliator of Provincial Court, Samutprakarn Province

5. Mrs. Aree Termwattanapakdee (Audit Committee)

**Education**

Master Degree / Master of Business Administration from Chulalongkorn University

Bachelor Degree / Bachelor of Business Administration in Accounting from Ramkhamhaeng University

**Diploma :**

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

Thai Institute of Directors

Company Secretary Program (CSP)

Audit committee Program (ACP)

Effective Minute Taking (EMT)

Board Reporting Program (BRP)

Training the Trainer from Anti-Money

Monitoring Fraud Risk Management (MFM)

Monitoring the system of Internal Control and Risk Management (MIR)

Anti Corruption : The practical Guide (ACPG)

Director Accreditation Program (DAP)

Laundering office of Anti-Money Laundering Office (AMLO)

**Experience**

2014 - present: Independent Director and Audit Committee of Bangpakong Terminal Public Company Limited

2009 - present: Senior Executive Director Head of Compliance & Internal Audit Department and secretary of the Audit Committee of SEAMICO SECURITIES Public Company Limited

1999 - 2009: Director Head of Compliance & Internal Audit Department and secretary of the Audit Committee and Risk Management and secretary of Good Governance Committee and Recruitment of SEAMICO SECURITIES Public Company Limited

1994 - 1998: Senior Vice President, the Internal Audit & Compliance Officer of CATHAY CAPITAL Company Limited

6. Mr. Suppakit Duyapich (Director)

**Education**

Bachelor Degree of Faculty of Commerce and Accountancy, Thammasat University

Bachelor Degree of Faculty of Law, Thammasat University

**Current Position**

Retired civil servant (Retirement on 1 October 2005)

Director and Member of Executive Committee of NFC Fertilizer Public Company Limited

**Experience**

1966 - 1969: Third Accountant of the Customs Department

1969 - 1982: Third and Second Customs Inspector of the Suppression Division

1982 - 1983: Legal Officer 6 of Affairs Division

1983 - 1985: Head of Bonded Warehouse of Duty Return and Export Promotion Division

1985 - 1989: Personnel 7 of Officer Division

1989 - 1990: Director of Finance Division of the Customs Department

1990 - 1997: Director of Duty Return and Export Promotion Division

1997 - 1999: Director of Bangkok Port Import Clearance Bureau

1999 - 2000: Director of Bangkok Airport Cargo Clearance Customs Bureau

2000 - 2004: Director of Bangkok Customs

2004 - 2005: Deputy Director-General of the Customs Department

**7. Mr. Yongyos Palanitisa (Director)**

**Education**

Master Degree of Business Administration,  
Central State University, Oklahoma USA  
Bachelor Degree of Accounting, Chulalongkorn  
University

**Diploma**

Director Accreditation Program (DAP) of Thai  
Institute of Directors (IOD)

**Experience**

**Current**

Director Rayong Bulk Terminal Company Limited  
Adviser of the Board of Directors of Sahathai  
Terminal Company Limited  
Adviser of STAKE INTERNATIONAL BANGKOK  
Company Limited  
Sub-Audit Committee of the Office of the  
Agricultural Futures Trading Commission  
1970 - 1966 and 1969 - 1975: Chaiyos Office  
1976: Accounting Division of Head Office of  
Krungthai Bank  
1976: Audit Division of Head Office of Bangkok  
Bank  
1959 - 1978: Internal Auditor of Citicorp Finance &  
Securities Thailand Limited (CFS)  
1978 - 1982: Manager of Administration and  
Operation of CFS  
1982 - 1984: Manager of Financial Institute's  
Credit Division of the Representative Office of Citi  
Bank  
1984 - 1987: Manager of Financial Management  
Division of Asia Trust Bank and Siam Bank  
1987 - 1989: Manager of Financial Management  
Division of Siam City Bank Public Company  
Limited  
1989 - 1994: Managing Director of Dynasty  
Ceramic Public Company Limited  
1995 - 1999: Managing Director of TPS Wooden  
Products Company Limited

2002 - 2003:

Advisor of the Board of Directors of Industrial  
Estate Authority of Thailand  
Sub-Committee of the Board of Sub-Committee on  
project consideration and the Board of Sub-Committee  
on Investment of the Board of Investment of Thailand  
(BOI)

2003 - 2004:

Director of Small and Medium Enterprise  
Development Bank of Thailand (SME Bank)  
Audit Committee of SME Bank  
Chairman of Thailand Longstay Management  
Company Limited

2002 - 2005:

Director of Mass Rapid Transit Authority of  
Thailand (MRTA)  
Audit Committee of Mass Rapid Transit Authority  
of Thailand (MRTA)  
Director of Port Authority of Thailand

2005 - 2005: Director and Member of Executive  
Committee NFC Fertilizer Public Company Limited

2002 - 2002: Director of Port Authority of Thailand

2003 - 2005:

Acting Director of Port Authority of Thailand  
Chairman of the Audit Committee of Port Authority  
of Thailand  
Sub-Executive Committee of Bangkok Port  
Sub- Executive Committee of Laem Chabung Port

2002 - 2006:

Director of Thai Oil Power Company Limited  
Honorary Advisor of Committee on Finance,  
Banking and Financial Institutions of the Senate  
Director of Thailand Textile Institute  
Sub-Committee on Transport and Public Transport  
under Committee on Privatization of the State  
Enterprises of the Senate  
Advisor of the Board of Directors of Social  
Security Fund

Director Small and Medium Enterprise

Development Bank of Thailand

2006: Chairman of the Audit Committee of SME  
Bank

2008: Chairman of the Executive Committee of  
Murex Company Limited (Blue Canyon Country  
Club)

2008 - 2009:

Member of Executive Committee and Chairman of  
the Sub-Committee on Organizational  
Development, Member of Executive Committee  
and Chairman of the Sub-Committee of  
Wastewater Management Authority

2009 - 2010:

Vice Chairman of Public Warehouse Organization  
Vice Chairman and Acting Director of Public  
Warehouse Organization

8. Mrs. Sunee Sornchaitanasuk (Director)

**Education**

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

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

Bachelor Degree of Accounting, Thammasat University

**Diploma**

Thammasat Leadership Program (TLP) Class 1 Diploma, National Defence College, The Joint State - Private Sector Course Class 24, National Defence Studie Institute

Senior Executive Program of the Capital Market Academy (CMA) Class 11

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

Certified Public Accountant (Thailand) with Certified Public Accountant No. 3733

Thai Institute of Directors

Director Diploma Examination 18/2005(Fellow member)

Director Certification Program 53/2005(DCP)

Audit Committee Program 5/2005 (ACP)

Directors Certification Program DCP 66-67/2005

Director Accreditation Program 28/2004 (DAP)

**Current Position**

Honorary Director of Accounting of Commission of Financing of Education, Ministry of Commerce

The Standing Committee On Tourism of the house of representatives

Director / Audit Committee of EMC Public Limited

Director of NFC Fertilizer Public Company Limited

Director and Secretary of Fund for giving and supporting poor patients under HRH Princess Maha Chakri Sirindhorn

Member of Executive Committee of Doctor of Medicine Program and other programs under the strategies of linkage program development, Faculty of Medicine of Srinakharinwirot University  
Director/Managing Director of Dmedhearing Center Company Limited  
Director/Managing Director of Dusit Med Company Limited  
Honorary Director of the Board Operations, HRH Princess Maha Chakri Sirindhorn Medical Center, Srinakharinwirot University  
Committee and Treasurer of Thai Biomedical Engineering Research Societies, HRH Princess Maha Chakri Sirindhorn Medical Center, Faculty of Medicine of Srinakharinwirot University

9. Mr. Wiboon Rasmeepaisarn (Director)

**Education**

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

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

**Current Position**

Managing Director of Warach Paisarn Company Limited

Director of NFC Fertilizer Public Company Limited

Member of Executive Committee of Simonds

International Asia Marketing Company Limited

Member of Executive Committee of Eltek Valere (Thailand) Company Limited

**Experience**

2003 - 2007: Director of Accounting and Finance of NFC Fertilizer Public Company Limited

2000 - 2003: Director of Accounting and Finance of Asia Sermkij Leasing Public Company Limited

Director of Accounting and Finance of Bangkok Grand Pacific Lease Public Company Limited

1998 - 1999: Audit Manager for Y2K project of BDO Consultant Company Limited

1992 - present: Managing Director of Warach Paisarn Company Limited

1994 - 2009: Managing Director of Excel International Company Limited

1990 - 1992: Business Consultant Manager of SGV-Na Thalung Office Company Limited (Arthur Andersen Group)

1987 - 1990: Executive Manager of SC Management Company Limited

1985 - 1987 : Senior Auditor of SGV-Na Thalung Office Company Limited

10. Mr. Nataphong Ratanasuwanthawee (Director)

**Education**

Bachelor Degree/ Public Administration, Ramkamhaeng University

**Experience**

SC Group

2005 - 2007: Management Trainee

2007 - 2009:

Central Logistics Manager

Logistics Management Information System Manager

2009 - 2012:

Vice President - NGV

Vice President - Logistics Management Information System

2012 - 2013:

Vice President- Business Development and Joint Venture

**Present**

**Senior Vice President – Business Development and Joint Venture**

Director of SC Group

- SC Carrier Company Limited
- SC Management Company Limited
- SC Group Company Limited
- SC Group Holding Company Limited
- SC Corporation Company Limited
- SCG Logistics Company Limited
- Chemical and Aromatic (Thailand) Company Limited
- NP Marine Company Limited
- NP Marine Logistics Company Limited
- SC Offshore Service Company Limited
- Thai International Dockyard Company Limited
- SC Auto Logistics Company Limited
- P K R Logistics Company Limited
- Strategic Portlink Company Limited
- Liquid Gas Supply Company Limited

11. Mrs. Bongkot Rungkornpaisarn (Director)

**Education**

Master Degree / Master of Business

Administration, Chulalongkorn University

Bachelor Degree/ Accounting, Chulalongkorn University

**Current Position**

Executive Vice President (Finance and Corporate Affairs) of NFC Fertilizer Public Company Limited

Vice President (Corporate Affairs) of SC Group

**Experience**

2013 - present: Director of Bangpakong Terminal Public Company Limited

2004 - present: Vice President (Finance and Management) of NFC Fertilizer Public Company Limited

1996 - present: Vice President (Corporate Affairs) of SC Group (Logistics Business)

- NP Marine Company Limited
- SC Carrier Company Limited
- Liquid Gass Supply Company Limited
- SC Management Company Limited
- Roong Natee Company Limited
- Chemical and Aromatic (Thailand) Company Limited
- SC Offshore Company Limited
- SC Logistics Company Limited

1991 - 1996: Accounting and Finance Manager of Creation Center Company Limited

1989 - 1991: Accounting and Finance Manager of Silver Rain Decorate Company Limited

1988 - 1989: Director of Accounting and Finance (Controller) of Kris and Associates Company Limited (Ocean Group)

1985 - 1988: Senior Auditor of SGV-Na Thalung Office Company Limited

12. Mr. Kijja Smunyahirun (Director)

**Education**

Bachelor Degree (Accounting), Bangkok University

**Diploma**

Director Accreditation Program (DAP) of Thai Institute of Directors (IOD) (DAP 112/2014)

**Current Position**

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

Senior Vice President (Human Resource) of SC Group

**Experience**

2001 - 2006: Director Rayong Bulk Terminal Co., Ltd.

2003 - 2004: Director of Factory Planning and Administration and Acting Director of Finance and Accounting of National Fertilizer Public Co., Ltd.

2001 - 2003: Director of Administration and Acting Director of Finance and Accounting of National Fertilizer Public Company Limited

2000 - 2001: Senior Marketing Manager of National Fertilizer Public Company Limited

1999 - 2000: Sale Manager (Central – Northern Region) of National Fertilizer Public Company Limited

1997 - 1999: Manager of Administration and Human Resource of National Fertilizer Public Company Limited

1995 - 1997: Manager of Managing Director Office of National Fertilizer Public Company Limited

1989 - 1995: Manager of Central Administrative Officers of Padaeng Industry Public Company Limited

1985 - 1989: System Analyst of Organizational Development of the Industrial Finance Corporation of Thailand (IFCT)

1982 - 1985: Accountant of Paiboon Insurance Company Limited

## General Information

Company's name	:	NFC Fertilizer Public Company Limited
Company's name in English	:	NFC Fertilizer Public Company Limited
Abbreviation	:	NFC
Registration number	:	0107538000495 (formerly, BorMorJor.572)
Registered capital	:	1,076,894,322.40 Baht
Paid up capital	:	1,076,894,322.40 Baht
Type of business	:	Import of raw materials and chemicals used for manufacturing industry and distribution of chemical fertilizers and chemicals, currently classified in "listed companies in the REHABCO (Rehabilitation) sector"
Company Head Office's Address at the present time	:	No. 88 SC Group Tower 4 <sup>th</sup> floor, The Park Land Road, (Bangna – Trad KM.5), Bangna Sub-District, Bangna District, Bangkok.  Tel. (02) 348-0580-6 Fax. (02) 348-0578-9
Factory's address	:	Map Ta Phut Industrial Estate No. 2 I-2 road, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province 21150  Tel. (038) 683-641 Fax. (038) 683-643
Website	:	<a href="http://www.nfc.co.th">www.nfc.co.th</a>
Registrar	:	Thailand Securities Depository Company Limited  93 Ratchadaphisek road, Dindaeng Sub-District, Dindaeng District, Bangkok 10400  Tel. 0-2009-9000 Fax. 0-2009-9991
Auditor	:	Mr. Somkit Tiatrakul  Grant Thornton Company Limited  No. 87/1 18 <sup>th</sup> floor, Capital Tower All Season Place, Lumpini, Pathumwan, Bangkok 10330  Tel. (02) 205-8222 Fax. (02) 654-3339



## **Policy and Overview of Business Operations**

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

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

In 1997, the Company faced financial problem due to a lack of liquidity that resulted from the Baht devaluation of Thailand's currency and, in the meantime, depression did arise to all countries over the world since 1998 onwards. While, the Company had began its factory's construction in 1995 and such construction had a completion schedule in April 1997, but the Company's contractor performed the construction in delay and was unable to deliver the work within the contractual deadline. Until the government announced the Baht devaluation which impacted the Company to be unable to withdraw loan for remaining factory's construction. The Company, at that time, allotted money from other existing working capital to construct the factory until completed. However, at the beginning of manufacturing process, it faced a problem of inability to produce as designed production capacity and techniques and the remaining working capital was not in accordance with the plan drawn. Therefore, the fertilizer was not produced as required. The operating performance of the Company, at the beginning, was unsuccessfully proficient and caused high manufacturing cost per unit accompanied with putting the products on the market at earliest stage incurred high cost of sales promotion, producing an effect of the operating performance being continuously loss. Until the Company entered into the business rehabilitation proceedings of the Central Bankruptcy Court, the financial institutes, the Creditors, that were Thai Asset Management Corporation and Siam Commercial Bank Public Company Limited, decided to find a new group of joint business ventures before entering into the business rehabilitation proceedings. Such new group of joint business ventures was CHINA XIYANG GROUP AND THAIPICON GROUP. The Company was approved by the financial institutes, the Creditors, and the new group of joint business ventures to submit a petition to the Court for business rehabilitation.

The Central Bankruptcy Court ordered on 8 September 2003, the red case no. 1587/2546, to rehabilitate the business of National Fertilizer Public Company Limited, the Debtor, by appointing CJ Morgan Company Limited, located at no. 193/35 Lakerajada Office Complex 10<sup>th</sup> Floor Ratchadapisek Road, Klongtoey Sub-District, Klongtoey District, Bangkok to the Business Rehabilitation Planner of the Debtor.

Latterly, on 30 December 2003, the Central Bankruptcy Court ordered and approved a Business Rehabilitation Plan of National Fertilizer Public Company Limited. All rights and duties and responsibilities of

the Business Rehabilitation Planner was vested in the Plan Administrator under Section 90/58 of the Bankruptcy Act, B.E. 2483 and appointed CJ Morgan Company Limited to be the Plan Administrator. After that, the Company adjusted its capital structure by converting debt into equity in the amount of 583.76 million Baht and collected increase capital payable by the new group of joint business ventures in the amount of 1,838 million Baht to pay debt under the plan in the amount of 1,588 million Baht and to be working capital in the business in the amount of 250 million Baht. The Company has been changed from "National Fertilizer Public Company Limited" to "NFC Fertilizer Public Company Limited".

On 13 September 2004, the Company's business rehabilitation achieved the plan. Then the Court ordered to dismiss the Company's business rehabilitation. All power of assets and business management of the Company was vested in the Board of Directors of NFC Fertilizer Public Company Limited as before.

In February 2005, the Company began face a problem of depreciated condition of the machinery. There were leakage of gas from the unit of sulfuric acid manufacture, affecting to people and the environment surrounding the factory. Consequently, the Company must suspend the machinery operation in order to repair such machinery for manufacturing chemical fertilizers periodically. In the meantime, products made from the factory had no consistent quality. Therefore the management requested for a budget of repair or suspension of chemical fertilizers manufacture. The Board of Directors resolved that the management should 1) review and inspect the machinery condition for evaluating the manufacturing capacity; 2) continue the manufacture until the raw materials are over or as much as the machinery may be operative in safety; 3) study additionally alternative ways which emphasize the long-term business and utilize existing channels for distribution. In addition, the Board of Directors resolved and approved to add the Company's objectives in Clauses 26-28 and revise the Company's memorandum to be corresponding. However, in the Extraordinary Shareholders' Meeting no. 1/ 2006, the Shareholders' Meeting resolved not to add the Company's objectives in Clauses 26-28 and revise the Company's memorandum to be corresponding.

On 22 March 2006, Seamico Securities Public Company Limited reported the result of the research of alternative ways for engaging the business of chemical fertilizers of the Company and the analyzing result of financial reasonability that in the past, the Company manufactured and sold its product not reaching the break-even point. If the Company remains continuing such manufacturing, it will cause loss for every selling ton. The Board of Directors considered suspending the manufacturing temporarily in order to maintain the Company's cash flows and to study additionally technical manufacture. The management accordingly reported the shareholders thereof in the Annual General Shareholders' Meeting of 2006. The Shareholders' Meeting significantly resolved that was to acknowledge the result of the research of alternative ways for engaging the business of chemical fertilizers of the Company and the analyzing result of financial feasibility from the financial advisor of Seamico Securities Public Company Limited, but not approve for adding the Company's objectives in Clauses 26-28 and revising the Company's memorandum to be corresponding.

From depreciated condition of the factory, the Company then arranged to reevaluate the properties in order to record the result of impairment in accordance with the accounting standard no.36. The Company received a report of asset evaluations from an independent appraisal on 24 January 2007, stating that the fair value of the assets in the factory lowers than the book value. Therefore, the Company recorded loss from impairment in the financial statement at the year ended on 31 December 2006.

On 27 February 2007, an independent technical advisor, Asso.Prof. Charoon Mahittafongkul, a lecturer of industrial engineering of the faculty of engineering, Chulalongkorn University reported a result of the research that For the Company's investment of the factory's renovation, that are constructing the absorption house, spraying fire protective materials onto the buildings, installing the acid recycling pump and repairing damaged machinery and equipment totaling 238 million Baht approximately, it will not improve the machinery to be operative because there remains damage inside the machinery initially evaluated the cost of repair for approximately 170 million Baht and even if there will be all the said repair, the factory can manufacture bulk blending fertilizer not over 550,000 tons a year definitely. The said machinery's improvement is only operative, but not an upgrade of the machinery to be better or to have proficiency as new machinery. Furthermore, to further manufacture compound chemical fertilizers has risks to safety and environment including neighboring communities, the Company may need to suspend the manufacture of chemical fertilizers from the use of existing machinery and equipment. The management notified thereof the shareholders in the Annual General Meeting of 2007 on 26 April 2007 and the Shareholders' Meeting concluded to acknowledge the result of the research of the financial advisor and technical advisor. The Company will educate the information for planning in future and further presents the shareholders.

In 3<sup>rd</sup> quarter of 2007, the factory's condition was more depreciated. Therefore the Company arranged to evaluate the property and properties used in future has been evaluated as well by means of depreciated replacement cost method and also evaluate the properties which will not be used in future by means of market approach method or a method of a comparison of the fair value comparing and the book value. It found that net evaluated price lowers than the book value. The Company recorded loss from impairment of properties accordingly and this situation affected the Company having liabilities more than assets and the Company must reenter into the business rehabilitation. The Central Bankruptcy Court then ordered to dismiss the petition for business rehabilitation on 29 October 2007.

On 4 April 2008, Asia Polysacks Company Limited, as a trade account payable of fertilizer sacks, had submitted a petition requesting the Company to be under the business rehabilitation through the Central Bankruptcy Court and requesting the Company to be the Business Rehabilitation Planner itself. The Central Bankruptcy Court then received the petition 11 April 2008 and set the date of examining the petition for business rehabilitation on 9 June 2008. Later on, the Central Bankruptcy Court issued an order of dismissal of the petition for business rehabilitation on 30 June 2008.

On 23 May 2008, Industrial Estate Authority of Thailand or IEAT terminated the land lease agreement for industrial purpose at Map Ta Phut Industrial Estate with the area approximately 650 Rai where is a location of the Company's chemical fertilizers manufacturing factory, accusing that the Company had not used the land in accordance with the lease agreement's objective and terminated the Agreement for Joint Development of the Pier Area with the Company, and also in which the subsidiary counter claimed that IEAT had cancelled the agreement unlawfully because the Company considered that the said termination was inaccurate, unlawful and unfair to the Company.

On 28 July 2008, NFC Fertilizer Public Company Limited had submitted a petition for business rehabilitation to the Central Bankruptcy Court and the Court received the said petition for business rehabilitation on 29 July 2008 and appointed to examine the petition on 1 September 2008.

On 13 August 2008, the Extraordinary Shareholders' Meeting no. 1/2008 was held at Meeting Room 1, 2 B zone of the Queen Sirikit National Convention Center with the following substantial agendas:

- Reporting the Company's shareholders problems on the Company's operations regarding IEAT has terminated the land lease agreement. One of shareholders proposed the meeting to change this reporting agenda to be an agenda for consideration because this issue is considered as significant. Therefore the Chairman of the meeting requested the meeting for passing a resolution by majority vote to change the agenda. The meeting voted a resolution of acknowledgment of the Company's operational problems and change from the reporting agenda to be the agenda for consideration in order for resolving and approving the Company's guideline for negotiating on issues of land lease agreements and agreements for joint operations as a party with Industrial Estate Authority of Thailand by majority vote. The meeting passed the resolution to approve the Company's guideline for negotiating on issues of land lease agreements and agreements for joint operations as a party with Industrial Estate Authority of Thailand as the Board of Directors thinks it is fit. If it cannot reach a final agreement, then further exercise the judicial right.

- Considering and approving to amend the Company's objectives in the Memorandum of the Company to be clear and the meeting resolved to approve for the amendment of the Company's objectives from 25 clauses to be 31 clauses as proposed and amend the memorandum of the Company Clause 3 to be corresponding.

On 28 January 2009, the Central Bankruptcy Court ordered to NFC Fertilizer Public Company Limited to be under the business rehabilitation and appointed NFC Fertilizer Public Company Limited to be the Business Rehabilitation Planner. Nevertheless, since the date of which the Court ordered to be under the business rehabilitation, the power and duties of business and assets management of the Company and all lawful rights of the shareholders of the Company, unless the right of receiving dividend, were vested in the Business Rehabilitation Planner under Section 90/25 of the Bankruptcy Act, B.E. 2483.

On 4 February 2009, NFC Fertilizer Public Company Limited as the Business Rehabilitation Planner was transferred assets, stamp, accounting books, documents regarding assets, liabilities and the Debtor's business from the Board of Directors.

On 21 April 2009, the announcement of the Receiver, subject: Order for business rehabilitation and appointment of NFC Fertilizer Public Company Limited to be the Business Rehabilitation Planner was posted in the royal gazette and the Receiver sent the announcement thereof to the Company's debtors and notified the debtors to submit for receiving the debt within one month after the date of advertising this order (expiration of submission of request for receiving debt was on 21 May 2009).

On 22 May 2009, the Company submitted a petition for disposal of some leasehold right for 110 Rai with remuneration to the Central Bankruptcy Court in order that Bangkok Synthetics Company Limited can directly enter into the land lease agreement with Industrial Estate Authority of Thailand ("IEAT") and the Central Bankruptcy Court appointed to examine the petition on 30 June 2009.

On 30 June 2009, there were the Business Rehabilitation Planner and its lawyer and 11 debtors appearing in the court and only 5 of debtors appearing in the court submitted oppositions on arranging remuneration from disposal of leasehold right of the Company. Upon the Court examined the file and found that the appointment warrant and a copy of the petition sent to 33 debtors have not completely delivered.

The Court then adjourned the date of examining the petitioner and all opponent debtors on 14 July 2009. The Company, as the petitioner, must deliver the debtors such warrant and a copy of the petition and the Company must also bring evidence of the debtors' receipt thereof to the Court on the date of examining appointment.

On 14 July 2009, there were the Business Rehabilitation Planner and its lawyer and 12 debtors appearing in the court and there were 5 opponents as same as the consideration of the petition on 30 June 2009. Today, the Business Rehabilitation Planner's lawyer submitted a petition for amending the petition for allotment of money to have fact in correspondence with the record of fact confirmation of the Business Rehabilitation Planner, dated 3 July 2009, presented to the Central Bankruptcy Court. The Court ordered to adjourn the date of examining appointment to be on 30 July 2009, accordingly.

On 17 July 2009, the Company, as the Business Rehabilitation Planner, submitted a petition for extension of delivery of the business rehabilitation plan no. 1 for another one month from the previous schedule, within 21 July 2009.

On 30 July 2009, there were the Business Rehabilitation Planner and its lawyer and 12 debtors appearing at the Court and there were 5 opponents as same as previous proceedings. The Business Rehabilitation Planner attested 3 witnesses of the petitioner and the Debtor no. 9, the Debtor no. 13, the Debtor no. 18 cross-examined and the Court set the date of hearing the Court's order of 25 August 2009.

On 17 August 2009, the Company, as the Business Rehabilitation Planner, submitted a request for extension of the business rehabilitation plan's submission no. 2 for another one month and submitted closing arguments in the case of submitting a petition under Section 90/12 (9) for disposal of leasehold right in partial with remuneration.

On 25 August 2009, the Central Bankruptcy Court ordered accepting the petition for consideration under Section 90/12(9), the Company as the Debtor waiving or disposing the leasehold right of the 110 Rai of the land leased from IEAT in order that Bangkok Synthetics Company Limited and/or the associate companies lease the said land from IEAT. Bangkok Synthetics Company Limited and/or the associate companies will pay the Debtor the remuneration for returning the said leasehold right in the amount of 4,000,000 Baht per Rai, totaling 440,000,000 Baht before the court is ordering an approval for the plan, specifying the Business Rehabilitation Planner to allot money from the disposal of such leasehold right in the amount of 440,000,000 Baht into 2 parts:

- For the first part not exceeding 120,000,000 Baht, it was deposited at the Central Bankruptcy Court to pay IEAT before other debtors;

- For the second part approximately 320,000,000 Baht, the Business Rehabilitation Planner deposited it at the Central Bankruptcy Court. If necessity for the Debtor's business survival or existence, the Business Rehabilitation Planner will submit the Court a petition for withdrawal from time to time and the Court will consider such petition as it sees appropriate for the Debtor's business survival or existence only. Upon the business rehabilitation plan has been approved by a meeting of Debtors and the Central Bankruptcy Court, the Plan Administrator can withdraw all remaining amount from the Court for conducting the business in accordance with the business rehabilitation plan

On 1 September 2009, the Company signed a memorandum of agreement with IEAT returning the leased area in Map Ta Phut Industrial Estate at the land plot no. I-20/1 in partial as measured approximately 108 Rai 2 Ngan 28.94 Square Wah. Therefore the land under the lease agreement for industrial purpose no. 3-2535-NorPor., dated 18 September 1992 (previous lease agreement) remains the leased area only 541 Rai 1 Ngan 76.66 Square Wah. The Company received the remuneration from such disposal of leasehold right from BST Latex Company Limited ("BSTL") and deposited the said amount with the Central Bankruptcy Court in whole. In the meantime, IEAT has already signed a land lease agreement with BSTL.

On 3 September 2009, the Company submitted a petition for withdrawal of money from the Central Bankruptcy Court to pay IEAT the outstanding debts under the Court's order in the amount of 116,807,147.04 Baht and the land rental in year 18<sup>th</sup> under the lease agreement payable due on 4 September 2009 in the amount of 20,428,593.45 Baht and the amount should be withdrawn on 7 September 2009. However, the Central Bankruptcy Court paid IEAT by cheque on 9 September 2009 instead. Therefore, the Company was charged additional fine by IEAT from the amount requested to withdraw from the Court.

On 18 September 2009, Bank of Ayudhya Public Company Limited discharged some securities: discharge of pledge of the leasehold right 13 title deeds and discharge of mortgage of 15 buildings and constructions, located at the area of 108 Rai 2 Ngan 28.94 Square Wah.

On 21 September 2009, the Company, as the Business Rehabilitation Planner, delivered the Receiver the business rehabilitation plan and the Receiver set a date of the Creditors' meeting on 18 November 2009.

On 5 October 2009, the Company submitted a petition for withdrawing money for VAT in the amount of approximately 30.40 million Baht from the Central Bankruptcy Court by requesting the Court to issue a cheque ordering to pay the "Revenue Department" within 15 October 2009.

On 18 November 2009, in the debtors' meeting, there were 2 petitioners requesting to amend the plan: the Company, as the Business Rehabilitation Planner, and Industrial Estate Authority of Thailand. The debtors' meeting resolved not to amend the plan in accordance with the petition for amending the business rehabilitation plan of IEAT at the rate of 81.97 percent of the debtors who have voting rights and the debtors resolved to amend the plan in accordance with the petition for amending the Business Rehabilitation Plan of the Company, as the Business Rehabilitation Planner, at the rate of 83.03 percent of the debtors who have voting rights.

Thereafter, the Receiver designated the debtors' meeting to consider and vote for special resolution whether adopt the business rehabilitation plan, dated 21 September 2009 and the amended plan. There were 10 groups of debtors passed the special resolution to adopt the business rehabilitation plan, dated 21 September 2009 and the petition for amending the Business Rehabilitation Plan, dated 13 November 2009 at the rate of 83.05 percent of the debtors who have voting rights. Therefore the plan and amended plan were adopted by the debtors' meeting through the special resolution under Sections 90/46(2), 90/48 and Section 6 of the Bankruptcy Act, B.E. 2483. The debtors' meeting resolved not to establish a board of debtors committee.

On 20 November 2009, the Company, as the Business Rehabilitation Planner, delivered the business rehabilitation plan (revised version), dated 18 November 2009 to the Receiver for presenting to the Central Bankruptcy Court.

On 3 December 2009, the Central Bankruptcy Court ordered a date of appointment for considering the business rehabilitation plan on 18 January 2010 at 09.30 a.m.

On 18 January 2010, there were 2 debtors: Siam Commercial Bank Public Company Limited, as the Debtor no. 8; and Thai Asset Management Corporation, as the Debtor no. 19, submitted a petition for opposing the business rehabilitation plan. The Central Bankruptcy Court then ordered to set the date of examining the petition for opposing the business rehabilitation plan on 16 February 2010 at 09.30 a.m. and on 15 March 2010 at 09.30 a.m.

On 16 February 2010, the Central Bankruptcy Court examined the Business Rehabilitation Planner. No debtors desired to examine the witnesses. The Central Bankruptcy Court set the date of hearing the judgment/order on 23 March 2010 at 09.30 a.m.

On 23 March 2010, the date of hearing the order, the Central Bankruptcy Court set an issue of secured debtorship of the Debtors of group 1 (Bank of Ayudhya Public Company Limited) in accordance with the business rehabilitation plan is unclear. The Court chose stakeholders to bring evidence to prove this issue first and set the date of examining additional evidence on 2 April 2010 at 09.30 a.m.

On 2 April 2010, the Central Bankruptcy Court gave opinion that the assignment letter of leasehold right as a security between the Company and Bank of Ayudhya Public Company Limited is not a security under the Bankruptcy Act, B.E. 2483. Money received from the disposal of leasehold right in partial therefore should be received by all debtors equally.

On 26 and 28 April 2010, the Company, as the Business Rehabilitation Planner, submitted a petition for amending the Business Rehabilitation Plan of the debtors no. 2 on the issue of allotting money received from the disposal of leasehold right payable from the saving account for the security of debt payment to all debtors according to the proportion of outstanding debt of each debtor.

On 2 June 2010, the debtors' meeting approved the business rehabilitation plan of NFC Fertilizer Public Company Limited with the votes of 82.29 percent.

On 7 June 2010, the Company, as the Business Rehabilitation Planner, delivered the business rehabilitation plan, dated 2 June 2010, approved and adopted by the debtors' meeting to the Receiver and then further present to the Central Bankruptcy Court for consideration.

On 17 June 1990, the Central Bankruptcy Court set the date of hearing the order, but there were 2 debtors: Siam Commercial Bank Public Company Limited and Thai Asset Management Corporation submitted a petition for opposing the revised business rehabilitation plan on issues of unclear debt payment and unclear guidelines for business operations and an issue of Hair Cut of repeated debt of the business rehabilitation plan of 2003. The Company, as the Business Rehabilitation Planner, submitted a statement of fact or opinion explaining the said opposed issues of the business rehabilitation plan to the Court. Therefore, the Court set the date of hearing the order on 7 July 2010 at 09.30 a.m., accordingly.

On 7 July 2010, the Central Bankruptcy Court ordered to approve the said business rehabilitation plan and appointed the Company to be the Plan Administrator. Therefore rights, duties and responsibilities of the Business Rehabilitation Planner was vested in the Plan Administrator from the date of which the Plan Administrator received the Court's order. In the same day, the Central Bankruptcy Court ordered to approve the petition for withdrawing the remaining amount of 219,442,854.23 Baht which the officer of the Court

issued a cheque ordering to pay the Company on 4 August 2010. The Company already deposited such amount into the saving account for the security of debt payment on the said date and the Company must allot the said amount to debtors in accordance with the business rehabilitation plan, Clause 8.2.13 in the amount of 217,482,252.96 Baht and the remainder in the amount of 1,960,601.27 Baht the Company, as the Plan Administrator, withdrew for being working capital.

On 6 August 2010, the Company as the Plan Administrator paid debts in accordance with the business rehabilitation plan, Clause 8.2.13; paying the debts from the saving account for security of the debt payment to the Debtors of groups 1, 2, 3, 4, 5, 6, 7, 8, 9, and 12, totaling 208,108,141.78 Baht. For the remaining amount of 9,347,111.18 Baht was vested in the Debtors of group 6. The Company already paid the debtor debt from its working capital and the Debtors of group 12 was waiting for the Central Bankruptcy Court's order.

On 5 September 2010, the Company as the Plan Administrator began pay the debt in accordance with the business rehabilitation plan to the Debtors of group 12 for the first installment and counting to the end of 2011, the Company made 6 installment payments for the debt.

The Company must reorganize the capital structure in accordance with the business rehabilitation plan within 180 days from the date of commencement of the business rehabilitation plan ( within 4 January 2011), summarizing that:

- On 17 August 2010, the Company submitted a petition for reduction/increase of capital to the Central Bankruptcy Court.
- On 19 August 2010, the Court ordered to approve the petition for reduction/increase of capital (acknowledged the order on 25 August 2010).
- On 6 September 2010, the Receiver issued an announcement of change of the article of association and contents in the memorandum of FC Fertilizer Public Company Limited.
  - Reducing unpaid capital by write-off unsellable or unsealing registered shares in the amount of 1,513,380,280 Baht, divided into 1,513,380,280 shares with par value 1 Baht each to be 2,486,619,720 Baht of the registered capital, divided into 2,486,619,720 shares with par value 1 Baht each;
  - Reducing paid capital by reducing the par value from 1 Baht to be 0.16 Baht and the paid capital will be reduced to be 397,859,155.20 Baht, divided into 2,486,619,720 shares.
- On 17 September 2010, the Company registered the reduction of unpaid capital in the amount of 1,513,380,280 Baht, divided into 1,513,380,280 shares with par value 1 Baht each to be 2,486,619,720 Baht of the registered capital, divided into 2,486,619,720 shares with par value 1 Baht each with the Ministry of Commerce.
- On 22 September 2010, the Company submitted a request for increase of capital in order to support the conversion of debt into equity under the business rehabilitation plan in the amount of 339,035,167.20 Baht with par value in the amount of 0.16 Baht which was equivalent to the increasing number of registered capital for 2,118,969,795 shares.



■ On 30 September 2010, the Company registered the reduction of paid capital at the Ministry of Commerce by reducing the par value from 1 Baht to be 0.16 Baht. Therefore, the registered capital was reduced to be in the amount of 397,859,155.20 Baht, divided into 2,486,619,720 shares.

■ On 27 October 2010, the Court ordered to approve as the request for increase of capital in order to support the conversion of debt into equity under the business rehabilitation plan (acknowledged of the order on 3 November 2010).

■ On 11 November 2010, the Receiver issued an announcement of change of the articles of association or contents in the Memorandum of the Company.

■ On 15 November 2010, the Company registered the increase of capital in order to support the conversion of debt into equity in the amount of 339,035,167.20 Baht, with par value of 0.16 Baht per share which was equivalent to the number of 2,118,969,795 shares, totaling 736,894,322.40 Baht of the new registered capital, divided into 4,605,589,515 shares.

■ On 2 December 2010, Thailand Securities Depository Company Limited (TSD) issued share certificates to the Creditors who received the conversion of debt into equity under the business rehabilitation plan and, in the same day, the Company registered to collect payment for the increased capital from the conversion of debt into equity in the amount of 339,035,167.20 Baht with par value of 0.16 Baht which was equivalent to the number of 2,118,969,795 shares, totaling 736,894,322.40 Baht of the new registered capital, divided into 4,605,589,515 shares.

■ On 7 December 2010, the Company sent letters of the conversion of debt into equity under the business rehabilitation plan accompanied with share certificates to 5 Creditors who received the conversion of debt into equity under the business rehabilitation plan.

On 7 January 2011, the Company as the Plan Administrator has began to pay the Debtors of group 7, group 8, and group 9 the 1<sup>st</sup> installment for the debt and counted to the end of 2011, totaling 12 installment payments, in accordance with the business rehabilitation plan.

On 7 July 2012, the Company as the Plan Administrator has began to quarterly pay the Debtors of group 1 – 5 the 1<sup>st</sup> installment for the debt in accordance with the business rehabilitation plan.

### **Significant Change and Development**

In the past 5 years, the Company has significant changed and developed the structure of shareholding, business management and engagement as follows:

- On 10 March 2011, the Stock Exchange of Thailand (“SET”) announced that the Company is in the Non-Performing Group: NPG in phase 1.
- On 2 November 2011, the Company, as the Plan Administrator, submitted a petition for revising the business rehabilitation plan for engaging the business of woodchips’ distribution due to it is a business which can earn revenue from the use of the Company’s existing assets for the highest benefit.
- On 21 November 2011, the Company, as the majority shareholder of Rayong Bulk Terminal Company Limited (“the Subsidiary Company”), took action against the Industrial Estate Authority of Thailand (“IEAT”) on the ground of tort and claimed for damages from the event that IEAT

terminated the Agreement for Joint Development of the Pier Area with the Subsidiary Company and notified the Subsidiary Company to hand over the possession of the pier area which has caused the Company suffered damage and also it may affect to performance in accordance with the Company's business rehabilitation plan.

- On 21 December 2011, the directors' meeting resolved to adopt the proposal on revising the business rehabilitation plan with the vote of 82.48 percent of the debtors having voting rights and voted. The debts were not less than 50 percent of all debts.
- On 11 January 2012, the Company, as the Plan Administrator, submitted a petition for delivery of the business rehabilitation plan (revised edition) to the Central Bankruptcy Court. The Court set the date of considering the petition thereof on 13 March 2012.
- On 12 March 2012, the Stock Exchange of Thailand ("SET") announced that the Company is in the Non-Performing Group: NPG in phase 2.
- On 13 March 2012, the Court considered the petition and reported the Receiver. There was any opponent. The Court was of opinion that this case can be considered and ordered without examining witness. Therefore, the Court rescinded the inquiry and witness examination. Consequently, the Court ordered to revise the business rehabilitation plan on 28 March 2012.
- On 16 March 2012, the Company, as the Plan Administrator, submitted a petition for adding the Company's objective to be in correspondence with the revision of the aforementioned business rehabilitation plan which is "Clause 32 Engaging the business of sale and distribution of woodchips in the country and overseas"
- On 24 May 2012, the Central Bankruptcy Court ordered and approved the Plan Administrator to amend the contents of the Company's memorandum.
- On 30 May 2012, the Legal Execution Department notified the registrar of Bangkok Office of Partnership and Company Registration the order of permission to register the amendment of contents in the Company's memorandum.
- On 12 June 2012, the Company, as the Plan Administrator, registered the amendment of contents in the Company's memorandum with the Ministry of Commerce completely.
- On 18 June 2012, the Company, as the Plan Administrator, had a letter to the Industrial Estate Authority of Thailand ("IEAT") requesting to store its woodships in the leased area under the land lease agreement for industrial purpose and to transport the woodships through the Company's pier which is presently under the consideration of IEAT.
- On 21 - 29 June 2012, the Company, as the Plan Administrator, transferred the assets, 5 land plots, to the Debtors of group 5 for the debt payment as specified in the business rehabilitation plan.
- On 2 August 2012, Thai Asset Management Corporation assigned the right of claim which arising from the guarantee, mortgage, and pledge and all any other rights or obligations to Thai Asset Management Corporation under the assignment agreement dated 1 August 2012. Therefore, the

debts under the business rehabilitation plan and the ordinary shares on part of Thai Asset Management Corporation were assigned to Sukhumvit Asset Management Company Limited.

- On 1 November 2012, the Industrial Estate Authority of Thailand approved Rayong Bulk Terminal Company Limited's customers who use the services of the Company's pier area temporarily for one year in order to resolve a problem of overcrowding of commercial ships at Map Ta Phut Industrial Port in accordance with the governmental policy.
- On 12 March 2013, the Stock Exchange of Thailand has announced that the Company is in the Non-Performing Group: NPG in phase 3 with the date of expiration was on 12 March 2014, and the Company requested for extension for remedying the cause of withdrawal for another one year according to the criteria of the Stock Exchange of Thailand.
- On 1 November 2013, the Industrial Estate Authority of Thailand extended the time for Rayong Bulk Terminal Company Limited's customers to use the Company's pier area temporarily for another one year in order to resolve a problem of overcrowding of commercial ships at Map Ta Phut Industrial Terminal in accordance with the governmental policy with the date of expiration was on 1 November 2014.
- On 29 January 2014, the Stock Exchange of Thailand issued a letter to notify the resolution of the Stock Exchange of Thailand to handle with those listed companies whose operate or have their financial position being under the scope of withdrawal in phase 3 and notified the Company to submit a petition for releasing from the cause of withdrawal or for extension in order to performing in accordance with the business rehabilitation for remedying the cause of withdrawal, as the case may be, and deliver the audited financial statement of 2013 by the certified public auditor, including explanation and supportive or useful documents to the Stock Exchange of Thailand on 31 March 2014.
- On 27 March 2014, the Company sent a letter of request for extension in order to performing in accordance with the business rehabilitation for remedying the cause of withdrawal and deliver the audited financial statement of the Company and the Subsidiary for the year ended on 31 December 2013, and the business rehabilitation plan of the Company, stating that the Company cannot obtain the qualifications releasing from the cause of withdrawal under the criteria of the Stock Exchange of Thailand by 31 March 2014 yet, however, the Company is fully qualified under the criteria for extension in order to performing in accordance with the business rehabilitation.
- On 4 April 2014, the Stock Exchange of Thailand issued a letter to notify that not allowing extending the period for the business rehabilitation and withdrawing the Company's ordinary shares from being as the listed securities. SET considered that the consolidated financial statements of 2013, ended on 31 March 2013, which were audited by the certified public auditor showing that the equity has its value lower than zero and showing net loss from the operations. In addition, the Company did not propose any guideline for remedying the cause of withdrawal clearly. Therefore, the Company was not fully qualified as the criteria of extension for remedying the cause of withdrawal. SET accordingly presented the Securities and Exchange Commission to withdraw the Company's ordinary shares from being the listed securities. However, if the Company

has additional fact or evidence which may change the result of the Stock Exchange of Thailand, the Company should explain the Securities and Exchange Commission such fact or evidence for further consideration.

- On 22 April 2014, the Company resubmitted a letter for extension for the business rehabilitation in order to remedy the cause of withdrawal again stating additional information of reasons that cannot obtain qualifications to be released from the cause of withdrawal in accordance with the criteria of the Stock Exchange of Thailand. However, the Company has put best effort to remedy the cause of withdrawal in accordance with the criteria of the Stock Exchange of Thailand. There are other external factors as aforementioned that beyond the Company's control which produced the loss from the operations and the equity, according to the consolidated financial statement for the years ended on 31 December 2013, had its value below zero. However, the Company predicts that it can dispose the leasehold right to some project and can earn profit from the debt restructuring under the business rehabilitation plan. The aforementioned operations could make the equity in the consolidated financial to be positive approximately in quarter 3 of 2014. The Company therefore requested the Stock Exchange of Thailand to consider and approve the extension for the business rehabilitation to the Company for another one year in order to remedy the cause of withdrawal.
- On 6 June 2014, the Stock Exchange of Thailand issued a letter to notify the extension for remedying the cause of withdrawal of the Company's ordinary's shares from being the listed securities, considering that the Company has guidelines and progress of remedying the cause of withdrawal clearly and the Company has attention and effort to remedy the cause of withdrawal consecutively. Therefore, SET gave the extension for remedying the cause of withdrawal until 31 March 2015 and the Company must prepare and a report of operational progress of remedying the cause of withdrawal with its financial statement to the Stock Exchange of Thailand every quarter and must submit a petition for releasing from the cause of withdrawal and deliver the audited financial statement of 2014 by the certified public auditor, including explanation and supportive or useful documents to the Stock Exchange of Thailand on 31 March 2015.
- On 19 June 2014, the Company issued a letter to inform the Stock Exchange of Thailand of acknowledgement of the time given for remedying the cause of withdrawal of the Company's ordinary's shares from being the listed securities.
- On 15 October 2014, the Industrial Estate Authority of Thailand extended the time for Rayong Bulk Terminal Company Limited's customers to use the Company's pier area temporarily for another one year in order to resolve a problem of overcrowding of commercial ships at Map Ta Phut Industrial Terminal in accordance with the governmental policy with the date of expiration was on 30 September 2015.
- On 22 January 2015, the Stock Exchange of Thailand issued a letter to notify the result of the Stock Exchange of Thailand to handle with those listed companies whose operate or have their financial position being under the scope of withdrawal and to give the Company time to remedy such cause of withdrawal which nearly closes the expiration and notified the Company to submit a petition for releasing from the cause of withdrawal and deliver the audited financial statement of

2014 by the certified public auditor, including explanation and supportive or useful documents to the Stock Exchange of Thailand on 31 March 2015.

- On 18 February 2015, the Company submitted the Industrial Estate Authority of Thailand an application for engaging additional business of Tank Farm.
- On 23 February 2015, the Company submitted the Industrial Estate Authority of Thailand an application for engaging the business of providing services of Module Assembly Yard.
- On 23 March 2015 and on 17 April 2015, the Company, as the Plan Administrator, submitted a petition for revising the business rehabilitation plan, for extension of the business rehabilitation for another one year and requesting for providing services of Module Assembly Yard.
- On 23 and 30 March 2015, the Company submitted a letter for extension for revising the cause of withdrawal for another one year due to the Company is submitting the petition for extension of the business rehabilitation with the Central Bankruptcy Court for another one year and therefore the Company requested for extension to revise the cause of withdrawal for another one year that is until 31 March 2016 in order to be corresponding with the business rehabilitation plan and the operation plan of the Company.
- On 8 April 2015, the Stock Exchange of Thailand issued a letter to notify the result of the Stock Exchange of Thailand to handle with those listed companies whose operate or have their financial position being under the scope of withdrawal and to give the Company time to remedy such cause of withdrawal and notified the Company's information proposed by the Company under the letters, dated 23 March and on 30 March were unclear enough to reflect the Company's operations for removal the cause of withdrawal. Therefore, it is necessary to SET to present the Securities and Exchange Commission to withdraw the Company's ordinary shares. However, if the Company has additional fact or evidence which may change the result of the Stock Exchange of Thailand, the Company should explain the Securities and Exchange Commission such fact or evidence for further consideration by this 29 April 2015.
- On 29 April 2015, the Company submitted a letter for extension for remedying and removing the cause of withdrawal for another one year at least, indicating issues of its operational progress under the Court's proceedings and the period of time for operations under the business plan, of revising the cause of withdrawal, of the event that the auditor not giving opinion to the financial statement of the Company since 2010 – 2014, and the Company's operational plan to make the Company obtaining full qualifications and can be released from the cause of withdrawal and can be back to be traded in the normal category by 31 March 2016 as requested by the Company.
- On 8 May 2015, the directors' meeting passed a special resolution to adopt the amendment to the plan as proposed by the Plan Administrator with votes of 81.04 percent of the debtors who have voting rights and voted and 91.74 percent of the debtors who have voting rights and voted, accordingly. The Receiver would collect the complete plan and propose to the Central Bankruptcy Court for further consideration.

- On 27 May 2015, the Company delivered the Stock Exchange of Thailand additional information for presenting progresses and guidelines to remedy the equity to be positive and the operating performance can earn profit continuously.
- On 22 June 2015, the Stock Exchange of Thailand requested the Company to explain fact of remedying the cause of withdrawal the Company's ordinary's shares from being the listed securities and deliver relevant evidence again by 7 July 2015.
- On 23 June 2015, the Industrial Estate Authority of Thailand has authorized the Company to use the land under the land lease agreement for other additional industrial businesses as the Company submitted the request for engaging the business other than manufacturing and distributing fertilizer under the previous objectives.
- On 7 July 2015, the Company explained fact of fact of remedying the cause of withdrawal the Company's ordinary's shares from being the listed securities and deliver relevant evidence to the Stock Exchange of Thailand again and the Company would improve the operational plan for remedying the cause of withdrawal of the ordinary shares with a report of progress on the business rehabilitation of the Company.
- On 3 August 2015, the Stock Exchange of Thailand notified the Company to speed up the operations in order to obtain qualifications to be released from the cause of withdrawal within the time specified by the Stock Exchange of Thailand and requested the Company to submit a petition for releasing from the cause of withdrawal and deliver the audited financial statement of 2015 by the certified public auditor, including explanation and supportive or useful documents to the Stock Exchange of Thailand on 31 March 2016. In addition, SET requested the Company to sign the form of acknowledgement and consent of compliance with the conditions of additional period of time given to remedy the cause of withdrawal and return it to the Stock Exchange of Thailand by 17 August 2015.
- On 22 September 2015, the Central Bankruptcy Court ordered and approved for revising the business rehabilitation plan of the Company by extending the term of the plan for another one year and adding the new module assembly business.
- On 22 September 2015, and On 12 October 2015, the Company, as the Plan Administrator, submitted a petition for revising the business rehabilitation plan no. 3 in order for:
  1. Paying debts in total at once and achieving the business rehabilitation;
  2. Establishing the stability of sustainably business operation, developing long term business operation, developing the business from the potential of currently existing assets and adding business lines by means of combining potential businesses with the Company;
  3. Establishing value added and liquidity of the Company's shares by remedying the cause of withdrawal from the listed securities and the Stock Exchange of Thailand has received the Company's securities to be traded in SET again;

4. Allowing the Plan Administrator to handle the business rehabilitation sufficiently, successful and producing benefits for all debtors.
- On 26 October 2015, the directors' meeting passed a special resolution to adopt the proposal of revising the business rehabilitation plan, equivalent to 68.80 percent of the debtors who have voting rights and voted and the Receiver allowed the Plan Administrator to deliver a complete edition of the plan with explanation to the Receiver within 2 November 2015.
  - On 3 November 2015, the Supreme Court ordered to dismiss the petition for business rehabilitation of the Company in accordance with the Supreme Court's judgment no. 2541/2558. This order affected the power and duties of management and assets of the Company becoming vested in the management, the Board of Directors and the Company's shareholders.
  - Furthermore, on 3 November 2015, the Supreme Court rendered judgment no. 9778/2558 to dismiss the case that the Company request the Court to order IEAT discontinuing or refraining the act for calling the pier area and constructions back because of all process of Automatic Stay which had been effective from the date of which the Court ordered to accept the petition for business rehabilitation become ceased as well.
  - On 11 November 2015, the Company, as the Plan Administrator, had delivered assets, stamp, accounting books, documents regarding assets, and business to the Board of Directors which already inspected and received assets, stamp, accounting books, documents regarding assets, and business of the Company.
  - On 21 December 2015, the Shareholders' Extraordinary Meeting resolved and approved the Company to increase the capital to those who are in the Private Placement in the amount of 340 million Baht by issuing 2,125,000,000 ordinary shares at par value 0.16 Baht per share and approved to allot the said shares to two investors who accepted the Company's capital increase conditions that are: Inter Spec Global Company Limited for 1,375,000 ordinary shares at par value 0.16 Baht , and Mr. Pittayakorn Naothaworn for 750,000,000 ordinary shares at par value 0.16 Baht.
  - On 25 December 2015, the Company was received the said increased share payment in the amount of 340 million Baht completely.
  - On 28 December 2015, the Company registered the paid capital in the amount of 1,076,894,322.40 Baht, divided into 6,730,589,515 ordinary shares at par value 0.16 Baht.
  - As at 28 December 2015 and on 30 December 2015, the Company completely paid debts under the previous business rehabilitation plan to the Debtors of group 1, group 2, group 4, group 5, and group 7. For the Debtors of group 3 is in process of coordinating with a government agency. Furthermore, after the said debts are paid, the Company will have some outstanding debts which the Company has agreed with debtors that the Company will pay the debts by means of delivery of goods and/or services until completed.

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

Previously, the Company has been a manufacturer of chemical fertilizers made from basic raw materials. Now, the Company is adapting its business to be an importer of chemical fertilizer for distribution and manufacture of bulk blending fertilizer; and of chemical products: ammonia and sulfuric acid for distribution in the country.

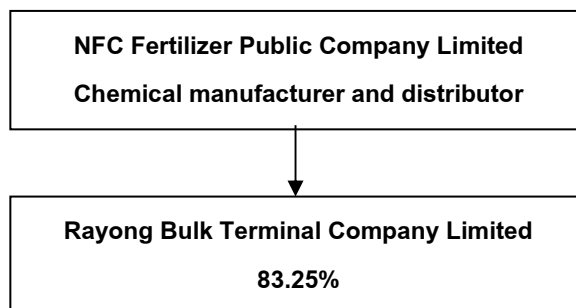
The Company has strategies for business plan operations as follows:

1. Manufacture and distribution of prefabricated chemical fertilizers.
2. Warehousing Services.
3. Distribution of ammonia and sulfuric acid including container services.
4. Distribution of plaster.
5. Logistics services and liquid bulk warehousing.
6. Engagement of business of module assembly yard.



### Shareholding Structure of the Group

The Company has one subsidiary company, Rayong Bulk Terminal Company Limited, which is engaged in the business of pier area and warehouses with shareholding ratio as follows:



## Nature of Business Operations

### Revenue's Structure

Revenue's Structure of the Company in 2013 – 2015						
(Unit: million Baht)						
	2013		2014		2015	
	Amount	Percent	Amount	Percent	Amount	Percent
Income from sales of fertilizers	-	-	-	-	-	-
Income from sales of chemical products	653.03	79.13	720.14	84.86	896.78	65.04
Total Sales Income	653.03	79.13	720.14	84.86	896.78	65.04
Income from services	136.17	16.50	123.81	14.59	145.45	10.55
Profit from debt restructuring	0.00	0.00	0.00	0.00	305.25	22.14
Other incomes	36.10	4.37	4.65	0.55	31.30	2.27
Total Income	825.30	100.00	848.60	100.00	1,378.78	100.00
Source: Financial Statement of the Company						
Increasing (Reducing) Rate of Value						
Distribution (%)	130.61	25.00	67.11	10.28	176.64	24.53

## Types of Products and Services

### 1) Chemical Fertilizers

The Company has plans to distribute 3 types of chemical fertilizers in general as follows: bulk blending fertilizer, compounded fertilizer, and straight fertilizer. All this, the Company manufactures only compounded fertilizer and, for straight fertilizer and bulk blending fertilizer, the Company imports from overseas for distribution to domestic customers.

The Company provides formulated chemical fertilizers, as market demand such as 16-20-0, 16-16-8, 15-15-15 and 18-46-0 under the trademark of National Fertilizer, cooperative, etc., in order to sell to customers.

On part of straight fertilizer and bulk blending fertilizer imported by the Company from overseas for such distribution (sale and purchase), some are be directly resold to customers without any operation and some will be packed by the Company before further selling to customers.

### 2) Gypsum Distribution

The Company has its by-product which is derived from manufacturing bulk blending fertilizer in the past which is stored in the factory area of the Company in Rayong Province. Gypsum benefits are is divided into 2 aspects: agricultural aspect (as integrated substance for soil improvement), and industrial aspect (mostly, used in construction materials industry). In the past, a source of gypsum used was natural gypsum. However, the Company's gypsum has been derived from the manufacture of sulfuric acid with lower cost. With this reason, the Company has more competitive capacity than the natural gypsum of agricultural sector in view of price.

### **3) Distribution of Ammonia and Sulfuric Acid and Container Services**

The Company has imported ammonia and sulfuric acid to distribute to domestic customers as well as has provided goods transportation and transfer through pipeline system and containers to customers as well.

### **4) Warehousing Services**

The Company has space area in its warehouse building which can provide services for those customers who desire to use the said area as their goods storage. These services can generate additional revenue to the Company.

### **5) Pier Area Services for Groups of Customers of Rayong Bulk Terminal Company Limited**

Due to the fact that the Company was approved by the Board of Directors of Industrial Estate Authority of Thailand ("IEAT") to use the Company's pier area as an ad hoc pier area only for the Company's business, temporarily providing services for groups of customers of Rayong Bulk Terminal Company Limited (RBT) for the term of one year from 1 November 2012 in order to resolve a problem of overcrowding of commercial ships at Map Ta Phut Industrial Terminal (MIT) in accordance with the governmental policy. At present, IEAT has approved to extend the term for another one year from 1 October 2015 to 30 September 2016, or until the previous RBT pier area can be operated itself, but not more than one year. Therefore, it can generate revenue by utilizing the existing asset to the Company as well.

## **Marketing and Competition**

### **1) Chemical Fertilizers**

The Company has marketing and sales plans and the Company's target groups are: distributors, agricultural operatives, government sector in agriculture area, industrial factories and blending fertilizer factories.

The Company will initially contact with the group of fertilizer distributors and majority buyers and look for some new distributors, concurrently.

The Company will consider the world's market price and the competitor's selling price in order to be a guideline for pricing and there will be a deduction of additional discount as appropriate with the world's market situation for each period and each area in order to persuade customers to buy the Company's products.

### **2) Gypsum Distribution**

In the past year, the Company has sold gypsum approximately 1,500 tons and the Company also continue to look for other buyers. However, a significant obstruction of the said sale of gypsum are rather high cost of transport compared to the value of the gypsum and the said gypsum may be needed to be improved some properties to be suitable for utilizing in the industrial sector.

### **3) Distribution of Ammonia and Sulfuric Acid and Container Services**

Ammonia is a basic raw material used in industries such as chemical industry, paper pulp, cooler, etc. The Company is advantage from having large storage tanks, owning pier area as well as standardized equipment imported, therefore the Company's operating cost is low, but the slow-down economic situation in overall has decelerated the domestic chemical, rubber, and plastic industries, affecting customers' demand of

ammonia is little increasing only at the rate of 2 percent. However, the Company predicts that it can be competitive in this industry in future.

Sulfuric acid is a basic raw material for many types of basic industries such as fertilizers, batteries, textiles, colors, paper pulp, alum, rubbers, and so on. Manufacturers in Thailand can be divided by manufacturing process into 2 categories: manufactured from burning sulphur and by-product from smelter industry. The competition in the market depends on the manufacturing quantity of the latter type of manufacturer mainly. If it can be manufactured at full capacity, it can produce an affect of excess supply. However, at present, the domestic smelter industry is slowing down. Therefore it must essentially depends on import of sulfuric acid from overseas and the increasing sales volume has been from the Company's customers exporting to neighboring countries.

#### **4) Warehousing Services**

Target customers of the Company are: logistics business and forwarders which demand the use of warehouse area for import and export. The Company predicts that there are other customers engaging in similar business being interested in the Company's warehousing services.

The Company will charge warehouse service fee as actual utilization and the service rate will be adjusted as optimal of market situation at that time.

#### **5) Pier Area Services**

The Company's pier area provides services for groups of customers of Rayong Bulk Terminal Company Limited at Map Ta Phut Industrial Estate. The customers' goods are type of piling goods such as heat rolled coil, cold rolled sheet, H-BEAM steel, etc. At present, IEAT has approved to extend the term for another one year from 1 October 2015 to 30 September 2016, or until the previous RBT pier area can be operated itself, but not more than one year.

### **Procurement of Products and Services**

#### **1) Chemical Fertilizers**

On part of straight fertilizer and bulk blending fertilizer has mainly been imported by the Company from overseas. However, for the Company's procurement of the raw materials some has been provided from both domestic and overseas, depending on the quantity of the raw materials and expenses of each order. All this, the Company has a policy to order the raw materials for many manufacturers in order to reduce the risk of raw material shortage and to acquire qualified raw materials at reasonable price.

#### **2) Gypsum Distribution**

Gypsum is a by-product derived from manufacturing bulk blending fertilizer in the past which is stored in the factory area of the Company in Rayong Province. The Company can distribute it to customers in both agricultural and industrial sectors.

#### **3) Distribution of Ammonia and Sulfuric Acid and Container Services**

The Company has imported ammonia and sulfuric acid to distribute to customers in the country as well as has provided goods transportation and transfer through pipeline system and containers to customers as well.

#### **4) Warehousing Services**

The Company has space area in its warehouse building which can provide services for those customers who desire to use the said area as their goods storage. These services can earn additional revenue to the Company.

#### **5) Pier Area Services for Groups of Customers of Rayong Bulk Terminal Company Limited**

The Company can utilize the Company's currently existing pier area to provide services for groups of customers of Rayong Bulk Terminal Company Limited (RBT). At present, IEAT has approved to extend the term for another one year from 1 October 2015 to 30 September 2016, or until the previous RBT pier area can be operated itself, but not more than one year. Therefore, it can earn revenue from the existing asset to the Company.

## **Risk Factors**

### **Risk from Business Operations**

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

The Company has leased the land in Map Ta Phut Industrial Estate from EAT to engage its business of chemical fertilizer manufacture and distribution or other business as consented by IEAT. The Company therefore has a limit of the objective of the land utilization.

Currently, the Company has received a letter of permission to use land for industrial operations in order for engaging the manufacturing business, sale and purchase of all kind of chemical fertilizers, plaster, ammonia, liquid ammonia, sulfuric acid. If the Company desires to add its objectives for utilizing the land from IEAT for other business and produce benefit for all parties. Other than those specified above, the Company has to obtain prior permission from IEAT.

#### **Risk from important raw materials having shift price according to the selling price of the world's market**

The Company operates the business of import of ammonia and sulfuric acid to sell major customer who are manufacturers and distributors in the country. The prices of ammonia and sulfuric acid are shifted according to the selling price in the world's market. If, in any period, it is in shortage of goods or it is high demanded, there will be high competitive. This situation will make the prices of both goods higher. At present, the Company has therefore managed the risk by setting a structure of selling price referred from the world's market price and setting the prices to cover the impact of pricing risk which is high unstable and collecting the price of goods in advance from customers as well.

#### **Risk from depending on a major customer and a few customers**

In the past, the Company has sold ammonia and sulfuric acid to major customers. By selling ammonia to C&A, the Company has generated revenue from the said customer at high rate of 57.50 percent of the sale and service revenues. The said sale of ammonia was the market price and normal price existing before Mr. Nataphob Ratanasuwanthawee will be the Company's shareholder.

For sulfuric acid, the Company has sold to one major customer who has financial readiness and has potential in transport and distribution with good relationship with the Company for more than 8 years.

The Company therefore has risk if the customer stops purchasing the Company's goods for using as raw materials of its manufacture or retailing in the market. Therefore, the Company has managed the risk by entering into long-term contracts with the customer of ammonia and the customer of sulfuric acid who have to invest in materials and equipment for highly transporting and distributing the products. For selling ammonia, the Company is in the process of requesting an approval for purchasing and being transferred partial business of C&A. If the Company can complete as aforesaid, it will help reducing the dependence of the major customer for selling ammonia because the Company will sell the goods to end users by itself.

#### **Risk from new importers arising**

At present, there are only 2 importers of ammonia for distribution in the country. The price thereof is not much competitive. However, if there are additional importers, it may affect the price to be more competitive because each importer must maintain its market share. This situation may affect the Company's

gross margin and operating performance. However, the said market is a monopolistic competition. To be a new importer may take time and there is a burden of operating cost for entering into the market.

**Risk from the subsidiary company was terminated its long-term agreement**

Regarding the Company's subsidiary, on 26 July 2011, was ordered to be an absolute receivership by the Central Bankruptcy Court, causing IEAT terminated the Agreement for Joint Development of the Pier Area with the subsidiary company and requested to return the pier area to IEAT, accusing Clause 4.2 of the Agreement for Joint Development of the Pier Area, dated 14 June 2006 and the Receiver ordered that the rights of contractual performance under the Agreement for Joint Development of the Pier Area between IEAT and the subsidiary company must not be collected into the debtor's property (the subsidiary company) because the said agreement was already terminated. The subsidiary company and the Company did not admit the said termination. The subsidiary company and one of debtors submitted a petition for opposing the Receiver's order to the Central Bankruptcy Court. However, on 3 March 2015 the Central Bankruptcy Court ordered to dismiss the petition as the Court considered that the Receiver's order was lawful.

The subsidiary company therefore recorded the impairment of the use of pier area in the financial statement of the 2<sup>nd</sup> quarter, ended on 30 June 2015 which affected the subsidiary company had net loss in 2015 approximately 256 million Baht.

Currently, the subsidiary company has absolutely been received and its power of asset management is vested in the Receiver.

**Financial Risks**

**Risk of Liquidity**

The Company was released from the business rehabilitation plan on 3 November 2015 and, even if, in the Extraordinary Shareholders' Meeting no. 1/ 2015 on 21 December 2015, the shareholders resolved and approved the Company to increase the capital to those specific person (Private Placement) in the amount of 340 million Baht in order to execute the capital to pay the creditors debt under the debt restructuring agreement (which is an obligation under the previous business rehabilitation plan) in the amount of approximately 339 million Baht. The Company will faced the liquidity risk, if it has not been supported the working capital by the financial institution. At present, the Company is in the process of funding the working capital from the financial institutes to smoothly run its business.

**Risk from Currency Exchange**

The Company has the risk from currency exchange arising from importing products which almost of sellers specifying their selling price in US dollar. Upon there is a fluctuation from the said currency, it may affect to the cost of imported products to be not in correspondence with the products' sale revenue. The Company therefore has a policy to reduce the risk from currency exchange by converting the currency to be in Baht or entering into a forward contract with the bank immediately in order to mitigate the said risk from currency exchange.

**Risk from Giving Credit**

The Company has sold and provided services to some customers with credit term. Therefore the Company has a risk of the said credit which caused the Company significant damage from inability to

collect some debts. However, at present, the Company has mitigated the risk by collecting the goods price and service fees in advance from most of customers.

**Risks affecting the securities holders' right or investment**

**Risk from the Company's deficiency and inability to pay dividend**

Currently, the Company has retained deficit and cannot pay dividend to the shareholders in accordance with the law and the shareholders have a risk of not receiving dividend under the dividend policy specified.

**Risk from the Company's securities being in the NPG, phase 3**

On 12 March 2013, the Stock Exchange of Thailand ("SET") has announced that the Company is in the Non-Performing Group: NPG in phase 3 and SET submitted a notice of giving time to remedy the cause of withdrawing the Company's ordinary shares from being listed securities. Regarding SET considers that the Company has expressed guideline and progress of the remedy such cause of withdrawal as well as the Company has its attention and put continuous effect to remedy the cause of withdrawal, therefore has given extension until 31 March 2016. The Company has already submitted a petition for releasing from the cause of withdrawal and explanation or supportive or useful documents to the Stock Exchange of Thailand on 31 March 2016.

**Risk from a majority shareholder holding more than 45 percent of the Company's shares**

As of 31 December 2015, a group of Mr. Nataphob Ratanasuwantawee holds shares in the Company in the amount of 3,068,805,014 shares, equivalent to 45.60 percent of total issued shares of the Company. This situation may cause the group of Mr. Nataphob Ratanasuwantawee to almost control resolutions of the Shareholders' Meeting whether in appointing directors or requesting for resolutions on other issues which must ballot majority votes of the shareholders appearing in the meeting and having voting right, except for those required three-fourths vote of the shareholders appearing in the meeting and having voting right as specified by law or the Company's articles of association. Therefore, other shareholders may not gather votes for checks and balances of issues presented by the majority shareholders.

**Operation Risk**

1) Risk which may arise during the operational procedure and may be arisen from both internal and external factors. This risk may affect the performance not reaching the goal or in proficient.

2) Risk which may arise from accident as the result of improper or errorous performance from both insiders and outsiders of the organization. This situation may cause a customer to cancel the purchase of goods.

3) Risk arisen from accident during transportation which may affect to the organization's image because of such transported goods is dangerous goods and may affect the environment.

**Risk from Demurrage**

Risk from demurrage because an inability to receive imported goods as the result of unavailability of the port, defect of the goods unloading devices, damage of the pipeline system, etc.



**Securities Details and Shareholders****1) Number of registered capital and paid up capital**

As of 31 December 2015, the Company registered capital was 1,076,894,322.40 Baht, of which 1,076,894,322.40 Baht had been paid up. The paid up capital comprises of 6,730,589,515 ordinary shares with a par value of 0.16 Baht per share and name used for offering is “NFC”.

**2) Shareholders’ structure**

List of major shareholders of the Company as of 31 December 2015:

Item	Name - Surname	Number of shares as of 31-Dec-2015	%
1	Mr. Nutthaphob Ratanasuwanthawee	2,968,805,014	44.11%
2	Inter Spec Global Company Limited	1,375,000,000	20.43%
3	Mr. Pittayakorn Naothaworn	750,000,000	11.14%
4	Mr. Asia Phukhananan	220,000,000	3.27%
5	Mr. Pratyta Sermuksakulchai	220,000,000	3.27%
6	Mr. Archawee Angsuthammarat	208,343,448	3.10%
7	Mr. Wichai Thongtang	200,000,000	2.97%
8	Mr. Suchart Areekul	116,048,541	1.72%
9	Mr. Direk Chatpimolkul	104,000,000	1.55%
10	SC Carrier Company Limited	100,000,000	1.49%
11	Mr. Thanit Chaikulngamdee	84,000,000	1.25%
12	Others	384,392,512	5.71%
<b>Total</b>		<b>6,730,589,515</b>	<b>100.00%</b>

### **Dividend Policy**

Currently, the Company is under the process of its operational revision and has no profit from the operating performance; therefore, the Company has no policy to distribute dividends yet. However, if, upon completion of capital structure adjustment, the Company can earn profit, the dividend policy will be according to the resolution of the Shareholders' Meeting.

## Management Structure and Management

### Board of Directors

After the Supreme Court issued an order of dismissal of the Company's petition for business rehabilitation on 3 November 2015 in accordance with the Supreme Court Decision No. 2541/2558, this order affected the power of the Company's administration and properties to be vested in the Board of Directors and shareholders of the Company as well as the power of business engagement of the Company.

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

### Board of Directors

Item	Name - Surname	Position	Board of Directors' meeting as the Plan Administrator		Board of Directors' meeting	
			Number of Meetings	Number of Attendances	Number of Meetings	Number of Attendances
1	Mr. Wisanu Niwesmarin	Independent Director and Chairman	6	5	3	3
2	Mr. Nuttaphob Ratanasuwanthawee	Vice Chairman	6	6	3	3
3	Assoc.Prof.Dr. Seri Wongmonta	Independent Director	6	4	3	1
4	Mr. Sumit Petcharapirat <sup>1</sup>	Independent Director	0	0	0	0
5	Mrs. Aree Termwattanapakdee <sup>1</sup>	Independent Director	0	0	0	0
6	Mrs. Sunee Sornchaitanasuk	Director	6	5	3	3
7	Mr. Suppakit Duyapich	Director	6	4	3	3
8	Mr. Wiboon Rasmeepaisarn	Director	6	5	3	3
9	Mrs. Bongkot Rungkornpaisarn	Director	6	6	3	3
10	Mr. Yongyos Palanitisena	Director	6	5	3	3
11	Mr. Kijja Smunyahirun	Director	6	6	3	3
12	Mr. Nataphong Ratanasuwanthawee <sup>1</sup>	Director	0	0	0	0

#### Remarks:

1. Directors have been appointed in the Board of Directors' meeting no. 3/2015 on 21 December 2015.

As of 31 December 2015, authorized signatory directors are: Mr. Nuttaphob Ratanasuwanthawee and any of Mr. Yongyos Palanitisena or Mr. Suppakit Duyapich jointly sign, together with the Company's seal affixed; or Mrs. Bongkot Rasmeepaisarn and Mr. Kijja Smunyahirun jointly sign with any of Mr. Yongyos Palanitisena or Mr. Suppakit Duyapich, together with the Company's seal affixed.

**Executive Committee**

Item	Name - Surname	Position	Board of Directors' meeting	
			Number of Meetings	Number of Attendances
1	Mr. Nuttaphob Ratanasuwanthawee	Chairman of the Executive Committee	-	-
2	Mr. Suppakit Duyapich	Member of Executive Committee	-	-
3	Mr. Yongyos Palanitisena	Member of Executive Committee	-	-
4	Mrs. Bongkot Rungkornpaisarn <sup>1</sup>	Member of Executive Committee	-	-
5	Mr. Kijja Smunyahirun <sup>1</sup>	Member of Executive Committee	-	-
6	Mr. Nataphong Ratanasuwanthawee <sup>1</sup>	Member of Executive Committee	-	-

**Remarks:**

1. Member of Executive Committee has been appointed in the Board of Directors' meeting no. 3/2015 on 21 December 2015.
2. In 2015, there was no call for the Executive Committee's meeting; only Members of Executive Committee gave comments in the Board of Directors' meeting.

**Audit Committee**

Item	Name - Surname	Position	Board of Directors' meeting	
			Number of Meetings	Number of Attendances
1	Assoc.Prof.Dr. Seri Wongmonta	Chairman of the Audit Committee	-	-
2	Mrs. Sunee Sornchaitanasuk <sup>1</sup>	Audit Committee	-	-
3	Mrs. Aree Termwattanapakdee <sup>2</sup>	Audit Committee	-	-
4	Mr. Sumit Petcharapiratch <sup>2</sup>	Audit Committee	-	-

**Remarks:**

1. Mrs. Sunee Sornchaitanasuk resigned from being as the Audit Committee, effective from 13 November 2015 onwards.
2. Audit Committee has been appointed in the Board of Directors' meeting no. 3/2015 on 21 December 2015.
3. In 2015, there was no call for the Audit Committee's meeting, only Audit Committee gave comments in the Board of Directors' meeting.

## Management

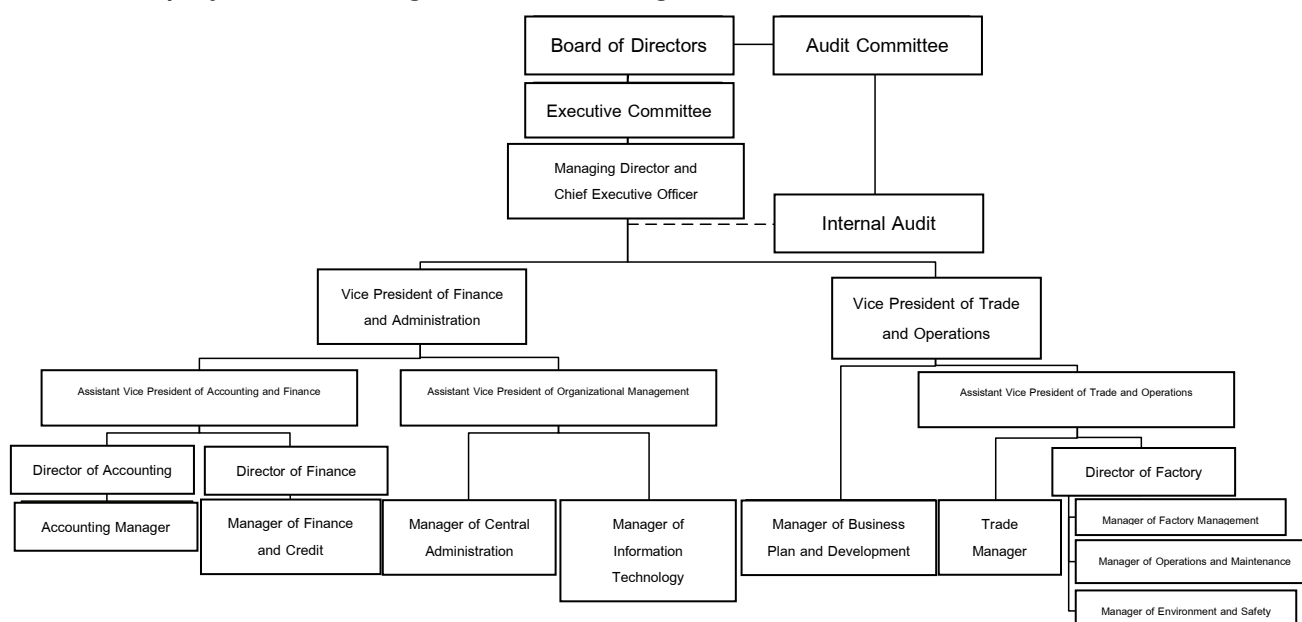
As of 31 December 2015, the Company's management consists of 5 members as follows:

Item	Name - Surname		Position
1	Mr. Nuttaphob	Ratanasuwanthawee	President and Chief Executive Officer
2	Mrs. Bongkot	Rungkornpaisarn	Vice President of Finance and Administration
3	Mr. Nataphong	Ratanasuwanthawee <sup>1</sup>	Vice President of Trade and Operations
4	Mr. Kijja	Smunyahirun	Assistant Vice President of Organizational Management
5	Mrs. Sarinthip	Kittiwongsophon	Assistant Vice President of Accounting and Finance

Remarks:

1. Mr. Nataphong Ratanasuwanthawee has been appointed as Vice President of Trade and Operations, effective from 1 December 2015 onwards.

## Company's Internal Management Structure Diagram



## Company Secretary

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

## Remuneration for Directors and Executives

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

## Remuneration for Directors during January to December 2015

Name's List		Director Baht/year	Member of Executive Committee Baht/year	Audit Committee Baht/year	Total
Mr. Nuttaphob	Ratanasuwanthawee	156,000	192,000	-	348,000
Mrs. Bongkot	Rungkornpaisarn	120,000	-	-	120,000
Mr. Wiboon	Rasmeepaisarn	120,000	-	-	120,000
Mr. Yongyos	Palanitiseana	120,000	120,000	-	240,000
Assoc.Prof.Dr. Seri	Wongmonta	120,000	-	-	120,000
Mrs. Sunee	Sornchaitanasuk	120,000	-	-	120,000
Mr. Suppakit	Duyapich	120,000	120,000	-	240,000
Mr. Kijja	Smunyahirun	120,000	-	-	120,000
Mr. Wisanu	Niwesmarin	192,000	-	-	192,000
Mr. Sumit	Petcharapiratch	10,000	-	-	10,000
Mrs. Aree	Termwattamapakdee	10,000	-	-	10,000
Mr. Nataphong	Ratanasuwanthawee	10,000	-	-	10,000
<b>Total</b>		<b>1,218,000</b>	<b>432,000</b>	<b>-</b>	<b>1,650,000</b>

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

## Remuneration for Executives in 2015

In 2015, the Company paid remuneration for 5 executives as follows:

	2014		2015	
	Number (persons)	Amount (million Baht)	Number (persons)	Amount (million Baht)
Salary	4	8.89	5	9.81
Provident Fund		0.57		0.65
Once paid income		0.00		0.00
Other income		0.00		0.00
<b>Total</b>		<b>9.46</b>		<b>10.46</b>

## Personnel

In 2015, the Company paid remuneration, comprising of salary, shift wage, provident fund, allowances for working in up-country, accommodations, living expenses, annual leave pay, severance pay under labor law, for 51 employees (entering and leaving during a year included), totaling 23.47 million Baht.

**Number of employees:** As of 31 December 2015

Item	Office	Number (persons)		
		Male	Female	Total
1	Bangkok	5	13	18
2	Map Ta Phut factory in Rayong Province	26	7	33
<b>Total</b>		<b>31</b>	<b>20</b>	<b>51</b>

In the past three years, the Company has not had any labor dispute.

### **Policy on Employee Development**

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

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

## **Good Governance**

### **Good Governance Policy**

The Company has focused to comply with the principles, policies and operational direction as specified by the Board of Directors, placing importance to the internal control system and emphasizing in the internal control system which is sufficient and appropriate to the business operations. The Company has supported the performance of internal audit division, risk management, disclosures, monitoring and supervising the management and the operation to be in accordance with the policy proficiently for benefits of shareholders, creditors and stakeholders in the long run under the scope of law and business ethics.

### **Rights of shareholders**

Currently, the Company released from the business rehabilitation proceedings under the order of the Supreme Court of which dismissal of the Company's petition for business rehabilitation on 3 November 2015 under the Supreme Court Decision No. 2541/2558. This situation affected the authority of management and properties of the Company vested in the management, the Board of Directors and the shareholders of the Company, including the power of business engagement of the Company.

The Company has prioritized to the Good Governance, executing to account of the importance of basic rights of shareholders by means of acceptable and creditable standards. The Company has encouraged the shareholders to exercise their rights covering the legally basic rights such as acknowledging information, attending meetings, and participating in making a decision of significant issues which affect to the Company's business operation, etc.

In addition, the shareholders shall have a voting right according to the number of share held: one share equal to one vote. And no shareholder has preferential beyond other shareholders. In addition, the shareholders have any other rights of shareholder under the Public Limited Company Act, the Securities and Exchange Act or the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and other relevancies.

### **Rights of stakeholders**

The Company has given importance to the rights of all groups of stakeholders, by fairly treating them whether they are employees, trade account payables, and customers as well as communities and the environment surrounding the factory as specified in the Company's Code of Good Governance and Ethics as practice guidelines for directors, management and employees of the Company based on the fairness and balance of mutual interest coordination.

#### **■ Shareholders**

Other than basic rights, rights specified in the law and the Company's regulations, the Company has also emphasized creating value added and investing return to meet the shareholders' highest satisfaction.

#### **■ Employees**

The Company has given importance to employees who are considered as a valuable resource and has focused on improvement of their abilities continuously. The Company has given them confidence of their quality of working life, ensuring them being happy at their work and pride and creating their



organizational relationship. In addition, the Company has encouraged the employees to give attention in occupational safety that is: The Company has provided them personal protective equipment as necessary according to the nature of work and the Company has strict rules and procedures on working at the factory such as wearing safety shoes, wearing a helmet, wearing mask to prevent dust, wearing gloves to prevent from poisonous substance and putting on ears plugs in the workplace that has loud noise, etc.

■ **Customers**

The Company aims for providing goods and service users the highest benefit of quality and fair price, giving accurate, adequate, updated information, complying with conditions on customers strictly, adhering to contractual performance to business partners fairly and building trustiness and good relationship and coordination in order to develop its potential and proficiency in mutual business operations in the long run. In addition, the Company has a policy to deliver goods with quality and on time.

■ **Competitors**

The Company has complied with the scope of honest trade competition, adhering to operate its business in fairness under the legal framework relating to the practice of honest trade completion. The Company does not infringe any secrets or seek its competitor's trade secrets by fraudulent way. The Company has complied with the business ethics strictly.

■ **Creditors**

The Company has kept its commitment and promise and has performed in accordance with the conditions and duties to creditors, both business creditors and financial institute creditors strictly.

■ **Social and Public**

The Company has operated its business with ethics to all concerned persons and has adhered to the business ideology. The Company aims for encouragement of activities for developing the quality of life and strengthening the benefit of communities, society and environment of the workplace. In the past, the Company has placed importance to the environment and safety by operating the factory in accordance with the rules and regulations of Map Ta Phut Industrial Estate strictly.

■ **Environment**

The Company has encouraged all sections in the organization to realize the significance of use of resource proficiently and has supported the Company's growth together with the development of the quality of life of all people in the society, cleaned and safe environment, and good health. This includes all employees and related persons.

### **Shareholders' Meeting**

In the past, the Company was in process of the business rehabilitation under the Bankruptcy Act, B.E. 2483 and the Company was during the period of performing with the business rehabilitation plan, therefore the General Shareholders' Meeting of 2015 was not held.

However, after the Company has been released from the said status, the Company held the Extraordinary Shareholders' Meeting to explain shareholders events during such business rehabilitation proceedings.

However, after the Company did not maintain the said status and the Company was released from the business rehabilitation plan on 3 November 2015, the Company held the Extraordinary Shareholders' Meeting no. 1/2015 on 21 December 2015 to explain shareholders events during such business rehabilitation proceedings.

### **Leadership and Vision**

- The Board of Directors has participated in providing opinion, vision, missions, strategies, targets, business plans and budgets of the Company as well as has supervised the management to operate the business to be in accordance with the business plans.
- The Board of Directors has provided the Company efficient systems of internal control and audit and measures for risk management and has approved budgets by following up the said operations consistently in the Board of Directors' meeting.

### **Conflict of Interest**

To prevent from conflict of interest, the Board of Directors has specified policies and supervising method to prevent the management and concerned persons to exploit the Company's internal information such as specifying that the management must report the change of securities holding to the Office of Securities Commission and the Stock Exchange of Thailand under Section 59 of the Securities and Exchange Act 1992, the management or an organization acquiring internal information is not allowed to disclose the third person or those who no having relating duties such information before disseminating the financial statement to public.

### **Business Ethics**

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

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

### **Checks and Balances of Non-Executive Directors**

The Board of Directors has 12 members, comprising of:

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

Therefore, the Company's Independent Directors are 3 members, equivalent to 25 percent of all directors.

### **Centralization or Separation of Position**

The Chairman is not the same person of Chief Executive Officer from clearly separating power and duties in order to prevent from a situation where any person having unlimited power and there are 3 members of Independent Directors, equivalent to 25 percent of all directors, establishing the checks and balances and review of the management.

### **Board of Directors' Meeting**

The Board of Directors has averagely two meetings per year. Agendas are expressly specified and there are agendas for following up the operating performance periodically as appropriate and the invitation notices with the meeting's agendas and documents shall be delivered to all directors at least 7 days before the meeting date. In 2015, the Board of Directors as the Plan Administrator had 6 meetings, taking 2-4 hours each. There were 3 meetings to be attended as the Board of Directors, taking 2-4 hours each. The record of each meeting's conduct was made in form of a minutes presented to the Board of Directors for approval and was kept with concerned persons in order to be checkable.

### **Report of the Board of Directors**

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

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

### **Investor Relations**

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

### Sub-Committee

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

#### Board of Directors

Item	Name - Surname		Position
1	Mr. Wisanu	Niwesmarin	Independent Director and Chairman of the Board of Directors
2	Mr. Nuttaphob	Ratanasuwanthawee	Vice Chairman of the Board of Directors
3	Assoc.Prof.Dr. Seri	Wongmonta	Independent Director
4	Mrs. Sunee	Sornchaitanasuk	Independent Director
5	Mrs. Aree	Termwattanapakdee <sup>1</sup>	Independent Director
6	Mr. Sumit	Petcharapirat <sup>1</sup>	Independent Director
7	Mr. Suppakit	Duyapich	Director
8	Mr. Wiboon	Rasmeepaisarn	Director
9	Mrs. Bongkot	Rungkornpaisarn	Director
10	Mr. Yongyos	Palanitisa	Director
11	Mr. Kijja	Smunyahirun	Director
12	Mr. Nataphong	Ratanasuwanthawee <sup>1</sup>	Director

#### Remarks:

1. Director has been appointed in the Board of Directors' meeting no. 3/2015 on 21 December 2015.

#### Duties and Responsibilities of the Board of Directors

1. The Board of Directors will select a director to be a Chairman and another director to be a Chief Executive Officer. In the event where the Board of Directors thinks fit, may select one or of many of them to be a Vice Chairman. The Vice Chairman has the duties in accordance with the Company's Articles of Association in activities as designated by Chairman.
2. The Board of Directors has the authority to determine the name and number of the Directors who will have the signatory power to bind the company and conditions regarding the said signatory authority as it see appropriate.
3. Directors must attend a meeting at least three months per time or as the Board of Directors considers that is suitable appropriate at a place where a location of the Company's head office or a branch office or any other place as specified by the Board of Directors.
4. The Board of Directors has the authority and duties to conduct the Company' business in accordance with laws, objectives, articles of association, the resolutions of the Shareholders' Meeting (in any)
5. The Board of Directors has the authority to select the number of directors to be the Executive Committee performing any or many activities. The Board of Directors will specify any conditions or may assign a director or a person to perform any activity on its behalf.

6. A director must notify the Company without delay of the following events: the director has interest, whether directly or indirectly, in any agreement made by the Company during the accounting period, stating fact of contractual category, the parties' name and the director's interest in such agreement (if any), holding shares or debentures in the Company and associate companies by specifying total number increasing or reducing in the accounting period (if any).
7. The Board of Directors must provide the resource to prepare balance sheet and profit and loss statement at the end of the Company's accounting year in order to consider and approve such audited balance sheet and profit and loss statement.
8. The Board of Directors must deliver the shareholders copies of the audited balance sheet and profit and loss statement together with the auditor report of public certified auditor in accordance with the criteria on disclosure of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

#### Executive Committee

Item	Name - Surname		Position
1	Mr. Nuttaphob	Ratanasuwanthawee	Chairman of the Executive Committee
2	Mr. Suppakit	Duyapich	Member of Executive Committee
3	Mr. Yongyos	Palanitisena	Member of Executive Committee
4	Mrs. Bongkot	Rungkornpaisarn <sup>1</sup>	Member of Executive Committee
5	Mr. Kijja	Smunyahirun <sup>1</sup>	Member of Executive Committee
6	Mr. Nataphong	Ratanasuwanthawee <sup>1</sup>	Member of Executive Committee

**Remarks:**

1. Member of Executive Committee has been appointed in the Board of Directors' meeting no. 3/2015 on 21 December 2015.

#### Duties and Responsibilities of Executive Committee

1. To consider an annual budget allocation as proposed by the management before presenting it to the Board of Directors for approval including to consider and approve a change and addition to the annual budget allocation during the period of which no meeting of the Board of Directors and then present it to the Board of Directors for information in next meeting.
2. To approve Capital Expenditure in urgent case which if not to do so, it will cause damage to the Company. Such Capital Expenditure will be presented to the Board of Directors to rectify in next meeting.
3. To approve issues regarding improvement, change, reduction or expansion of the factory beyond the Business Plan and such issues will be presented to the Board of Directors to rectify in next meeting.

4. To approve new investments including joint ventures with other entrepreneurs in urgent case and such investment will be presented to the Board of Directors to rectify in next meeting.
5. To supervise and monitor and to be an advisor for the management regarding policies on finance, marketing, personnel administration and operations.
6. To supervise, monitor and manage risks of the Company.
7. To perform other act as assigned by the Board of Directors.

#### Audit Committee

Item	Name - Surname	Position
1	Assoc.Prof.Dr. Seri Wongmonta	Independent Director
2	Mrs. Aree Termwattanapakdee <sup>1</sup>	Independent Director
3	Mr. Sumit Petcharapirat <sup>1</sup>	Independent Director

#### Remarks:

1. Audit Committee has been appointed in the Board of Directors' meeting no. 3/2015 on 21 December 2015.

#### Duties and Responsibilities of the Audit Committee

1. To review the Company's financial report to ensure that it is accurate and adequate in accordance with generally accepted accounting principles and it is a sufficient disclosure.
2. To review the Company's internal control (Internal Control) system and Internal Audit to ensure that they are appropriate and proficient.
3. To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's Auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with the Auditor at least once a year.
5. To consider the independency of the internal audit unit as well as to approve, appoint, transfer, dismiss the internal audit unit or any other unit which is responsible for the Internal Audit. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the highest benefit of the company.
6. To conduct, and to disclose in the Company's Annual Report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
  - an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - an opinion on the adequacy of the Company's internal control system,

- an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business,
  - an opinion on the suitability of the Auditor,
  - an opinion on the transactions that may lead to conflicts of interests,
  - the number of the Audit Committee's meetings, and the attendance of such meetings by each committee member,
  - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors; and
7. To engage an advisor or specialist to give opinion or consultation as necessary.
  8. To invite the management or any relevant person of the Company attending in meetings or giving additionally related information.
  9. To review the Audit Committee's charter at least once a year and present to the Board of Directors for approval in the event where there is any change thereof or present the Board of Directors for information in the event of no change.
  10. To perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee.

#### **Recruitment of Director**

Appointment of the Company's directors, shall comply with the following procedures:

1. The Board of Directors' meeting and the Chairman of the meeting shall be presented nominated persons to be directors to vote the said persons one person one time.
2. Each director has one voting right.
3. That person who has the highest votes shall be appointed to be the director respectively equal to the number of the directors which should have or appoint at that time. The chairman shall have a casting vote.

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

In the past, the Company has appointed persons to be the subsidiary company's director and management.

#### **Supervision of Internal Information Use**

The Company has a policy to prevent the use of the Company's internal information, especially, the information relating to the Company's financial position before disseminating to public by limiting the number of authorized users in limit.

The management must report the Company's securities held by themselves, couple and children below legal age according to the penalty under the Securities and Exchange Act 1992 and the management must report the

change of such securities held to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act 1992. In addition, the management acquiring internal information must not do any act in contrary to Section 241 of the Said Act.

**Audit Fee**

**Audit Fee**

The Company shall pay the Company's Auditor remuneration in the amount of 988,978 Baht in the past accounting period.

**Non-Audit Fee**

- None.



## **Corporate Social Responsibility**

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

### **CSR in process**

The Company has focused on and drawn attention to be in compliance with the business rehabilitation plan to achieve it for benefits of all creditors. In addition, the Company has aimed for performing the work in accordance with the principles, policies and operational directions as specified by the Board of Directors in transparency, good governance, and, taking into account of interest of all groups of stakeholders under the law and business ethics.

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

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

Besides, the Company considers that occupational health, safety and environment management as an integral part of engaging the business of manufacturing and distributing chemical fertilizers, ammonia sulfuric acid as well as providing services of pier area. Therefore all activities must comply with the law and international standards. The Company has fostered and created the awareness of the priority of keeping the quality of occupational health, safety and environment, and the implementation of social responsibility to employees and concern persons in order to prevent from causing an impact to the quality of life of the communities surrounding the Company, society and environment.

### **CSR after process**

The Company has coordinated and supported activities of communities and government agencies regularly and continuously. In 2015, the Company has supported and arranged a social activity of Industrial Estate Authority of Thailand, the Marine Department, local police station and government agencies and has

participated in support of projects relating to education, religion and traditions in the communities surrounding the factory as same as over past years'.

**Anti-Corruption**

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

## Internal Control

In the Board of Directors' meeting no. 3/2558 on 21 December 2015, the Board of Directors has passed a resolution to appoint Assoc.Prof.Dr. Seri Wongmonta to be the Chairman of the Audit Committee and appointed additional 2 Audit Committees that are: Mrs. Aree Termwattamapakdee and Mr. Sumit Petcharapiratch. In addition, the Board of Directors has also appointed Miss Waraporn Ittithamrong to be in charge of the Company's Internal Audit Manager and the secretary of the Auditor Committee due to she has obtained experiences in the internal audit field and well understands the Company's activities and operations. The Company therefore considers that she is suitable for performing the said duties sufficiently and adequately.

To consider and approve, appoint, withdraw, transfer the Company's head of internal audit of the Company must be passed or approved by the Audit Committee.

In the Board of Directors' meeting no. 2/2559 on 2 March 2559 with two (2) Audit Committees. They mutually reviewed and evaluated the Internal Control system of the Company in 5 compositions: Organizational Internal Control, risk evaluation, operational control, information technology and communications system, and follow-up system. The Board was of opinion that the Company's Internal Control system is appropriate and adequately. Therefore, the Company has provided sufficient personnel to perform the work in accordance with the system proficiently and protect the Company's assets from exploitation or unauthorized use of any director or the management including any transaction with other person which may have conflict of interest and related persons sufficiently. For other topics of the Internal Control, the Board considered that the Company's Internal Control is also adequate.

### Details of the Internal Audit Manager

Name-Surname	Miss Waraporn Ittithamrong
Position	Internal Audit Manager
Education	Master Degree of Management and Administration, Rangsit University
	Bachelor Degree of Statistics, Chulalongkorn University
Experience	Manager of Finance Division of Thai Puff Manufacturing Company Limited (January 2006 - November 2015)
	Consultant of Post Forming Industry (Thailand) Company Limited (October 2006 – November 2010)
	Manager of Internal Audit Division of NFC Fertilizer Public Company Limited (2002-2005)
	Manager of Finance Section of NFC Fertilizer Public Company Limited (2000-2001)
	Manager of Finance Department of NFC Fertilizer Public Company Limited (March 1995-2000)
Duties and Responsibilities	<p>The Internal Audition has duties and responsibilities of internal audit of the Company and report the Audit Committee and the management as follows:</p> <ol style="list-style-type: none"> <li>1. To review the Company's financial report to ensure that it is accurate and adequate in accordance with generally accepted accounting principles.</li> <li>2. To review working systems which impact the operations and report that the</li> </ol>

	<p>Company's compliance with policies, working plans and practical rules including the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business</p> <ol style="list-style-type: none"> <li>3. To review the appropriateness of the asset management system including examine that such assets are existing and proficiently used.</li> <li>4. To review the Company's Internal Control system to develop and improve it to be proficient and appropriate.</li> <li>5. To review the internal control of information technology system to ensure that it can process accurately, completely and timely and it has kept the information safely.</li> <li>6. To review the improvement of the operational improvement that it has been improved and developed continuously.</li> <li>7. To perform any other act relating to the Internal Audit as assigned by the Audit Committee and the management.</li> </ol>
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**Related Transactions**

Related transactions arising among the Company and its subsidiary company and those who may be in conflict in 2015 as indicated in the notes to financial statement, Note 9 were as follows:

A person who may be in conflict/ Nature of the relationship	Nature of the transaction	Value (million Baht)		Pricing Policy
		2015	2014	
Rayong Bulk Terminal Company Limited	- Revenue from Rendering Services and Other Income	2,620	2,620	Agreed price
- Holding shares in Rayong Bulk Terminal Company Limited at 83.25 percent	- Service Fees	756	793	Market price
- Having jointly directors	- Trade Account Receivable and Other Accounts Receivable	-	20,160	
- Having jointly executives	- Trade account Payable and Other Accounts Payable	56,408	2,489	
	- Debts under the business rehabilitation plan	-	74,029	
	- Unearned Revenue from the Sale	18,000	-	
Chemicals & Aromatic (Thailand) Company Limited	- Sale Revenue	599,242	551,510	Market price
- Having jointly shareholders and directors	- Revenue from Rendering Services and Other Income	493	278	
- Having jointly executives	- Trade Account Receivable and Other Accounts Receivable	52	136	
	- Trade account Payable and Other Account Payable	57	57	
	- Unearned Revenue from the Sale	2,561	42,422	
SC Carrier Company Limited	- Revenue from Rendering Services and Other Income	27	55	Market price
- Being a shareholder of the Company and holding 2.17 percent of shares	- Service Fees	23,494	2,963	
- Having jointly shareholders and directors	- Trade Account Receivable and Other Accounts Receivable	16	33	
- Having jointly executives	- Trade account Payable and Other Account Payable	24,019	334	
	- Deposit	499	499	
	- Debts under the business rehabilitation plan	-	141,803	
SC Management Company Limited	- Revenue from Rendering Services and Other Income	41,521	10,122	Agreed price
- Having jointly shareholders and directors	- Service Fees	425	4,040	
- Having jointly executives	- Trade Account Receivable and Other Accounts Receivable	29,743	2,920	
	- Trade account Payable and Other Account Payable	23	4,483	

A person who may be in conflict/ Nature of the relationship	Nature of the transaction	Value (million Baht)		Pricing Policy
		2015	2014	
	- Debts under the business rehabilitation plan	-	271,246	
NP Marine Company Limited	- Revenue from Rendering Services and Other Income	23	6,753	Agreed price
- Having jointly shareholders and directors	- Trade Account Receivable and Other Accounts Receivable	-	28	
- Having jointly executives				
SC Logistics Company Limited	- Revenue from Rendering Services and Other Income	5	17	Agreed price
- Having jointly shareholders and directors	- Service Fees	-	4	
- Having jointly executives	- Trade Account Receivable and Other Accounts Receivable	5	14	
	- Trade account Payable and Other Account Payable	4	4	
SC Offshore Service Company Limited	- Revenue from Rendering Services and Other Income	2,228	1,918	Agreed price
- Having jointly shareholders and directors	- Trade Account Receivable and Other Accounts Receivable	53	1,583	
- Having jointly executives	- Debts under the business rehabilitation plan	-	40,942	
NP Marine Logistics Company Limited	- Revenue from Rendering Services and Other Income	-	45	Agreed price
- Having jointly shareholders and directors	- Trade Account Receivable and Other Accounts Receivable	-	-	
- Having jointly executives				
Strategic Port Link Company Limited	- Revenue from Rendering Services and Other Income	-	12	Agreed price
- Having jointly shareholders and directors				
- Having jointly executives				
Natural Gas Industry Company Limited	- Trade Account Receivable and Other Accounts Receivable	2,500	2,500	Agreed price
- Having jointly shareholders and directors	- Trade account Payable and Other Account Payable	1,730	1,730	
AMT-SC (Thailand) Company Limited	- Revenue from Rendering Services and Other Income	-	64	Agreed price
- Having jointly shareholders and directors				
PKR Logistics Company Limited	- Revenue from Rendering Services and Other Income	-	8	Agreed price
- Having jointly shareholders and directors				
SC Auto Logistics Company Limited	- Revenue from Rendering Services and	-	51	Agreed price

A person who may be in conflict/ Nature of the relationship	Nature of the transaction	Value (million Baht)		Pricing Policy
		2015	2014	
- Having jointly shareholders and directors	Other Income			
Platinum Emerald Company Limited  - A corporation of the Company having jointly shareholders and directors	- Revenue from Rendering Services and Other Income - Trade Account Receivable	18,799  -	18,799  -	Agreed price
Sukhumvit Asset Management Company Limited <sup>1</sup>  (formerly : Thai Asset Management Corporation)  - Being a shareholder of the Company and holding 9.64 percent of shares	- Debts under the business rehabilitation plan	-	130,609	
Siam Commercial Bank Public Company Limited  - Being a shareholder of the Company and holding 1.14 percent of shares	- Debts under the business rehabilitation plan	-	46,103	
SC Corporation Company Limited  - Having jointly shareholders and directors	- Revenue from Rendering Services and Other Income - Trade Account Receivable and Other Accounts Receivable	9  10	-  -	Agreed price
Scena Offshore Company Limited  - Having jointly shareholders and directors  - Having jointly executives	- Revenue from Rendering Services and Other Income - Trade Account Receivable and Other Accounts Receivable	847  9	-  -	Agreed price

**Remarks:**

1. Sukhumvit Asset Management Company Limited (Previous shareholder) sold its shares in the number of 648,343,448 shares to 3 new shareholders:

- 1) Mr. Asia Phukhanana in the number of 220,000,000 shares, equivalent to 3.27 percent.
- 2) Mr. Prachya Sermsooksakulchai in the number of 220,000,000 shares, equivalent to 3.27 percent.
- 3) Mr. Archawee Aungsuthammarat in the number of 208,343,448 shares, equivalent to 3.10 percent.

The said three shareholders have not related to the Company.

## **Management Discussion and Analysis**

### **Business Overview**

In 2015, the Company has also imported chemical products to sell customers in the country and the Company sold 28,519 tons of ammonia, increased from the past year for 601 tons or approximately equivalent to 2 percent due to the economic situation has been slow down, the rubber price has been declined, the group of customers, who uses ammonia as its raw materials in the manufacture, has been slow down its production capacity accordingly and has bought ammonia in similar volume of the past year. For sale of sulfuric acid, in this year, the Company sold 203,892 tons, increasing 50,777 tons or approximately equivalent to 33 percent because of the Company's customers has exported such goods to neighboring countries. In addition, the Company has also generated revenue from rendering its services, comprising of revenue from rendering the Company's pier area services, revenue from rendering the warehousing services, revenue from rendering the goods transport, and revenue from rendering the sulfuric acid container services. In 2015, the Company has gained service fees in the amount of 145 million Baht, 22 million Baht or approximately equivalent to 17 percent compared to the revenue of 2014.

For the subsidiary company, it is under the absolute receivership under the Bankruptcy Court, therefore the subsidiary cannot conduct its business normally from 2011 onwards. Therefore, the subsidiary company has no revenue from the operations while its cost and expenses under contracts have been incurred. And, in March 2015, the Central Bankruptcy Court ordered to dismiss the petition of the subsidiary company on counter claiming the Receiver's order. This situation caused the termination of the Agreement for Joint Development of the Pier Area between subsidiary company and Industrial Estate Authority of Thailand. The above mentioned factors has significantly affected to the value of the right of use on the pier area including other assets in the subsidiary company's financial statement which during the said year, the subsidiary company wrote off the value of the right of use on the pier area in the amount of 510 million Baht from the account. Such act has seriously affected the subsidiary company's consecutive operations and caused the subsidiary company having net loss in 2015 approximately 257 million Baht. The Company recorded the loss from impairment of investment in the subsidiary company in the amount of 636 million Baht accordingly. The Company's separated financial statement in 2015 therefore had the net loss in the amount of 316 million Baht.

On 3 November 2015, the Supreme Court ordered to dismiss the petition for business rehabilitation under the judgment of the Central Bankruptcy Court, resulted from the fact that Industrial Estate Authority of Thailand had appealed the Supreme Court since 2009. The said order of dismissal of the petition for business rehabilitation has not affected to any act made by the Receiver or the Plan Administrator before the Supreme Court issues the said order. At present, the Company has its status as a listed company in the Stock Exchange of Thailand which has already been released from the business rehabilitation process through the Central Bankruptcy Court. The Company's power and duties of asset management are vested in the Company's management and has affected the shareholders to have their lawful rights again.

In December 2015, the Company has increased its capital to those who are in the Private Placement in the amount of 340 million Baht in order to execute capital to pay the creditors under the debt restructuring



agreement and the creditors under the previous business rehabilitation plan. This operation has affected the Company to reconstruct its debt more than 75 percent. In addition, Company has appointed a financial advisor to study the model of merger and acquisition with an associated company in order to operate the business sustainably profitable. Therefore the Company predicts that it will be qualified and released from the cause of withdrawal within the time as specified by the Stock Exchange of Thailand.

### **Operating Performance**

- **The Company's operating performance and its subsidiary company**

In the round of 2015, the Company and its subsidiary company had the profit in the amount of 37 million Baht, divided the profit into the Company's equity in the amount of 80 million Baht and interest being not the subsidiary company's control, the loss in the amount of 43 million Baht. Upon consideration of the operating performance in this round, the profit was increased in the amount of 184 million Baht or equivalent to 177 percent compared to the loss of equity of 2014 in the amount of 104 million Baht. Therefore, it would summarize that the transactions with significant change are as follows:

- The Company and its subsidiary company had their sale and service revenue totaling 1,040 million Baht, increased in the amount of 198 million Baht or equivalent to 24 percent compared to those in the round as at the end of 2014 which earned the sale and service revenue totaling 841 million Baht as the result to the Company can sell the chemical products more and the world's market price of sulfuric acid has been increasingly adjusted compared to the last year. Furthermore, the Company has changed the selling method and has set the structure of selling price of ammonia with the customers from August 2015. This operation has affected the sale revenue of the chemical products increasing compared to the revenue of the same round in last year in the amount of 177 million Baht or equivalent to 25 percent. In addition, the Company and its subsidiary company also earned the revenue from rendering services in the amount of 143 million Baht, increasing 22 million Baht or equivalent to 18 percent compared to the revenue of the previous year which had the revenue from rendering services in the amount of 121 million Baht.
- Cost of sales and services of the Company and its subsidiary company in this year is in this amount of 825 million Baht, increasing 116 million Baht or equivalent to 16 percent from the amount of 709 million Baht compared to the previous year as the result of there was increasing cost of sale of the chemical products in the amount of 114 million Baht or equivalent to 17 percent and the cost of services was increased in the amount of 2 million Baht or equivalent to 7 percent compared to the round at the end of 2014;
- The Company and its subsidiary company had the gross profit in the amount of 215 million Baht, increasing 82 million Baht or equivalent to 62 percent compared to the previous year which had the gross profit only 132 million Baht;
- The Company and its subsidiary company had the income before expenses in the amount of 802 million Baht, increasing 665 million Baht or equivalent to 485 percent from the profit of 137 million Baht of the previous year as the result of having other revenues in the amount of 79

million Baht, increasing 74 million Baht, equivalent to 1598 percent compared to the round at the end of 2014. In addition, there was the income from debt forgiveness in the amount of 258 million Baht, recorded the reversal of accrued compensation expense and debt under joint operating agreement in the amount of 251 million Baht;

- In this round, the Company and its subsidiary company had total expenses in the amount of 765 million Baht, increasing 502 million Baht or equivalent to 190 percent compared to the last year because, in this year, there was loss on write off pier lease right in the amount of 510 million Baht, factory shutdown expense in the amount of 101 million Baht, expenses from temporary suspension of pier in the amount of 41 million Baht, selling expense in the amount of 21 million Baht, administration expense in the amount of 51 million Baht, loss on liability from guarantee in the amount of 35 million Baht, provision for doubtful account in the amount of 1 million Baht and financial cost in the amount of 5 million Baht.

- **Profitability**

In 2015, the Company and its subsidiary company had the gross profit margin of 20.67 percent while having the net gross profit margin of 5.87 percent because of the revenue was increased from the sale of chemical products: ammonia and sulfuric acid. Furthermore, the Company has the profit from the debt restructuring, the reduction of the reserve for plaster transport and the reversing remuneration payable and the debt under the Agreement for Joint Development.

- **Asset Management**

The Company and its subsidiary company had the rate of return from the assets and the rate of return from the fixed assets of 12.14 percent and 34.14 percent, respectively, increased from the previous year as the result of the Company and its subsidiary company had increasing net profit more as aforementioned. In addition, the Company recorded the impairment of land, building and equipment of the factory on part of depreciation and there was a disposal of the pier area of the subsidiary company.

- **Liquidity and Sufficiency of the Company's Fund**

In 2015, if considering the total liquidity, the Company and its subsidiary company had a good liquidity rate in 2015, equivalent to 1.03 percent, increased from the increasing current assets in the amount of 100 million Baht or equivalent to 52.34 percent. Most was resulted from the cash and cash equivalents and trade account receivables and other accounts receivables of the related companies increasing compared to the same period in 2014.

The current liabilities were reduced in the amount of 295 million Baht or equivalent to 51 percent. Most was resulted from the remuneration payable and the debt under the Agreement for Joint Operating reducing in the amount of 235 million Baht, the liabilities from the debentures' guarantee reducing in the amount of 47 million Baht, the debts under the business rehabilitation plan which are one year due reducing in the amount of 44 million Baht and the monies received in advance from the customers reducing in the amount of 25 million Baht. While there were other current liquidities increasing in the amount of 44 million Baht and the trade account payable increasing in the amount of 10 million Baht.

However, the Company still needs working capital to use in the business for repairing and maintaining the factory and expanding the business. Financing sources are from requesting credit facilities from banks and increase of capital in coming future.

- **The Company's operating performance**

For the year ended on 31 December 2015, the Company had net loss of 316 million Baht, increasing 324 million Baht compared to the previous year having profit of 7 million Baht. The Company therefore would summarize the transactions having significant change as follows:

- The Company had sale and service revenue 1,042 million Baht, increasing 198 million Baht or equivalent to 23 percent due to the sale revenue of the chemical products was increased of 177 million Baht or equivalent to 25 percent and the revenue from rendering services was increased of 22 million Baht or equivalent to 17 percent, compared to the same period of the previous year due to an increase in the sale of the chemical products and an adjustment of selling method for ammonia with the customers as aforementioned. The Company therefore had increasing sale revenue from the chemical products;
- While there were cost of sale and services of 825 million Baht, increasing 116 million Baht or equivalent to 16 percent due to the cost of selling the products was increasing according to the sale volume. The Company accordingly has gross profit of 217 million Baht, increasing from the same period of the previous year of 82.40 million Baht or equivalent to 61 percent;
- In addition, the Company had also other revenue of 0.30 million Baht, had profit from the debt reconstructing of 305 million Baht, and recorded decrease of reserving the cost of gypsum transport of 31 million Baht. Therefore the profit before expense was 554 million Baht;
- While there was expenses of 866 million Baht, comprising of: sale expenses and administration of 81 million Baht, loss from impairment of investment in the subsidiary company of 636 million Baht, loss from asset impairment amounted 13 million Baht, loss from guarantee obligation (arising from placing a security of bidding envelope of chemical fertilizers for the Office of the Rubber Replanting Aid Fund or ORRAF in 2001) with Thanachart Bank in the amount of 35 million Baht and expenses during the suspension of chemical fertilizer manufacture of 101 million Baht, affecting the Company to have loss before financial cost of 312 million Baht;
- In addition, there was another financial cost of 4 million Baht. The Company therefore had net loss of this year of 316 million Baht or equivalent to loss 0.05 Baht per share.

- **Profitability**

- In 2015, the Company had gross profit margin of 20.86 percent due to an increase of revenue from selling more the chemical products: ammonia and sulfuric acid and customers have used the pier area more as well, in the meantime, the Company had net gross profit margin of (29.44) percent due to the Company had the impairment of investment in the subsidiary company, resulting net loss more than the previous year's.

- **Asset Management**

- The Company had current ratio of trade account receivable of 26 times with average term of debt collection of 14 days. While the Company's current ratio of inventory is 8 times with average term of selling goods of 45 days. In addition, the Company had the rate of return from the assets only 0.71 percent. The Company set a reserve for the depreciated and obsolete goods of the inventory and non-current inventory of spare parts and set the reserve of impaired assets in this year sufficiently.

- **Liquidity and Sufficiency of the Company's Fund**

- If considering the liquidity and sufficient of the Company's working capital, the Company had liquidity ratio in 2015 of 0.76 times, decreasing approximately 0.05 times only, compared to the round at the end of 2014. While the average collection period was 12 days, the day sales outstanding was approximately 57 days, the average payment period was 34 days, consequently, the cash cycle was 36 days due to it was in the period of the business rehabilitation, the Company must collect the selling price from customers in advance in order to pay for raw materials from overseas;
- If considering the ability of debt payment, in 2015, the Company had the debt/equity ratio of (14.72) times, increasing 7.09 times, compared to the round at the end of 2014 and the interest coverage ratio was 32.11 times, increasing 22.15 times, compared to the round at the end of 2014 due to the Company increased its capital to pay the debts under the previous business rehabilitation plan almost completely. The Company therefore has been released from remaining debt and outstanding interest totaling 305 million Baht.

## **Financial position**

### **Financial position of the Company and its subsidiary company**

As at 31 December 2015, the Company and its subsidiary company had total assets 393 million Baht, total debt 339 million Baht, net equity 54 million Baht or net value 0.01 Baht per share, summarizing that:

- The total assets was decreased in the amount of 538 million Baht or equivalent to 58 percent compared to the round at the end of 2014 because the Company and its subsidiary company had increasing the current assets in the amount of 100 million Baht or equivalent to 52 percent while the non-current assets of the Company and its subsidiary company in this round was reduced in the amount of 638 million Baht or equivalent to 86 percent;
- The total liabilities were reduced in the amount of 914 million Baht or equivalent to 73 percent compared to the round at the end of 2014 due to the current liabilities were reduced in the amount of 295 million Baht or equivalent to 51 percent while the non-current liabilities were reduced in the amount of 619 million Baht or equivalent to 92 percent;
- In addition, the Company and its subsidiary company had the equities in the amount of 54 million Baht, increasing for 377 million Baht or equivalent to 117 percent compared to the round at the end of 2014 which having the equities (323) million Baht due to the Company increased its capital in the amount of 340 million Baht. However, the Company and its

subsidiary company had the accumulated deficit reducing for 80 million Baht and the out-of-control interest was increased in the amount of 43 million Baht. Therefore, the Company and its subsidiary company had the net book value at 0.01 Baht per share.

#### **Financial position of the Company**

As at 31 December 2015, the Company had total assets 328 million Baht and total debt 352 million Baht with registered capital of 1,078.89 million Baht. However, there was the accumulated deficit of 1,101 million Baht due to, in this year, there was increasing loss 316 million Baht, resulting net equity to be (24) million Baht or equivalent to the value of (0.00) Baht per share as the following details:

- The total assets was reduced in the amount of 660 million Baht or equivalent to 67 percent compared to the round at the end of 2014 because of there was recorded of the impairment of investment in the subsidiary company in the amount of 636 million Baht. The land, building and equipment were reduced in the amount of 52 million Baht. However, there were cash, trade account receivable and inventory increasing in the amount of 28 million Baht;
- The total liabilities were 684 million Baht or equivalent to 66 percent because of the Company paid the creditors the debts under the business rehabilitation plan or the creditors under the debt restructuring agreement, causing the debts under the business rehabilitation plan decreasing in the amount of 705 million Baht. The allowance for transport of gypsum was reduced in the amount of 31 million Baht while the current liabilities were increased in the amount of 53 million Baht from the trade account payable and the debt from guarantee obligation (Thanachart bank) increasing;
- The equities were increased in the amount of 24 million Baht or equivalent to 50 percent due to the Company increased its capital in the amount of 340 million Baht. However, there was net loss in the amount of 316 million Baht, causing the accumulated deficit to be 1,101 million Baht and the equity to be 24 million Baht.

#### **Factors which may impact the operations in future**

The Company's securities have been categorized in the Non-Performing Group: NPG, currently, in phase 3, expired on 10 March 2014 and have been extended the time to remedy the cause of withdrawal for another two years that are: 31 March 2015 and 31 March 2016, respectively. The Stock Exchange of Thailand has notified the Company in writing that the Company should speed up to be qualified and released from such cause without delay and the Company should submit a petition for releasing from the cause of withdrawal and deliver the audited financial statement of 2015 by the certified public auditor as well as explanation or supportive or useful documents to the Stock Exchange of Thailand on 31 March 2016.

If the Company cannot remedy it within 31 March 2016, the Stock Exchange of Thailand may not extend the to remedy the cause of withdrawal, resulting the Company's securities to be withdrawn from listed securities in the Stock Exchange of Thailand. However, the Company predicts that it will be able to submit the petition for releasing from the cause of withdrawal within the said time.

## Significant Financial Information

## Summary of Financial Position and Company Performance

## Statement of Financial Position as of 31 December

(Unit: Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S	
	2013	%	2013	%	2014	%	2014	%	2015	%	2015	%
<b>Assets</b>												
<b>Current Assets</b>												
Cash and cash equivalents	14,237	1.44	8,309	0.84	15,884	1.71	9,952	1.01	27,817	7.08	27,252	8.31
Restricted cash - Legal Execution	-	-	-	-	-	-	-	-	5,499	1.40	-	-
Trade accounts receivable and other receivables												
- related companies - net	11,570	1.17	29,542	3.00	7,322	0.79	27,374	2.77	32,548	8.28	32,388	9.88
- general customers - net	6,497	0.66	6,465	0.66	2,246	0.24	5,527	0.56	6,231	1.59	6,231	1.90
Inventories - net	51,473	5.20	51,473	5.23	118,796	12.76	118,796	12.02	131,684	33.52	131,684	40.16
Other current assets	77,319	7.81	66,869	6.80	46,900	5.04	36,216	3.67	35,742	9.10	28,610	8.73
Discontinued operations assets held for disposal	-	-	-	-	-	-	-	-	51,668	13.15	-	-
<b>Total Current Assets</b>	<b>161,096</b>	<b>16.26</b>	<b>162,658</b>	<b>16.54</b>	<b>191,148</b>	<b>20.53</b>	<b>197,865</b>	<b>20.02</b>	<b>291,189</b>	<b>74.11</b>	<b>226,165</b>	<b>68.98</b>
<b>NON - CURRENT ASSETS</b>												
Restricted deposits with bank	5,045	0.51	170	0.02	5,045	0.54	170	0.02	178	0.05	178	0.05
Restricted deposit with related company	21,110	2.13	-	-	21,110	2.27	-	-	-	-	-	-
Investment in subsidiary company	-	-	636,000	64.65	-	-	636,000	64.37	-	-	-	-
Other long-term investments - net	3,654	0.37	3,654	0.37	3,654	0.39	3,654	0.37	3,654	0.93	3,654	1.11
Property, plant and equipment - net	189,455	19.13	148,604	15.11	144,787	15.55	117,794	11.92	65,260	16.61	65,260	19.90
Pier lease right - net	576,986	58.25	-	-	532,159	57.15	-	-	-	-	-	-
Other non - current assets	33,222	3.35	32,614	3.32	33,221	3.57	32,613	3.30	32,621	8.30	32,621	9.95
<b>Total Non - Current Assets</b>	<b>829,472</b>	<b>83.74</b>	<b>821,042</b>	<b>83.46</b>	<b>739,976</b>	<b>79.47</b>	<b>790,231</b>	<b>79.98</b>	<b>101,713</b>	<b>25.89</b>	<b>101,713</b>	<b>31.02</b>
<b>TOTAL ASSETS</b>	<b>990,568</b>	<b>100.00</b>	<b>983,700</b>	<b>100.00</b>	<b>931,124</b>	<b>100.00</b>	<b>988,096</b>	<b>100.00</b>	<b>392,902</b>	<b>100.00</b>	<b>327,878</b>	<b>100.00</b>

## Summary of Financial Position and Company Performance

## Statement of Financial Position as of 31 December

(Unit: Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S	
	2013	%	2013	%	2014	%	2014	%	2015	%	2015	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>												
<b>CURRENT LIABILITIES</b>												
Trade accounts payable and other payables												
- related companies	17,094	1.73	13,970	1.42	12,738	1.37	9,097	0.92	32,482	8.27	82,241	25.08
- general suppliers	4,970	0.50	3,866	0.39	35,360	3.80	35,360	3.58	26,843	6.83	26,843	8.19
Share account payable - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Other account payable												
Ratted Companies	0	-	0	-	0	-	0	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Debentures Paid in 1 year	-	-	-	-	-	-	-	-	-	-	-	-
Advance received from customer												
Ratted Companies	43,322	4.37	43,322	4.40	42,422	4.56	42,422	4.29	2,561	0.65	20,561	6.27
Others	30,688	3.10	30,688	3.12	42,981	4.62	42,981	4.35	57,834	14.72	57,834	17.64
Liabilities guarantee to Parent Company	46,956	4.74	-	-	46,956	5.04	-	-	-	-	-	-
Accrued compensation expense and debts												
under joint operating agreement	276,233	27.89	56,598	5.75	344,828	37.03	57,432	5.81	109,730	27.93	56,214	17.14
Liabilities under rehabilitation plan - 1 year paid	44,042	4.45	47,595	4.84	44,067	4.73	47,479	4.81	-	-	-	-
Liabilities for guaranteed of debentures	-	-	-	-	-	-	-	-	35,199	8.96	35,199	10.74
Other current liabilities	10,888	1.10	9,815	1.00	10,039	1.08	8,875	0.90	19,218	4.89	18,217	5.56
<b>Total Current Liabilities</b>	<b>474,193</b>	<b>47.87</b>	<b>205,854</b>	<b>20.93</b>	<b>579,391</b>	<b>62.22</b>	<b>243,646</b>	<b>24.66</b>	<b>283,867</b>	<b>72.25</b>	<b>297,109</b>	<b>90.62</b>
<b>NON - CURRENT LIABILITIES</b>												
Liabilities under rehabilitation plan - net	626,567	63.25	746,140	75.85	589,623	63.32	707,196	71.57	-	-	-	-
Provision for gypsums relocation cost	76,276	7.70	76,276	7.75	74,172	7.97	74,172	7.51	43,207	11.00	43,207	13.18
Other non - current liabilities	8,404	0.85	8,404	0.85	10,554	1.13	10,554	1.07	11,457	2.92	11,457	3.49
<b>Total Non - Current Liabilities</b>	<b>711,247</b>	<b>71.80</b>	<b>830,820</b>	<b>84.46</b>	<b>674,349</b>	<b>72.42</b>	<b>791,922</b>	<b>80.15</b>	<b>54,664</b>	<b>13.91</b>	<b>54,664</b>	<b>16.67</b>
<b>TOTAL LIABILITIES</b>	<b>1,185,440</b>	<b>119.67</b>	<b>1,036,674</b>	<b>105.39</b>	<b>1,253,740</b>	<b>134.65</b>	<b>1,035,568</b>	<b>104.80</b>	<b>338,531</b>	<b>86.16</b>	<b>351,773</b>	<b>107.29</b>

## Summary of Financial Position and Company Performance

## Statement of Financial Position as of 31 December

(Unit: Thousand Baht)

## SHAREHOLDERS' EQUITY

## Share Capital

## Registered Capital

Common Share 4,605,589,515 Shares

Baht 0.16 par value

## Issues and Fully Paid-up

Common Share 4,605,589,515 Shares

Baht 0.16 par value

## Surplus

Surplus on assets revaluation

Actuarial losses

Retained Earning (Loss)

Unappropriated

(Capital deficiency)

Non-controlling interests in subsidiary

TOTAL SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S	
2013	%	2013	%	2014	%	2014	%	2015	%	2015	%
736,894	74.39	736,894	74.91	736,894	79.14	736,894	74.58	1,076,894	274.09	1,076,894	328.44
736,894	74.39	736,894	74.91	736,894	79.14	736,894	74.58	1,076,894	115.66	1,076,894	108.99
503	0.05	503	0.05	377	0.04	377	0.04	251	0.03	251	0.03
(260)	(0.03)	(260)	(0.03)	(1,671)	(0.18)	(1,671)	(0.17)	(1,869)	(0.20)	(1,869)	(0.19)
(998,110)	(100.76)	(790,111)	(80.32)	(1,101,993)	(118.35)	(783,072)	(79.25)	(1,021,625)	(109.72)	(1,099,171)	(79.25)
(260,973)	(26.35)	(52,974)	(5.39)	(366,393)	(39.35)	(47,472)	(4.80)	53,651	5.76	(23,895)	29.57
66,101	6.67	-	-	43,777	4.70	-	-	720	0.18	-	-
(194,872)	(19.67)	(52,974)	(5.39)	(322,616)	(34.65)	(47,472)	(4.80)	54,371	5.95	(23,895)	29.57
990,568	100.00	983,700	100.00	931,124	100.00	988,096	100.00	392,902	92.11	327,878	136.86



**Summary of Financial Position and Company Performance**  
**STATEMENTS OF PROFIT OR LOSS and RETAINED EARNING (LOSS) AS OF 31 DECEMBER**

(Unit: Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S		CONSOLIDATED F/S		SEPARATE F/S	
	2013	%	2013	%	2014	%	2014	%	2015	%	2015	%
<b>REVENUES</b>												
Revenue from sales of fertilizer products	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from sales of chemical products	653,029	79.37	653,029	79.13	720,143	85.10	720,143	84.86	896,779	65.51	896,779	83.54
Revenue from services	133,515	16.23	136,174	16.50	121,189	14.32	123,810	14.59	142,828	10.43	145,448	13.55
Other	36,262	4.40	36,102	4.37	4,869	0.58	4,654	0.55	78,637	5.74	31,309	2.92
Reversal of accrued compensation expense and debts under join	-	-	-	-	-	-	-	-	250,665	18.31	-	-
<b>Total Revenues</b>	<b>822,806</b>	<b>100</b>	<b>825,304</b>	<b>100</b>	<b>846,201</b>	<b>100</b>	<b>848,607</b>	<b>100</b>	<b>1,368,909</b>	<b>100</b>	<b>1,073,536</b>	<b>100</b>
<b>Expenses</b>												
Cost of Fertilizer Sold	-	-	-	-	-	-	-	-	-	-	-	-
Cost of chemical products sold	626,566	76.15	626,566	75.92	676,853	79.99	676,853	79.76	790,441	57.74	790,441	73.63
Cost of services	25,776	3.13	24,639	2.99	32,059	3.79	32,111	3.78	34,326	2.51	34,377	3.20
Selling expenses	89	0.01	89	0.01	354	0.04	354	0.04	20,599	1.50	20,599	1.92
Administrative expenses	14,978	1.82	14,294	1.73	24,099	2.85	12,119	1.43	39,527	2.89	59,887	5.58
Loss on liability from guarantee	-	-	-	-	-	-	-	-	35,199	2.57	35,199	3.28
Loss on impairment of investment in subsidiary	-	-	-	-	-	-	-	-	-	-	636,000	59.24
Loss on write off pier lease right	-	-	-	-	-	-	-	-	509,928	37.25	-	-
Factory shutdown expenses	113,127	13.75	113,127	13.71	101,753	12.02	101,753	11.99	100,822	7.37	100,822	9.39
Expenses from temporary suspension of pier	119,044	14.47	-	-	118,393	13.99	-	-	40,972	2.99	-	-
Current Employee Benefit	13,946	1.70	13,105	1.59	12,718	1.50	12,718	1.50	13,363	0.98	13,363	1.24
<b>Total Expense</b>	<b>913,526</b>	<b>111.03</b>	<b>791,820</b>	<b>95.94</b>	<b>966,229</b>	<b>114.18</b>	<b>835,908</b>	<b>98.50</b>	<b>1,585,177</b>	<b>115.80</b>	<b>1,690,688</b>	<b>157.49</b>
<b>Income (Loss) Before Expenses</b>	<b>(90,720)</b>	<b>(11.03)</b>	<b>33,484</b>	<b>4.05</b>	<b>(120,028)</b>	<b>(14.18)</b>	<b>12,699</b>	<b>1.50</b>	<b>(216,268)</b>	<b>(15.80)</b>	<b>(617,152)</b>	<b>(57.49)</b>
Financial costs	6,920	0.84	6,389	0.77	6,178	0.73	5,659	0.67	4,712	0.34	4,193	0.39
	<b>(97,640)</b>	<b>(11.87)</b>	<b>27,095</b>	<b>3.28</b>	<b>(126,206)</b>	<b>(14.91)</b>	<b>7,040</b>	<b>0.83</b>	<b>(220,980)</b>	<b>(16.14)</b>	<b>(621,345)</b>	<b>(57.88)</b>
Portion of non-controlling interests in subsidiary	<b>(20,898)</b>	<b>(2.54)</b>	<b>-</b>	<b>-</b>	<b>(22,324)</b>	<b>(2.64)</b>	<b>-</b>	<b>-</b>	<b>(43,057)</b>	<b>(3.15)</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) Before Extra Items</b>	<b>(76,742)</b>	<b>(9.33)</b>	<b>27,095</b>	<b>3.28</b>	<b>(103,882)</b>	<b>(12.28)</b>	<b>7,040</b>	<b>0.83</b>	<b>(177,923)</b>	<b>(13.00)</b>	<b>(621,345)</b>	<b>(57.88)</b>
Extra Item - Income from debt forgiveness	-	-	-	-	-	-	-	-	258,290	18.87	305,245	28.43
<b>Income (Loss) for the year</b>	<b>(76,742)</b>	<b>(9.33)</b>	<b>27,095</b>	<b>3.28</b>	<b>(103,882)</b>	<b>(12.28)</b>	<b>7,040</b>	<b>0.83</b>	<b>80,367</b>	<b>5.87</b>	<b>(316,100)</b>	<b>(29.44)</b>
Beginning of Retained Earning (Loss)	(921,368)		(817,207)		(998,110)		(790,111)		(1,101,992)		(783,071)	
Income (Loss) for the year	(76,742)		27,095		(103,882)		7,040		80,367		(316,100)	
Ending of Retained Earning (Loss)	(998,110)		(790,112)		(1,101,992)		(783,071)		(1,021,624)		(1,099,171)	

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

(Unit : Thousand Baht)

	2013		2014		2015	
	Consolidated F/S	Separate F/S	Consolidated F/S	Separate F/S	Consolidated F/S	Separate F/S
<b>Cash Flows from Operating Activities</b>						
Income (loss) for the year	(97,640)	27,096	(126,206)	7,040	37,310	(316,100)
Adjustments to reconcile income (loss) to net cash provided from (used in) operating activities						
Depreciation and amortization	88,850	38,687	88,368	38,237	63,290	39,149
Loss (gain) on exchange rate	715	715	(2,078)	(2,078)	2,842	2,842
Income from debt forgiveness	(3,680)	(3,680)	(237)	(237)	(258,290)	(305,245)
Reversal of allowance for doubtful accounts	(400)	(400)	19,946	19,795	(79,765)	(58,350)
Reversal of allowance for defective and decline value of inventories	(468)	(468)	(614)	(614)	(1,886)	(1,886)
Spare parts written off	-	-	-	-	(122)	(122)
Loss on impairment of investment in subsidiary	-	-	-	-	-	636,000
Loss on written-off pier lease right	-	-	-	-	509,928	-
Loss (gain) on disposal of assets	60	60	(394)	(394)	2,160	2,160
Provision for impairment of assets	-	-	8,554	-	13,263	13,263
Decreased provision for gypsums relocation cost	(28,511)	(28,511)	(2,104)	(2,104)	(30,965)	(30,965)
Reversal of accrued compensation expense and debts under joint operating agreement	-	-	-	-	(250,665)	-
Revenue from the Rendering of Services	-	(2,000)	-	(2,000)	-	(2,000)
Interest income	(145)	(111)	(58)	(40)	(39)	(34)
Provision for employee benefits obligation	(199)	355	310	310	511	511
Interest expense	5,951	5,939	5,252	5,252	3,780	3,780
Gain (loss) from operations before changes in operating assets and liabilities	(35,467)	37,682	(9,261)	63,167	11,352	(16,997)
Decrease (Increase) in Operating Assets						
Trade accounts receivable and other receivables - related companies	(3,724)	(4,535)	(16,090)	(17,947)	(45,341)	(46,492)
Trade accounts receivable and other receivables - general customers	1,494	1,442	4,643	4,539	99,176	99,124
Inventories	69,729	69,729	(66,709)	(66,709)	(10,880)	(10,880)
Other current assets	(34,815)	(34,208)	30,419	27,372	7,877	7,606
Other non-current assets	(3)	(3)	1	1	-	(8)
Increase (Decrease) in Operating Liabilities						
Trade accounts payable and other payables - related companies	(1,592)	(2,296)	4,487	4,487	19,744	73,144
Trade accounts payable and other payables - general supplier	(4,102)	(4,697)	23,625	24,212	(11,359)	(11,359)
Liabilities for guaranteed of debentures	-	-	-	-	(46,956)	-
Advance received from customer - related companies	(129)	(129)	(900)	(900)	(39,861)	(21,861)
Advance received from customer - others	(22,471)	(22,471)	12,293	12,293	14,853	14,853
Accrued compensation expense and debts under joint operating agreement	67,493	40	68,595	834	15,567	(1,218)
Other current liabilities	3,322	3,249	(849)	(940)	44,378	44,541
Other non-current liabilities	-	-	300	300	-	-
<b>Net Cash provided from Operating Activities</b>	<b>39,735</b>	<b>43,803</b>	<b>50,554</b>	<b>50,709</b>	<b>58,550</b>	<b>130,453</b>

## STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER

(Unit : Thousand Baht)

	2013		2014		2015	
	Consolidated F/S	Separate F/S	Consolidated F/S	Separate F/S	Consolidated F/S	Separate F/S
<b>Continued</b>						
<b>Cash Flows from Investing Activities</b>						
Interest received	145	111	58	40	39	34
Increase in restricted deposits with bank		-	-	-	(8)	(8)
Acquisition of assets	(388)	(364)	(7,554)	(7,554)	(2,195)	(2,195)
Proceeds from disposal of assets	13	13	395	395	31	31
<b>Net Cash used in Investing Activities</b>	<b>(230)</b>	<b>(240)</b>	<b>(7,101)</b>	<b>(7,119)</b>	<b>(2,133)</b>	<b>(2,138)</b>
<b>Cash Flows from Financing Activities</b>						
Proceeds from share capital increment	-	-	-	-	340,000	340,000
Interest paid	(5,813)	(5,813)	(5,124)	(5,124)	(3,585)	(3,585)
Payment for liabilities under rehabilitation plan	(36,683)	(36,824)	(36,682)	(36,823)	(375,400)	(447,430)
<b>Net Cash used in Financing Activities</b>	<b>(42,496)</b>	<b>(42,637)</b>	<b>(41,806)</b>	<b>(41,947)</b>	<b>(38,985)</b>	<b>(111,015)</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,991)	926	1,647	1,643	17,432	17,300
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,228	7,383	14,237	8,309	15,884	9,952
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>14,237</b>	<b>8,309</b>	<b>15,884</b>	<b>9,952</b>	<b>33,316</b>	<b>27,252</b>

<b>Financial Ratio Analysis</b>								
	<b>Consolidated F/S</b>				<b>Separate F/S</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	
<b>LIQUIDITY RATIOS</b>								
- Current Ratio	0.34	0.33	1.03	Times	0.79	0.81	0.76	Times
- Quick Ratio	0.07	0.04	0.23	Times	0.22	0.18	0.22	Times
- Cash Ratio	0.09	0.10	0.14	Times	0.12	0.23	0.22	Times
- Account Receivable Turnover	60.97	60.89	43.01	Times	36.27	24.50	29.15	Times
- Average Collection Period	5.90	5.91	8.37	day	9.92	14.70	12.35	day
- Inventory Turnover	7.28	7.95	6.31	Times	7.28	7.95	6.31	Times
- Receivable Conversion Period	49	45	57	day	49	45	57	day
- Account Payable Turnover	40.58	20.21	15.36	Times	43.15	22.77	10.74	Times
- Payable Conversion Period	9	18	23	day	8	16	34	day
- Cash Cycle	47	33	42	day	51	44	36	day
<b>PROFITABILITY RATIOS</b>								
- Gross Profit Margin	17.06%	15.74%	20.67%	%	17.49%	15.99%	20.86%	%
- Net Profit Margin ( Loss) before extraordinary item	-9.33%	-12.28%	-13.00%	%	3.28%	0.83%	-57.88%	%
- Net Profit Margin ( Loss)	-9.33%	-12.28%	5.87%	%	3.28%	0.83%	-29.44%	%
- Return on Equity before extra ordinary items	N.A.	N.A.	N.A.	%	-40.62%	-14.02%	N.A.	%
- Return on Equity	N.A.	N.A.	-59.92%	%	-40.62%	-14.02%	N.A.	%
<b>EFFICIENCY RATIOS</b>								
- Return on Assets before extra ordinary items	-7.29%	-10.81%	-26.88%	%	2.66%	0.73%	-94.43%	%
- Return on Assets	-7.29%	-10.81%	12.14%	%	2.66%	0.73%	-48.04%	%
- Fixed Assets Turnover before extra ordinary items	1.39%	-1.98%	-27.24%	%	7.83%	5.62%	-130.55%	%
- Fixed Assets Turnover	1.39%	-1.98%	34.14%	%	7.83%	5.62%	-62.10%	%
- Total Assets Turnover	0.78	0.88	2.07	Times	0.81	0.86	1.63	Times
<b>FINANCIAL LEVERAGE RATIOS</b>								
- Debt to Equity Ratio (before extra ordinary items)	(6.08)	(3.89)	6.23	Times	(19.57)	(21.81)	(14.72)	Times
- Debt to Equity Ratio	(6.08)	(3.89)	6.23	Times	(19.57)	(21.81)	(14.72)	Times
- Interest Coverage Ratio (Cash Basis)	6.74	9.18	13.43	Times	7.86	9.96	32.11	Times
- Interest Coverage Ratio	(0.27)	(5.12)	(32.47)	Times	11.30	9.00	(137.85)	Times
- Obligation Coverage Ratio	0.04	0.05	0.50	Times	0.05	0.06	2.08	Times
(Cash Basis)								
- Dividend Payout Ratio	0.00	0.00	0.00	%	0.00	0.00	0.00	%

## Summary of Financial Position and Operating Performance of Subsidiary Company and Associate Company

## Rayong Bulk Terminal Company Limited

	(Unit: million Baht)		
	2013	2014	2015
<b>Total Assets</b>	<b>687</b>	<b>623</b>	<b>87</b>
<b>Total Liabilities</b>	<b>293</b>	<b>362</b>	<b>83</b>
<b>Shareholders' Equity</b>	<b>395</b>	<b>261</b>	<b>4</b>
<b>Total Income</b>	<b>0.71</b>	<b>1.01</b>	<b>282</b>
<b>Net Profit</b>	<b>(125)</b>	<b>(133)</b>	<b>(257)</b>
<b>Book Value per Share (Baht)</b>	<b>5.16</b>	<b>3.42</b>	<b>0.06</b>
<b>Par Value (Baht)</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

## Financial Highlights

(Unit: million Baht)

	2013	2014	2015
Income	825	849	1,379
Cost and Expenses	798	842	1,695
Profit (Loss) from Operations	27	7	(316)
Net Profit (Loss)	27	7	(316)
Profit (Loss) per Share (Baht)	0.01	0.01	(0.07)
Number of Shares (shares)	4,605,589,515	4,605,589,515	4,657,986,775
Weighted Average Number of Shares (shares)	4,605,589,515	4,605,589,515	4,657,986,775
Total Assets	984	988	328
Total Liabilities	1,037	1,036	352
Shareholders' Equity	(53)	(47)	(24)
Book Value per Share (Baht)	(0.01)	(0.01)	(0.01)
Par Value (Baht)	0.16	0.16	0.16

**Others**

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

**Auditor's Report and Financial Statement**

**For the year ended on 31 December 2015**



# **REPORT OF INDEPENDENT AUDITOR**

To the Shareholders of NFC Fertilizer Public Company Limited

I have audited the accompanying consolidated financial statements of NFC Fertilizer Public Company Limited and subsidiary which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, including notes disclosure summarizing significant accounting policies and other explanatory information. I have also audited the separate financial statements of NFC Fertilizer Public Company Limited which comprise the separate statement of financial position as at 31 December 2015, and the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, including notes disclosure summarizing significant accounting policies and other explanatory information.

## **Management's responsibility for the financial statements**

The Company's management is responsible for the preparation and the fair presentation of these financial statements in accordance with Thai Financial Reporting Standards and for such internal controls as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements, including planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The selected audit procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

I believe that the audit evidences I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position as at 31 December 2015 and the consolidated results of operations and cash flows for the year then ended of NFC Fertilizer Public Company Limited and subsidiary, and the separate financial position as at 31 December 2015 and the results of operations and cash flows for the year then ended of NFC Fertilizer Public Company Limited, in accordance with Thai Financial Reporting Standards.

### **Prior year financial statements and audit opinion**

I had previously audited the consolidated financial statements of NFC Fertilizer Public Company Limited and subsidiary, and the separate financial statements of NFC Fertilizer Public Company Limited for the year ended 31 December 2014 and issued my report dated 24 February 2015 with a disclaimer of opinion because of significant uncertainties about certain matters that affected the overall financial statements of the Company that may require adjustments to the accounts. However, during the year 2015 the matters of said uncertainties have been resolved and the accounting records were properly adjusted. My current opinion on the financial statements for the year 2015 is therefore changed.

**Mr. Somckid Tiatragul**

Certified Public Accountant

Registration No. 2785

Bangkok, Thailand

25 February 2016

**NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit : Thousand Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	27,817	10,385	27,252	9,952
Restricted cash - Legal Execution	7	5,499	5,499	-	-
Trade accounts receivable and other receivables					
- related companies - net	8, 9	32,548	7,322	32,388	27,374
- general customers - net	8	6,231	5,527	6,231	5,527
Inventories - net	10	131,684	118,796	131,684	118,796
Advances for land rental		17,458	17,675	17,458	17,675
Advances for goods purchases		2,565	9,687	2,565	9,687
Income tax withheld at sources		7,102	7,475	7,102	7,391
Refundable value added tax		5,480	5,479	-	-
Other current assets		3,137	3,303	1,485	1,463
Discontinued operations assets held for disposal	11	51,668	-	-	-
<b>Total Current Assets</b>		<b>291,189</b>	<b>191,148</b>	<b>226,165</b>	<b>197,865</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposits with bank	12	178	5,045	178	170
Restricted deposit with related company	9	-	21,110	-	-
Investment in subsidiary company	13	-	-	-	636,000
Other long-term investments - net		3,654	3,654	3,654	3,654
Property, plant and equipment - net	14	65,260	144,787	65,260	117,794
Pier lease right - net	15	-	532,159	-	-
Other non - current assets		32,621	33,221	32,621	32,613
<b>Total Non - Current Assets</b>		<b>101,713</b>	<b>739,976</b>	<b>101,713</b>	<b>790,231</b>
<b>TOTAL ASSETS</b>		<b>392,902</b>	<b>931,124</b>	<b>327,878</b>	<b>988,096</b>

**NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit : Thousand Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Trade accounts payable and other payables					
- related companies	9	32,482	12,738	82,241	9,097
- general suppliers		26,843	35,360	26,843	35,360
Liabilities for guaranteed of debentures	16	-	46,956	-	-
Current portion of liabilities under					
rehabilitation plan	9, 17	-	44,067	-	47,479
Advance received from customer - related companies	9	2,561	42,422	20,561	42,422
- others		57,834	42,981	57,834	42,981
Accrued compensation expense and debts					
under joint operating agreement	19	109,730	344,828	56,214	57,432
Other current liabilities	18	54,417	10,039	53,416	8,875
<b>Total Current Liabilities</b>		<b>283,867</b>	<b>579,391</b>	<b>297,109</b>	<b>243,646</b>
<b>NON - CURRENT LIABILITIES</b>					
Liabilities under rehabilitation plan - net	9, 17	-	589,623	-	707,196
Provision for gypsums relocation cost		43,207	74,172	43,207	74,172
Employee benefits obligation	20	5,287	4,384	5,287	4,384
Other non - current liabilities		6,170	6,170	6,170	6,170
<b>Total Non - Current Liabilities</b>		<b>54,664</b>	<b>674,349</b>	<b>54,664</b>	<b>791,922</b>
<b>TOTAL LIABILITIES</b>		<b>338,531</b>	<b>1,253,740</b>	<b>351,773</b>	<b>1,035,568</b>

NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>LIABILITIES AND</b>					
<b><u>SHAREHOLDERS' EQUITY</u> (Continue)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital – common share at Baht 0.16 par value					
- Authorized 6,730,589,515 shares	21	1,076,894	736,894	1,076,894	736,894
(2014: 4,605,589,515 shares)					
- Issued and fully paid-up 6,730,589,515 shares	21	1,076,894	736,894	1,076,894	736,894
(2014: 4,605,589,515 shares)					
Deficit		(1,023,494)	(1,103,664)	(1,101,040)	(784,743)
Surplus on assets revaluation	14	251	377	251	377
<b>Shareholders' equity of the Company</b>					
(Capital deficiency)		53,651	(366,393)	(23,895)	(47,472)
Non-controlling interests in subsidiary		720	43,777	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>					
(CAPITAL DEFICIENCY)		54,371	(322,616)	(23,895)	(47,472)
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
(NET OF CAPITAL DEFICIENCY)		392,902	931,124	327,878	988,096

**NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Thousand Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2015	2014	2015	2014
REVENUES					
Revenue from sales of chemical products		896,779	720,143	896,779	720,143
Revenue from services		142,828	121,189	145,448	123,810
Total Revenues from Sales and Services	9, 26	1,039,607	841,332	1,042,227	843,953
COSTS OF SALES AND SERVICES					
Cost of chemical products sold		790,441	676,853	790,441	676,853
Cost of services		34,326	32,059	34,377	32,111
Total Costs of Sales and Services	23, 26	824,767	708,912	824,818	708,964
Gross income		214,840	132,420	217,409	134,989
Other income	9, 26	78,637	4,632	31,309	4,417
Income from debt forgiveness	17	258,290	237	305,245	237
Reversal of accrued compensation expense and debts under joint operating agreement	19, 26	250,665	-	-	-
Income Before Expenses		802,432	137,289	553,963	139,643
Selling expenses		20,599	354	20,599	354
Administrative expenses		51,574	35,501	50,571	23,521
Provision for doubtful accounts - related company	9	1,316	1,316	22,679	1,316
Loss on liability from guarantee	18	35,199	-	35,199	-
Loss on impairment of investment in subsidiary	13	-	-	636,000	-
Loss on write off pier lease right	15	509,928	-	-	-
Factory shutdown expenses	2	100,822	101,753	100,822	101,753
Expenses from temporary suspension of pier	2	40,972	118,393	-	-
Financial costs		4,712	6,178	4,193	5,659
Total expenses	23, 26	765,122	263,495	870,063	132,603
NET INCOME (LOSS) FOR THE YEAR		37,310	(126,206)	(316,100)	7,040
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR					
Items that will not be reclassified subsequently to profit or loss					
Assets revaluation	14	(126)	(126)	(126)	(126)
Actuarial losses - net of tax	20	(197)	(1,412)	(197)	(1,412)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		36,987	(127,744)	(316,423)	5,502
ALLOCATION OF INCOME (LOSS) FOR THE YEAR					
Portion of the Company's shareholders		80,367	(103,882)	(316,100)	7,040
Portion of non-controlling interests in subsidiary		(43,057)	(22,324)	-	-
		37,310	(126,206)	(316,100)	7,040
ALLOCATION OF COMPREHENSIVE INCOME (LOSS) FOR THE YEAR					
Portion of the Company's shareholders		80,044	(105,420)	(316,423)	5,502
Portion of non-controlling interests in subsidiary		(43,057)	(22,324)	-	-
		36,987	(127,744)	(316,423)	5,502
Basic Earnings (loss) per Share					
Profit (Loss) (Baht per share)		0.02	(0.02)	(0.07)	-
Weight average number of common shares (Thousand Shares)	21	4,657,987	4,605,590	4,657,987	4,605,590

The accompanying notes form an integral part of these financial statements.

NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Note	Equity attributable to the Company's shareholders					Non controlling interests	Total
		Paid-up	Deficit	Surplus on	Total shareholders'	equity of the Company		
		share capital		assets	Revaluation			
<b>CONSOLIDATED F/S</b>								
Balance as at 1 January 2014		736,894	(998,370)	503	(260,973)		66,101	(194,872)
Comprehensive income (loss) for the year		-	(105,294)	(126)	(105,420)		(22,324)	(127,744)
Balance as at 31 December 2014		736,894	(1,103,664)	377	(366,393)		43,777	(322,616)
Balance as at 1 January 2015		736,894	(1,103,664)	377	(366,393)		43,777	(322,616)
Share increment during the year	21	340,000	-	-	340,000		-	340,000
Comprehensive income (loss) for the year		-	80,170	(126)	80,044		(43,057)	36,987
Balance as at 31 December 2015		1,076,894	(1,023,494)	251	53,651		720	54,371

The accompanying notes form an integral part of these financial statements.

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

(Unit : Thousand Baht)					
	Note	Paid-up share capital	Deficit	Surplus on assets revaluation	Total
<u>SEPARATE F/S</u>					
Balance as at 1 January 2014		736,894	(790,371)	503	(52,974)
Comprehensive income (loss) for the year		-	5,628	(126)	5,502
Balance as at 31 December 2014		736,894	(784,743)	377	(47,472)
Balance as at 1 January 2015		736,894	(784,743)	377	(47,472)
Share increment during the year	21	340,000	-	-	340,000
Comprehensive income (loss) for the year		-	(316,297)	(126)	(316,423)
Balance as at 31 December 2015		1,076,894	(1,101,040)	251	(23,895)

The accompanying notes form an integral part of these financial statements.



**NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
<b>Cash Flows from Operating Activities</b>				
Income (loss) for the year	37,310	(126,206)	(316,100)	7,040
<b>Adjustments to reconcile income (loss) to net cash provided from (used in) operating activities</b>				
Depreciation and amortization	63,290	88,368	39,149	38,237
Loss (gain) on exchange rate	2,842	(2,078)	2,842	(2,078)
Loss (gain) on disposal of assets	2,160	(394)	2,160	(394)
Provision for impairment of assets	13,263	8,554	13,263	-
Allowance for doubtful accounts - related companies	20,115	20,338	41,478	20,115
Reversal of allowance for doubtful accounts - general customers	(99,880)	(392)	(99,828)	(320)
Reversal of allowance for defective and decline value of inventories	(1,886)	(614)	(1,886)	(614)
Spare parts written off	(122)	-	(122)	-
Loss on impairment of investment in subsidiary	-	-	636,000	-
Loss on written-off pier lease right	509,928	-	-	-
Decreased provision for gypsums relocation cost	(30,965)	(2,104)	(30,965)	(2,104)
Reversal of accrued compensation expense and debts under joint operating agreement	(250,665)	-	-	-
Service income	-	-	(2,000)	(2,000)
Income from debt forgiveness	(258,290)	(237)	(305,245)	(237)
Interest income	(39)	(58)	(34)	(40)
Interest expense	3,780	5,252	3,780	5,252
Provision for employee benefits obligation	511	310	511	310
<b>Gain (loss) from operations before changes in operating assets and liabilities</b>	11,352	(9,261)	(16,997)	63,167
<b>Decrease (Increase) in Operating Assets</b>				
Trade accounts receivable and other receivables - related companies	(45,341)	(16,090)	(46,492)	(17,947)
- general customers	99,176	7,551	99,124	7,447
Inventories	(10,880)	(66,709)	(10,880)	(66,709)
Other current assets	7,877	27,511	7,606	24,464
Other non-current assets	-	1	(8)	1
<b>Increase (Decrease) in Operating Liabilities</b>				
Trade accounts payable and other payables - related companies	19,744	(4,356)	73,144	(4,873)
- general suppliers	(11,359)	32,468	(11,359)	33,572
Liabilities for guaranteed of debentures	(46,956)	-	-	-
Advance received from customer - related companies	(39,861)	(900)	(21,861)	(900)
- others	14,853	12,293	14,853	12,293
Accrued compensation expense and debts under joint operating agreement	15,567	68,595	(1,218)	834
Other current liabilities	44,378	(849)	44,541	(940)
Other non-current liabilities	-	300	-	300
<b>Net Cash provided from Operating Activities</b>	58,550	50,554	130,453	50,709

The accompanying notes form an integral part of these financial statements.

**NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
<b>Cash Flows from Investing Activities</b>				
Increase in restricted deposits with bank	(8)	-	(8)	-
Interest received	39	58	34	40
Acquisition of assets	(2,195)	(7,554)	(2,195)	(7,554)
Proceeds from disposal of assets	31	395	31	395
<b>Net Cash used in Investing Activities</b>	<b>(2,133)</b>	<b>(7,101)</b>	<b>(2,138)</b>	<b>(7,119)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from share capital increment	340,000	-	340,000	-
Interest paid	(3,585)	(5,124)	(3,585)	(5,124)
Payment for liabilities under rehabilitation plan	(375,400)	(36,682)	(447,430)	(36,823)
<b>Net Cash used in Financing Activities</b>	<b>(38,985)</b>	<b>(41,806)</b>	<b>(111,015)</b>	<b>(41,947)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>17,432</b>	<b>1,647</b>	<b>17,300</b>	<b>1,643</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>15,884</b>	<b>14,237</b>	<b>9,952</b>	<b>8,309</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>33,316</b>	<b>15,884</b>	<b>27,252</b>	<b>9,952</b>

**Supplement cash flows information**

Additional information

During the year 2015 :

- The Company has income from creditors' debt forgiveness from fully compliance with the settlement of debts under the rehabilitation plan to some creditors amounted to Baht 305.24 million.

**NFC FERTILIZER PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**1. GENERAL INFORMATION**

The Company registered its incorporation in accordance with the Thai Civil and Commercial Code as a limited company in the year 1982. The Company changed its status to a public company and registered the change of its name to “NFC Fertilizer Public Company Limited” (“the Company”) on 13 October 1995. Currently, the Stock Exchange of Thailand (“SET”) issued a declaration to classify the Company as Non - Performing Company - Group stage 3. The Company had submitted the petition to The Stock Exchange of Thailand for extending the cause of withdrawal for another year until 31 March 2016.

The core business of the Company is manufacturing and selling of chemical fertilizer and selling of chemical products. Currently, the Company has suspended its manufacturing operations. Its selling and administrative offices and factory are located at:

Factory : No. 2, I-2 Road, Map Ta Phut Industrial Estate, Tambol Map Ta Phut, Muang District, Rayong, Thailand. Currently not in operations.

Office : 88 SC Group Building 4th Floor, The Park Land Road (Bangna-Trad Km.5), Bangna Sub-District, Bangna District, Bangkok, Thailand.

The Company has 83.25% investment in a subsidiary, (Rayong Bulk Terminal Co., Ltd.) that is engaged mainly in providing pier services and the depositary of merchandises for which operations has been suspended because the Agreement for Joint Development of Construction of the Pier Area with IEAT was terminated according to the Central Bankruptcy Court’s order.

**2. INFORMATION AND STATUS OF THE COMPANY AND SUBSIDIARY**

Status of the Company

On 28 January 2009, the Central Bankruptcy Court issued an order approving the business rehabilitation plan of the Company. Subsequently on 7 July 2010, the Central Bankruptcy Court approved the business rehabilitation plan of the Company and also appointed the Company to be the plan administrator.

However, on 3 November 2015, the Supreme Court ordered a dismissal of the rehabilitation plan according to the Central Bankruptcy Court’s sentence that Industrial Estate Authority of Thailand previously appealed to the Supreme Court (April 2009). The order dismissing of the rehabilitation plan will not affect any acts performed by the Official Receiver or the plan administrator prior to the issuance of such order by the Supreme Court. Currently, the Company is a public company which registered under the SET but not in the rehabilitation plan through the Central Bankruptcy Court so the right of management and on assets was returned to the management of the Company according to the law.

The Company prepares the accompanying financial statements for the year ended 31 December 2015 and 2014, assuming that it will be able to extend the cause of withdrawal to be listed company under the criteria of SET and it will continue as a going concern. However, the Company has accounted for loss from impairment of investment in subsidiary which will not generate future return of Baht 636 million (Value of investment in subsidiary is 83.25% of all investment). Thus, it has deficits as at 31 December 2015 of Baht 1,101 million, that causes the capital deficiency of Baht 24 million. Aforementioned factors have indicated the uncertainty to the Company's ability to continue as going concern. However, the management believes that the Company can operate profitably to generate profit with sufficient working capital to continue as a going concern.

As a result of inability to manufacture fertilizer for sales in the normal course of business, fixed costs occurred are classified as "Factory shutdown expenses" in the statements of profit or loss and other comprehensive income.

#### Status of the subsidiary

On 26 July 2011, the Central Bankruptcy Court adjudged the receivership of Rayong Bulk Terminal Co., Ltd. ("subsidiary"), as a guarantor of the Company's debentures. The subsidiary therefore, no longer has access to the granted pier area. This caused the subsidiary to suspend its business operations since July 2011, and can not generate cash flows for the Company.

During the year 2015, the Central Bankruptcy Court dismissed the subsidiary's appeal for an objection to the receivership from the Official Receiver. Thus, the Agreement for Joint Development of Construction of the Pier Area between the subsidiary and IEAT was terminated.

The aforementioned factors raise significant effect regarding the pier lease right and other assets as shown in the subsidiary's financial statements. During the year, the subsidiary wrote off the pier lease right costs of Baht 510 million. This significantly affects the subsidiary's operations as a going concern. Hence the subsidiary adjust the value of its assets to the expected realization and the liabilities to the amounts that are expected to be payable.

However, the Company and subsidiary have withdrawn the accusations and eliminated the various disputes with Industrial Estate Authority of Thailand to be advantageous to all parties. All parties also have consent to the courses of port management in the existing area of subsidiary to earn incomes for using in repayment to the outstanding debts, that the subsidiary proposed the debt repayment schedules to the Creditors' meeting on 2 October 2015. The Creditors are on process of consideration such proposal and reschedule the meeting on 12 May 2016.

As a result of the above mentioned situation, the subsidiary has been unable to operate as normal. The subsidiary has classified its non-current assets to present as "discontinued operations assets held for disposal" in the statement of financial position as described in Note 11, and fixed costs, occurred by the subsidiary are, therefore classified as "Expenses from suspension of pier" in the consolidated statements of profit or loss and other comprehensive income.

### 3. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

#### 3.1 Basis of financial statement preparation

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

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

#### 3.2 New Accounting Standards

The Federation of Accounting Professions has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain accounting policies as follow;

##### TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27: Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company has control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

##### TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the preliminary analysis, the management believes that the above standards do not have any significant impact on the current year financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of other new and revised TFRSs which are effective for annual financial periods beginning on or after 1 January 2016. Those new and revised TFRSs that may be relevant to the Company's and subsidiary's operations are set out below. The Company and subsidiary do not plan to early adopt these TFRSs.

<b>TFRS</b>	<b>Topic</b>
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

TFRS	Topic
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers

These financial statements have been approved by the Company's Board of Directors on 25 February 2016.

### 3.3 Principles of consolidation

These consolidated financial statements include the subsidiary with information below:

Company name	Country	Percentage of holding (%)		Nature of business
		2015	2014	
Rayong Bulk Terminal Co., Ltd.	Thailand	83.25	83.25	Providing pier services and depository of merchandise.

### 3.4 The percentage of subsidiary's assets and revenues included in the consolidated financial statements as at 31 December 2015 and 2014 are summarized below:

	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2015	2014	2015	2014
<u>Subsidiary company</u>				
Rayong Bulk Terminal Co., Ltd.	22.10	66.92	17.25	0.12

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

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

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Revenue and expenditure recognition**

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

Service income is recognized principally based on services rendered.

Rental income is recognized under the term of the agreements.

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

Cost of service is recognized principally based on services rendered.

Expenses are recognized based on an accrual basis during the year.

##### **4.2 Cash and cash equivalents**

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

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

##### **4.3 Trade accounts receivable**

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



#### 4.4 Related companies

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

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

#### 4.5 Inventories

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

#### 4.6 Investments

##### *Investment in subsidiary*

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

##### *Other investment*

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

#### 4.7 Property, plant and equipment

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

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

The subsidiary company values its property, plant and equipment at cost.

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

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

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

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

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

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

#### 4.8 Right to use pier

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

#### 4.9 Long - term leases - where Company and subsidiary are the lessee

Leases of equipment where the Company and subsidiary assume substantially all the benefits and risks of ownership are classified as leases. Financial leases are capitalized at the fair value of leases of assets or estimated present value of the underlying lease payments whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Future lease payments net of financial charges are recognized as liabilities under financial lease agreements. The financial expense is charged to statement of profit or loss and other comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

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

#### 4.10 Long - term leases - where Company and subsidiary are the lessor

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

#### 4.11 Impairment of Assets

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

#### 4.12 Foreign currency translation

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

#### 4.13 Employee benefits

##### *Current employment benefits*

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

##### *Post-employment benefits*

##### *Defined contribution plan*

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

#### Defined benefit plan

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

Actuarial gains or losses arising from post-employment benefits are recognised immediately in shareholders' equity.

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

#### 4.14 Income tax

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

##### *Current income tax*

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

##### *Deferred income tax*

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

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

#### 4.15 Basic earnings (loss) per share

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

#### 4.16 Financial instruments

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

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

#### 4.17 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

#### 4.18 Segment reporting

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

#### 4.19 Use of accounting estimates

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

#### 4.20 Provisions for liabilities and expenses, and contingent assets

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

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

### **5.1 Critical accounting estimates, assumption and judgments**

#### **5.1.1 Impairment of receivables**

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

#### **5.1.2 Allowance for obsolete, slow – moving and defective inventories**

The Company maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnovers and deterioration of each category.

#### **5.1.3 Impairment of investments**

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

#### **5.1.4 uipmentPlant and eq**

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

#### **5.1.5 Leases**

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

#### 5.1.6 Impairment of assets

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

#### 5.1.7 Post-employment benefits under defined benefit plans

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

#### 5.1.8 Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company’s future taxable income against which the deductible temporary differences can be utilised. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### 5.1.9 Litigation

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

### 5.2 Capital risk management

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

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



## 6. CASH AND CASH EQUIVALENTS

The outstanding balances as at 31 December 2015 and 2014 are as follows:

	CONSOLIDATED F/S		(Unit : Thousand Baht) SEPARATE F/S	
	2015	2014	2015	2014
Cash on hand	169	145	142	140
Cash deposit with financial institutions	27,648	10,240	27,110	9,812
Total	27,817	10,385	27,252	9,952

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

## 7. RESTRICTED CASH – LEGAL EXECUTION

The subsidiary can withdraw restricted cash – Legal Execution Department only with the approval in the meeting of the creditors or the Official Receiver meeting.

## 8. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES - NET

Balances of trade accounts receivable and other receivables as at 31 December 2015 and 2014 are as follows:

	CONSOLIDATED F/S		(Unit : Thousand Baht) SEPARATE F/S	
	2015	2014	2015	2014
Related companies	80,230	34,888	101,209	54,717
Others	35,461	134,638	31,002	130,126
Total	115,691	169,526	132,211	184,843
<u>Less</u> Allowance for doubtful accounts	(76,912)	(156,677)	(93,592)	(151,942)
Net	38,779	12,849	38,619	32,901

Aging analysis of trade accounts receivable and other receivables are as follows:

	(Unit : Thousand Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
	2015	2014
Not yet due	13,473	6,215
Past due :		
Not over 3 months	23,813	9,427
3 months to 6 months	10,959	5,819
6 months to 12 months	10,276	8,955
12 months	57,170	139,110
Total	115,691	169,526
<u>Less</u> Allowance for doubtful accounts	(76,912)	(156,677)
Net	38,779	12,849

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

	(Unit : Thousand Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
	2015	2014
Beginning balance	156,677	136,954
Increase	20,115	20,115
Decrease	(99,880)	(392)
Ending balance	76,912	156,677

During the year, the Company reversed allowance for doubtful account of Baht 99.67 million because the accusation with those debtors has been expired.

## 9. RELATED PARTY TRANSACTIONS

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

The related parties include the following:

Company	Type of Business	Relationship
Rayong Bulk Terminal Co., Ltd.	Provide wharf frontage service and warehouse service	Subsidiary company and co-directors/ co-management team
SC Management Co., Ltd.	Water carriage	The Company's shareholders and co-shareholders/co-management team and directors
SC Carrier Co., Ltd.	Land carriage	The Company's shareholders and co-shareholders/co-management team and directors
Sukhumvit Asset Management Co., Ltd.	Financial institution	The Company's shareholders
The Siam Commercial Bank Public Company Limited	Financial institution	The Company's shareholders
Chemicals and Aromatics (Thailand) Co., Ltd.	Distribution of chemicals	Co-shareholders and directors/ co-management team
NP Marine Co., Ltd.	Provide wharf frontage service, warehouse service and water carriage	Co-shareholders and directors/ co-management team
Strategic Port Link Co., Ltd.	Land carriage	Co-shareholders and directors/ co-management team
SCG Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors/ co-management team
SC Offshore Service Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team
NP Marine Logistics Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team
Natural Fuel Industries Co., Ltd.	Natural fuel industries from agricultural by products	Co-shareholders and directors
PKR Logistics Co., Ltd.	Land carriage	Co-shareholders and directors
AMT - SC (Thailand) Co., Ltd.	Logistics service	Co-shareholders and directors
SC Auto Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors
Platinum Emerald Co., Ltd.	International Seaborne transport	Affiliate company of the Company which has co-shareholders and directors
Scena Offshore Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team
SC Corporation Co., Ltd.	Provide liquid petroleum warehouse service	Co-shareholders and directors
Bangpakong Terminal PCL.	Provide wharf frontage service and warehouse service	Co-shareholders and directors
Inter Spec Global Co., Ltd.	Import and export products	The Company's shareholders

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

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

Significant balances with related parties for the years ended 31 December 2015 and 2014 are as follows :

	CONSOLIDATED F/S		(Unit : Thousand Baht) SEPARATE F/S	
	For the years ended		31 December	
	2015	2014	2015	2014
<u>Revenue from sales</u>				
Chemicals and Aromatics (Thailand) Co., Ltd.	599,242	551,510	599,242	551,510
<u>Revenues from services and other income</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	2,620	2,620
SC Management Co., Ltd.	42,591	11,148	41,521	10,122
NP Marine Co., Ltd.	23	6,753	23	6,753
SCG Logistics Co., Ltd.	5	17	5	17
SC Offshore Service Co., Ltd.	2,228	1,918	2,228	1,918
Chemicals and Aromatics (Thailand) Co., Ltd.	493	278	493	278
NP Marine Logistics Co., Ltd.	-	45	-	45
SC Carrier Co., Ltd.	27	55	27	55
Strategic Port Link Co., Ltd.	-	12	-	12
AMT - SC (Thailand) Co., Ltd.	-	64	-	64
PKR Logistics Co., Ltd.	-	8	-	8
SC Auto Logistics Co., Ltd.	-	51	-	51
Platinum Emerald Co., Ltd.	18,799	18,799	18,799	18,799
SC Corporation Co., Ltd.	9	-	9	-
Scena Offshore Co.,Ltd	847	-	847	-
Total	65,022	39,148	66,572	40,742

	CONSOLIDATED F/S		(Unit : Thousand Baht) SEPARATE F/S	
	For the years ended 31 December			
	2015	2014	2015	2014
<u>Services fees</u>				
SC Carrier Co., Ltd.	23,494	2,963	23,494	2,963
SC Management Co., Ltd.	425	4,560	425	4,040
Rayong Bulk Terminal Co., Ltd.	-	-	756	793
SCG Logistics Co., Ltd.	-	4	-	4
Total	23,919	7,527	24,675	7,800
<u>Key management personnel compensation</u>				
Current employee benefits	13,363	12,718	13,363	12,718
Post-employment benefits	509	342	509	342
Total	13,872	13,060	13,872	13,060

Balances with related parties as at 31 December 2015 and 2014 are as follows:

	CONSOLIDATED F/S		(Unit : Thousand Baht)	
			SEPARATE F/S	
	2015	2014	2015	2014
<u>Trade accounts receivable and other receivables</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	21,363	20,160
SC Management Co., Ltd.	29,903	3,028	29,743	2,920
Natural Fuel Industries Co., Ltd.	9,951	9,951	9,728	9,728
NP Marine Co., Ltd.	-	28	-	28
SC Offshore Service Co., Ltd.	53	1,583	53	1,583
SCG Logistics Co., Ltd.	5	14	5	14
SC Carrier Co., Ltd.	16	33	16	33
Chemicals and Aromatics (Thailand) Co., Ltd.	52	136	52	136
Platinum Emerald Co., Ltd.	40,230	20,115	40,230	20,115
SC Corporation Co., Ltd.	10	-	10	-
Scena Offshore Co.,Ltd	9	-	9	-
Total	80,229	34,888	101,209	54,717
<u>Less</u> Allowance for doubtful accounts	(47,681)	(27,566)	(68,821)	(27,343)
Net	32,548	7,322	32,388	27,374

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

		(Unit : Thousand Baht)	
	CONSOLIDATED F/S		SEPARATE F/S
	2015	2014	2015
<u>Deposit</u>			
SC Carrier Co., Ltd.	499	499	499
<u>Restricted deposit</u>			
SC Management Co., Ltd.	-	21,110	-

The subsidiary's restricted deposit with the related company of Baht 21.11 million is for the guarantee for the compliance with the joint agreement with IEAT. The subsidiary has not redeemed this deposit, although the joint operating agreement with IEAT was terminated. However, the subsidiary classified this deposit to "Discontinued operations assets held for disposal" for the year ended 31 December 2015.

		(Unit : Thousand Baht)	
	CONSOLIDATED F/S		SEPARATE F/S
	2015	2014	2015
<u>Trade accounts payable and other payables</u>			
Rayong Bulk Terminal Co., Ltd.	-	-	56,408
Natural Fuel Industries Co., Ltd.	1,730	1,730	1,730
SC Management Co., Ltd.	1,769	5,710	23
SC Carrier Co., Ltd.	24,213	528	24,019
SCG Logistics Co., Ltd.	4	4	4
Chemicals and Aromatics (Thailand) Co., Ltd.	4,766	4,766	57
Total	32,482	12,738	82,241
<u>Unearned revenue from sale</u>			
Chemicals and Aromatics (Thailand) Co., Ltd.	2,561	42,422	2,561
Rayong Bulk Terminal Co., Ltd.	-	-	18,000
Total	2,561	42,422	20,561
<u>Employee benefits obligation</u>			
Key management personnel	4,145	3,636	4,145

(Unit : Thousand Baht)

CONSOLIDATED F/S				
	2014	Increase	Decrease	2015
<u>Liabilities under rehabilitation plan</u>				
SC Offshore Service Co., Ltd.	40,942	-	40,942	-
SC Management Co., Ltd.	271,246	-	271,246	-
SC Carrier Co., Ltd.	141,803	-	141,803	-
Sukhumvit Asset Management Corporation	130,609	-	130,609	-
The Siam Commercial Bank Public Company Limited	46,103	-	46,103	-
Total	630,703	-	630,703	-

(Unit : Thousand Baht)

SEPARATE F/S				
	2014	Increase	Decrease	2015
<u>Liabilities under rehabilitation plan</u>				
SC Offshore Service Co., Ltd.	40,942	-	40,942	-
SC Management Co., Ltd.	271,246	-	271,246	-
SC Carrier Co., Ltd.	141,803	-	141,803	-
Rayong Bulk Terminal Co., Ltd.	74,029	-	74,029	-
Sukhumvit Asset Management Corporation	130,609	-	130,609	-
The Siam Commercial Bank Public Company Limited	46,103	-	46,103	-
Total	704,732	-	704,732	-

On 28 December 2015, the Company spent the money derived from share increment as mentioned in Note 21 for payment of the whole amount of liabilities under rehabilitation plan (except the portion of Rayong Bulk Terminal Co., Ltd. of Baht 71.92 million which has been classified to amount due to related company and unearned revenue from a company of Baht 7.60 million as at 31 December 2015)

# 10. INVENTORIES – NET

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Finished goods	102,122	102,560	102,122	102,560
Raw materials	63	63	63	63
Supplies and others	108,399	110,711	108,399	110,711
Goods in transit	13,752	-	13,752	-
Total	224,336	213,334	224,336	213,334
<u>Less</u> Allowance for declined value of				
Inventories	(5)	(5)	(5)	(5)
Allowance for defective inventories	(92,647)	(94,533)	(92,647)	(94,533)
Net	131,684	118,796	131,684	118,796

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

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Beginning balance	94,538	95,152	94,538	95,152
Decrease	(1,886)	(614)	(1,886)	(614)
Ending balance	92,652	94,538	92,652	94,538

The costs of inventories which were recognised as expenses for the years ended 31 December 2015 and 2014 are as follows :

	CONSOLIDATED and SEPARATE F/S	
	Baht	
	2015	2014
Costs of sales	790,441	676,853
Reversal of allowance for slow moving and defective inventories	(1,886)	(614)
Costs of sales – net	788,555	676,239



## 11. DISCONTINUED OPERATIONS ASSETS HELD FOR DISPOSAL

The subsidiary company has discontinued operations assets held for disposal caused from the Central Bankruptcy Court's order which terminated the joint operating agreement between the subsidiary and IEAT. In addition, the subsidiary wrote off the pier lease right, which was the main asset used for its normal operations, for the whole amount as mentioned to the Note 2 above.

Details of the financial position of pier services included in the consolidated financial statements are as follows :

	(Unit : Thousand Baht)
	Consolidated F/S
	31 December 2015
<b>Non-Current Assets</b>	
Equipment	25,083
Restricted deposit with related company	21,110
Restricted deposit with bank	4,875
Other assets	600
<b>Discontinued operations assets held for disposal</b>	<b>51,668</b>

## 12. RESTRICTED DEPOSIT WITH BANK

As at 31 December 2015 and 2014, the fixed deposit of the Company of Baht 0.18 million and Baht 0.17 million, respectively has been pledged as collateral for electricity usage and as at 31 December 2015 and 2014, the fixed deposit of subsidiary company of Baht 4.87 million has been pledged as collateral for letter of guarantee issued by a bank.

## 13. INVESTMENT IN SUBSIDIARY COMPANY

Investment in subsidiary as at 31 December 2015 and 2014 are as follows:

	SEPARATE F/S							
	Percentage of		Thousand Baht					
	shareholding		Paid - up capital		At cost		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014
<u>Subsidiary company</u>								
Rayong Bulk Terminal Co., Ltd.	83.25	83.25	764,000	764,000	636,000	636,000	-	-
<u>Less</u> Impairment of investment in subsidiary					(636,000)	-	-	-
Net					-	636,000	-	-

## 14. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	CONSOLIDATED F/S				
	2014	Increase	Decrease	Transferred in (out)	2015
<b>Cost and Appraised Value</b>					
Land improvement	70,548	-	-	-	70,548
Building and factory	3,789,767	-	-	(2,072)	3,787,695
Building and factory - increment revaluation	60	-	-	-	60
Pier	236,691	-	-	(2,994)	233,697
Pier - increment revaluation	1,230	-	-	-	1,230
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	4,080,707	317	-	(52,747)	4,028,277
Furniture, fixtures and office equipment	60,905	140	104	(1,898)	59,043
Experimental instrument	23,754	-	-	-	23,754
Vehicles	308,249	-	-	(447)	307,802
Sparepart and supplies - factory	56,988	-	153	-	56,835
Construction in progress	1,824	-	-	(1,824)	-
Installation in progress	2,901	1,737	2,160	(2,470)	8
<b>Total</b>	<b>8,645,896</b>	<b>2,194</b>	<b>2,417</b>	<b>(64,452)</b>	<b>8,581,221</b>
<b><u>Less Accumulated Depreciation</u></b>					
Land improvement	30,369	1,587	-	-	31,956
Building and factory	1,550,416	19,211	-	(2,071)	1,567,556
Building and factory - increment revaluation	42	5	-	-	47
Pier	193,668	14,237	-	(1,842)	206,063
Pier - increment revaluation	870	120	-	-	990
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	1,588,024	5,136	-	(24,517)	1,568,643
Furniture, fixtures and office equipment	59,854	145	104	(1,876)	58,019
Experimental instrument	14,936	81	-	-	15,017
Vehicles	115,679	663	-	(450)	115,892
<b>Total</b>	<b>3,566,130</b>	<b>41,185</b>	<b>104</b>	<b>(30,756)</b>	<b>3,576,455</b>
<b><u>Less Allowance for Impairment of Assets</u></b>					
Land improvement	28,341	-	-	-	28,341
Building and factory	2,205,535	8,196	-	-	2,213,731
Pier	59	-	-	(59)	-
Machinery and equipment	2,453,451	2,240	-	(8,554)	2,447,137
Furniture, fixtures and office equipment	512	2	-	-	514
Experimental instrument	8,606	17	-	-	8,623
Vehicles	188,192	2,808	-	-	191,000
Sparepart and supplies - factory	50,283	-	123	-	50,160
<b>Total</b>	<b>4,934,979</b>	<b>13,263</b>	<b>123</b>	<b>(8,613)</b>	<b>4,939,506</b>
<b>Property, plant and equipment - net</b>	<b>144,787</b>				<b>65,260</b>

(Unit : Thousand Baht)

## CONSOLIDATED F/S

	2014	Increase	Decrease	Transferred in (out)	2015
<b>Depreciation for the year 2015</b>					
Cost of service					1,906
Selling Expense					49
Administrative Expense					39,230
Total					41,185

(Unit : Thousand Baht)

## CONSOLIDATED F/S

	2013	Increase	Decrease	Transferred in (out)	2014
<b>Cost and Appraised Value</b>					
Land improvement	66,980	-	-	3,568	70,548
Building and factory	3,789,767	-	-	-	3,789,767
Building and factory - increment revaluation	60	-	-	-	60
Pier	236,691	-	-	-	236,691
Pier - increment revaluation	1,230	-	-	-	1,230
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	4,080,047	929	269	-	4,080,707
Furniture, fixtures and office equipment	70,880	156	10,131	-	60,905
Experimental instrument	23,754	-	-	-	23,754
Vehicles	309,645	-	1,396	-	308,249
Sparepart and supplies - factory	56,988	-	-	-	56,988
Construction in progress	1,824	-	-	-	1,824
Installation in progress	-	6,469	-	(3,568)	2,901
Total	8,650,138	7,554	11,796	-	8,645,896

**Less Accumulated Depreciation**

Land improvement	29,298	1,071	-	-	30,369
Building and factory	1,531,520	18,896	-	-	1,550,416
Building and factory - increment revaluation	37	5	-	-	42
Pier	179,372	14,296	-	-	193,668
Pier - increment revaluation	750	120	-	-	870
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	1,579,949	8,344	269	-	1,588,024
Furniture, fixtures and office equipment	69,728	138	10,012	-	59,854
Experimental instrument	14,854	82	-	-	14,936
Vehicles	116,319	715	1,355	-	115,679
Total	3,534,099	43,667	11,636	-	3,566,130

(Unit : Thousand Baht)

## CONSOLIDATED F/S

	2013	Increase	Decrease	Transferred in (out)	2014
<b>Less Allowance for Impairment of Assets</b>					
Land improvement	28,341	-	-	-	28,341
Building and factory	2,205,535	-	-	-	2,205,535
Pier	59	-	-	-	59
Office improvement	1	-	1	-	-
Machinery and equipment	2,444,897	8,554	-	-	2,453,451
Furniture, fixtures and office equipment	629	-	117	-	512
Experimental instrument	8,606	-	-	-	8,606
Vehicles	188,233	-	41	-	188,192
Sparepart and supplies - factory	50,283	-	-	-	50,283
<b>Total</b>	<b>4,926,584</b>	<b>8,554</b>	<b>159</b>	<b>-</b>	<b>4,934,979</b>
<b>Property, plant and equipment - net</b>	<b>189,455</b>				<b>144,787</b>

## Depreciation for the year 2014

Cost of service	5,294
Selling Expense	62
Administrative Expense	38,311
<b>Total</b>	<b>43,667</b>

(Unit : Thousand Baht)

## SEPARATE F/S

	2014	Increase	Decrease	Transferred in (out)	2015
<b>Cost and Appraised Value</b>					
Land improvement	70,548	-	-	-	70,548
Building and factory	3,787,695	-	-	-	3,787,695
Building and factory - increment revaluation	60	-	-	-	60
Pier	233,697	-	-	-	233,697
Pier - increment revaluation	1,230	-	-	-	1,230
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	4,025,490	317	-	2,470	4,028,277
Furniture, fixtures and office equipment	59,007	140	104	-	59,043
Experimental instrument	23,754	-	-	-	23,754
Vehicles	307,802	-	-	-	307,802
Sparepart and supplies - factory	56,988	-	153	-	56,835
Installation in progress	2,901	1,737	2,160	(2,470)	8
<b>Total</b>	<b>8,581,444</b>	<b>2,194</b>	<b>2,417</b>	<b>-</b>	<b>8,581,221</b>

(Unit : Thousand Baht)

## SEPARATE F/S

	2014	Increase	Decrease	Transferred in (out)	2015
<b><u>Less Accumulated Depreciation</u></b>					
Land improvement	30,369	1,587	-	-	31,956
Building and factory	1,548,345	19,211	-	-	1,567,556
Building and factory - increment revaluation	42	5	-	-	47
Pier	191,884	14,179	-	-	206,063
Pier - increment revaluation	870	120	-	-	990
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	1,565,352	3,291	-	-	1,568,643
Furniture, fixtures and office equipment	57,985	138	104	-	58,019
Experimental instrument	14,936	81	-	-	15,017
Vehicles	115,229	663	-	-	115,892
Total	3,537,284	39,275	104	-	3,576,455
<b><u>Less Allowance for Impairment of Assets</u></b>					
Land improvement	28,341	-	-	-	28,341
Building	2,205,535	8,196	-	-	2,213,731
Machinery and equipment	2,444,897	2,240	-	-	2,447,137
Furniture, fixtures and office equipment	512	2	-	-	514
Experimental instrument	8,606	17	-	-	8,623
Vehicles	188,192	2,808	-	-	191,000
Sparepart and supplies - factory	50,283	-	123	-	50,160
Total	4,926,366	13,263	123	-	4,939,506
<b>Property, plant and equipment – net</b>	<b>117,794</b>				<b>65,260</b>
<b>Depreciation for the year 2015</b>					
Selling Expense					49
Administrative Expense					39,226
Total					39,275

(Unit : Thousand Baht)

## SEPARATE F/S

	2013	Increase	Decrease	Transferred in (out)	2014
<b>Cost and Appraised Value</b>					
Land improvement	66,980	-	-	3,568	70,548
Building and factory	3,787,695	-	-	-	3,787,695
Building and factory - increment revaluation	60	-	-	-	60
Pier	233,697	-	-	-	233,697
Pier - increment revaluation	1,230	-	-	-	1,230
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	4,024,830	929	269	-	4,025,490
Furniture, fixtures and office equipment	68,982	156	10,131	-	59,007
Experimental instrument	23,754	-	-	-	23,754
Vehicles	309,198	-	1,396	-	307,802
Sparepart and supplies - factory	56,988	-	-	-	56,988
Installation in progress	-	6,469	-	(3,568)	2,901
Total	8,585,686	7,554	11,796	-	8,581,444
<b>Less Accumulated Depreciation</b>					
Land improvement	29,298	1,071	-	-	30,369
Building and factory	1,529,449	18,896	-	-	1,548,345
Building and factory - increment revaluation	37	5	-	-	42
Pier	177,705	14,179	-	-	191,884
Pier - increment revaluation	750	120	-	-	870
Office improvement	12,272	-	-	-	12,272
Machinery and equipment	1,562,450	3,171	269	-	1,565,352
Furniture, fixtures and office equipment	67,873	124	10,012	-	57,985
Experimental instrument	14,854	82	-	-	14,936
Vehicles	115,869	715	1,355	-	115,229
Total	3,510,557	38,363	11,636	-	3,537,284
<b>Less Allowance for Impairment of Assets</b>					
Land improvement	28,341	-	-	-	28,341
Building	2,205,535	-	-	-	2,205,535
Office improvement	1	-	1	-	-
Machinery and equipment	2,444,897	-	-	-	2,444,897
Furniture, fixtures and office equipment	629	-	117	-	512
Experimental instrument	8,606	-	-	-	8,606
Vehicles	188,233	-	41	-	188,192
Sparepart and supplies - factory	50,283	-	-	-	50,283
Total	4,926,525	-	159	-	4,926,366
<b>Property, plant and equipment – net</b>	148,604				117,794
<b>Depreciation for the year 2014</b>					
Selling Expense					52
Administrative Expense					38,311
Total					38,363

As at 31 December 2015 and 2014, a portion of the Company's and its subsidiary's building and equipment had been fully depreciated, but is remained in active use. The gross cost of such assets before accumulated depreciation are totaling Baht 510.91 million and 510.81 million, respectively. (The Company's portions : Baht 501.84 million and Baht 501.74 million, respectively)

The machinery and building are mortgaged as collaterals for loan (liabilities under rehabilitation were paid but not yet redeemed the collateral) as discussed in Note 16.

Subsidiary's equipment is reclassified to present as discontinued operations assets held for disposal as described in Note 11.

Outstanding of property, plant and equipments as at 31 December 2015 are as follow :

(Unit : Thousand Baht)

	CONSOLIDATED F/S			
	Cost and Appraised Value	Accumulated Depreciation	Allowance for Impairment of Assets	Net Book Value
Land improvement	70,548	31,956	28,341	10,251
Building and factory	3,787,695	1,567,556	2,213,731	6,408
Building and factory - increment revaluation	60	47	-	13
Pier	233,697	206,063	-	27,634
Pier - increment revaluation	1,230	990	-	240
Office improvement	12,272	12,272	-	-
Machinery and equipment	4,028,277	1,568,643	2,447,137	12,497
Furniture, fixtures and office equipment	59,043	58,019	514	510
Experimental instrument	23,754	15,017	8,623	114
Vehicles	307,802	115,892	191,000	910
Sparepart and supplies - factory	56,835	-	50,160	6,675
Work in progress	8	-	-	8
Total	8,581,221	3,576,455	4,939,506	65,260

(Unit : Thousand Baht)

	SEPARATE F/S		
	Cost and Appraised Value	Accumulated Depreciation	Allowance for Impairment of Assets Net Book Value
Land improvement	70,548	31,956	28,341
Building and factory	3,787,695	1,567,556	2,213,731
Building and factory - increment revaluation	60	47	-
Pier	233,697	206,063	-
Pier - increment revaluation	1,230	990	-
Office improvement	12,272	12,272	-
Machinery and equipment	4,028,277	1,568,643	2,447,137
Furniture, fixtures and office equipment	59,043	58,019	514
Experimental instrument	23,754	15,017	8,623
Vehicles	307,802	115,892	191,000
Sparepart and supplies - factory	56,835	-	50,160
Work in progress	8	-	-
Total	8,581,221	3,576,455	4,939,506

**15. PIER LEASE RIGHT - NET**

(Unit : Thousand Baht)

	CONSOLIDATED F/S		
	2014	Increase	Decrease
At cost	915,341	-	-
<u>Less</u> Accumulated amortization	383,182	22,231	-
	532,159		509,928
<u>Less</u> Written-off the pier lease right	-		509,928
Pier lease right - net	532,159		-
Amortization for the year	44,827		532,159

During the year, the subsidiary wrote off the pier lease right costs as a result of The Central Bankruptcy Court's order as described in Note 2.

**16. LIABILITIES FOR GUARANTEED OF DEBENTURES**

In July 2010, two financial institutions had issued a notice to the subsidiary, as a guarantor of the Company's debenture, to assume the remaining portion of Company's loan which had been haircut under the rehabilitation plan with the Company (the 20% of remaining debts and accrued interest). During the year 2015, SC Management Co., Ltd. derived the right of claims from those two financial institutions and completely received the repayment according to the rehabilitation plan, therefore, it has the letter to disclaim the right in the portions for those two financial institutions which used to claim from the subsidiary previously that caused the subsidiary are free from the obligations as a guarantor.



## 17. LIABILITY UNDER REHABILITATION PLAN – NET

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Creditor group 1	-	110,781	-	110,781
Creditor group 2	-	343,212	-	343,212
Creditor group 3	-	-	-	54,029
Creditor group 4	-	129,756	-	176,712
Creditor group 5	-	40,550	-	40,550
Creditor group 6	-	8,429	-	28,429
Creditor group 7	-	962	-	962
Total	-	633,690	-	754,675
<u>Less</u> Current portion	-	(44,067)	-	(47,479)
Net	-	589,623	-	707,196

During the year, the Company settled all the various group of creditors and recognized on income from debt forgiveness approximately Baht 305 million in the statements of profit or loss and other comprehensive income.

## 18. LIABILITIES FROM THE ACCUSATION

In 2001, the Company bided a fertilizer price of Office of the Rubber Replanting Aid Fund (ORRAF), Ministry of Agriculture and Cooperatives. The bank guarantee was issued in 2 letters total amount at Baht 16,660,000. The Company was the one who offered the lowest price in this bidding but the negotiation couldn't be summarized, consequently, the Company withdrawn from the bidding and asked the bank guarantee back from ORRAF who refused to return and the accusation occurred. Internal Security Operations Command is the government agency who has mediated this dispute. ORRAF had the EXCOM's resolution to denounce the fertilizer purchasing. After that, the 2 bank guarantees were claimed by ORRAF who consented to denounce the bidding together with the Company did not breach the bidding contract; therefore the Company informed the bank to suspend the payment.

ORRAF filed the motion to be paid the bank guarantee on 22 February 2005. The bank had filed the application to collect the debt subjected the Company's rehabilitation since 2003, consequently the bank filed the motion for summon the Company to be co-defendants on 18 June 2006 subjected to breach the fertilizer bidding contract amount of Baht 21,062,347.95. In 2008, the Company was in the rehabilitation process so the Civil Court temporarily suspended the judiciary.

On 17 December 2009, The Court judged to dismiss ORRAF's lawsuit subjected to the Company had not breached the contract, ORRAF wasn't paid regarding the bank guarantee.

ORRAF appealed against the Civil Court's decision. In May 2013, the Court of Appeal decided against the Civil Court that the bank had to pay amount of Baht 21,062,347.95 at interest rate 7.5% per annum of the principal amount of Baht 16,660,000 since filing date till the payment was completely made but there were no court fee.

Thanachart Bank Public Company Limited (TBANK) filed a motion for subrogation replacing of defendant. TBANK filed a petition to the Supreme Court on 30 September 2013; the plaintiff also filed the petition on 4 December 2013. The Supreme Court affirmed the judgement of the Court of Appeal. ORRAF settled the payment by TBANK on November 2015. The Company recorded such obligations as part of other current liabilities in the statement of financial position and loss from liability guarantee in the statements of profit or loss and other comprehensive income amounting to Baht 35 million.

#### **19. ACCRUED COMPENSATION EXPENSE AND DEBTS UNDER JOINT OPERATING AGREEMENT**

The Company has committed to pay land rent and compensation to IEAT under the Land Lease Agreement and the Agreement for Joint Development of the Pier Area.

During the year, the subsidiary received an order from The Central Bankruptcy Court that terminated the joint operating agreement with IEAT. The subsidiary, thus recorded the reversal of accrued compensation expense and debts under joint operating agreement amounting Baht 250.66 million in the consolidated statements of profit or loss and other comprehensive income.

#### **20. EMPLOYEE BENEFITS OBLIGATION**

- Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	2015	2014
Salaries and wages	19,228	17,820
Social security costs	367	351
Pensions – defined benefit plans	1,001	903
Total	20,596	19,074

- Movements in employee benefits obligation for the years ended 31 December 2015 and 2014 are as follows :

	(Unit : Thousand Baht)	
	CONSOLIDATE F/S AND SEPARATE F/S	
	2015	2014
Defined benefit obligation at 1 January	4,384	2,534
Current service cost before deduction of beneficiary contributions	511	310
Interest expense	195	129
Remeasurement – actuarial loss (gains) from changes in demographic assumptions	(388)	1,024
Remeasurement – actuarial loss (gains) from changes in financial assumptions	585	387
Defined benefit obligation at 31 December	5,287	4,384
Wholly unfunded	5,287	4,384

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

- Principal actuarial assumptions at the reporting date for the years ended 31 December 2015 and 2014 are as follows :

	(Unit : Percent)	
	CONSOLIDATE F/S AND SEPARATE F/S	
	2015	2014
Discount rates	2.57	3.98
Salary growth rate	3.05	2.57
Average life expectancies (years)	50	41
Weighted average duration of the defined benefit obligations (years)	10	19

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

- Defined benefit plan expenses

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

		(Unit : Thousand Baht)	
		CONSOLIDATE F/S AND SEPARATE F/S	
		2015	2014
Current service cost		511	310
Net interest expense		195	129
Total expenses recognised in profit or loss		706	439

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

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

		(Unit : Thousand Baht)	
		CONSOLIDATE F/S AND SEPARATE F/S	
		2015	2014
Actuarial loss (gains) from changes in demographic assumptions		(388)	1,024
Actuarial loss (gains) from changes in financial assumptions		585	387
Total expense (income) recognised in other comprehensive income		197	1,411

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

- Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(Unit : Thousand Baht)
	Effect to the defined benefit obligation
	Consolidated and Separate F/S
Discount rate (0.5% increment)	(137)
Discount rate (0.5% decrement)	143
Future salary growth (0.5% increment)	140
Future salary growth (0.5% decrement)	(135)

## 21. SHARE CAPITAL

At the Extraordinary Meeting of the Company shareholders No. 1/2015 held on 21 December 2015, the shareholders pass a resolution to approve the increase of the Company's authorized share capital (private placement) from Baht 736.89 million to Baht 1,076.89 million by issuing new 2,125,000,000 common shares at Baht 0.16 par value. The Company registered the paid - up share capital with the Department of Business Development on 23 December 2015. The objective of increment is to make repayment to the debts under the rehabilitation plan (previously – liabilities under the rehabilitation plan). Repayment has been completely done on 28 December 2015.

## 22. PROVIDENT FUND

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

During the years 2015 and 2014, the Company and its subsidiary contributed Baht 1 million and Baht 0.90 million, respectively. (Separate F/S : Baht 1 million and 0.90 million, respectively).

## 23. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Change in inventories	438	(67,378)	438	(67,378)
Purchases of goods	790,003	744,231	790,003	744,231
Depreciation and amortization	63,290	88,368	39,149	38,237
Loss on written-off pier lease right	509,928	-	-	-
Salaries, wages and employee compensation	26,075	23,479	26,075	23,479
Professional fees	8,244	1,914	7,934	1,611
Compensation paid to IEAT	62,003	131,670	62,003	63,909
Allowance impairment of assets	13,263	8,554	13,263	-
Allowance (reversal of allowance) for doubtful accounts	(79,765)	19,946	(58,350)	19,795

## 24. DEFERRED INCOME TAX ASSET AND LIABILITY

The tax losses and other allowances are considered as temporary differences for tax purpose that have not been expired under current tax legislation. Currently, the Company has not recognised deferred income tax on such items because it is not probable that the Company will have future taxable income to utilise tax benefits on them.

## 25. FINANCIAL INSTRUMENTS

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

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

### Liquidity Risk

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

#### Interest Rate Risk

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

#### Credit Risk

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

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

#### Fair Value of Financial Instruments

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

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

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

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

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

Short - term loans from related parties bear interest at market rate plus certain percentages as specified in the agreement - fair value cannot properly be calculated.

## 26. SEGMENT REPORTING

The segment financial information of the Company and its subsidiary company for the years ended 31 December 2015 and 2014 are as follows :

(Unit : Thousand Baht)

	CONSOLIDATED F/S					
	For the years ended 31 December					
	2015			2014		
	Bulk Terminal			Bulk Terminal		
	Fertilizer	Service	Total	Fertilizer	Service	Total
Revenues from sales of Chemical products	896,779	-	896,779	720,143	-	720,143
Revenues from the rendering of services	92,830	49,998	142,828	54,297	66,892	121,189
Cost of Chemical products sold	(790,441)	-	(790,441)	(676,853)	-	(676,853)
Cost of services	(7,052)	(27,274)	(34,326)	(4,748)	(27,311)	(32,059)
<b>Gross income</b>	<b>192,116</b>	<b>22,724</b>	<b>214,840</b>	<b>92,839</b>	<b>39,581</b>	<b>132,420</b>
Other income	31,308	47,329	78,637	3,624	1,008	4,632
Income from debt forgiveness	258,290	-	258,290	237	-	237
Reversal of accrued compensation expense and debts under joint operating agreement	-	250,665	250,665	-	-	-
Selling expenses	(20,599)	-	(20,599)	(354)	-	(354)
Administrative expenses	(50,571)	(1,003)	(51,574)	(23,521)	(11,980)	(35,501)
Provision for doubtful accounts - related company	(1,316)	-	(1,316)	(1,316)	-	(1,316)
Loss on liability from guarantee	(35,199)	-	(35,199)	-	-	-
Loss on write off pier lease right	-	(509,928)	(509,928)	-	-	-
Factory shut down expenses	(100,822)	-	(100,822)	(101,753)	-	(101,753)
Expenses from temporary suspension of pier	-	(40,972)	(40,972)	-	(118,393)	(118,393)
<b>Income (loss) from operation before financial costs</b>	<b>273,207</b>	<b>(231,185)</b>	<b>42,022</b>	<b>(30,244)</b>	<b>(89,784)</b>	<b>(120,028)</b>
Financial costs	(4,193)	(519)	(4,712)	(5,659)	(519)	(6,178)
<b>Net income (loss) for the year</b>	<b>269,014</b>	<b>(231,704)</b>	<b>37,310</b>	<b>(35,903)</b>	<b>(90,303)</b>	<b>(126,206)</b>
Property, plant and equipment - net	65,260	-	65,260	117,794	26,993	144,787
Pier lease right – net	-	-	-	-	532,159	532,159
Other assets	262,617	65,025	327,642	214,143	40,035	254,178
<b>Total assets</b>	<b>327,877</b>	<b>65,025</b>	<b>392,902</b>	<b>331,937</b>	<b>599,187</b>	<b>931,124</b>



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

#### **Major Customer**

Major customer for external revenue is Saksri Industrial Co., Ltd.

## **27. LONG - TERM AGREEMENTS**

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

	<u>In Million Baht (Per year)</u>
Year 1 – 10	22.3
Year 11 – 17	24.5
Year 18 – 20	20.4
Year 21 – 30	22.5

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

	<u>In Million Baht (Per year)</u>
Year 1 – 10	15.4
Year 11 – 20	18.7
Year 21 – 30	23.2

- c) On 15 November 1996, the subsidiary company entered into an agreement for Joint Development of Construction of the Pier Area with IEAT as follows:

- The subsidiary company receive the right to use one of the front areas of the pier in the Map Ta Phut Industrial Estate for a period of 30 years, commencing on 15 November 1996, to build a pier and areas to support pier of specific purpose for the reloading of goods in bulk by two major shareholders, including the companies in which the said shareholders have investment not less than 25%.
- The subsidiary company will carry out the improvement and development of the pier and area supporting pier for specific purpose. Upon the completion of the construction, the subsidiary company is required to transfer the right over any constructions involving public utilities and roads in the developing areas of the pier to IEAT without any compensation within the period of 15 years from the commence date of the operation

- Apart from the above, the subsidiary company has to give consideration in return to IEAT in accordance with the Agreement for Joint Development of Construction of the Pier Area, annually commencing from 15 November 1996 as follows:

	In Million Baht (Per year)
Year 1 – 10	52.0
Year 11 – 20	57.2
Year 21 – 30	62.9

- Starting from the year 1997, the subsidiary company has to pay for the shipping in and out of goods passing through the pier, at the rate of Baht 6.1 per ton based on actual quantity of goods passing through. The said rate will be increased by 4% per annum from the rate of previous year. From the year 2002, if the actual quantity of goods passing through is less than 700,000 tons per annum, the subsidiary company will have to pay an amount equivalent to 700,000 tons per annum.
- The subsidiary company has entered into a compromise with IEAT for the settlement of its liabilities and dispute under the old Agreement for Joint Development and entered into a new agreement dated 14 June 2006, for the right to use IEAT's pier in its operations of dedicated berth and liquid public berth. Under the new agreement, the old Agreement for Joint Development dated 15 November 1996 had been cancelled and the subsidiary agreed to transfer its right and return the possession of the pier with book value amounted of Baht 915.3 million to IEAT. The subsidiary was granted the right to use the pier for the period and with the compensation and term of payment same as specified in the old agreement.

Under the new agreement, the company and subsidiary company had to comply with certain conditions such as:

- 1) Develop and build general pier for liquid product within 14 September 2006 with the completion date within 14 September 2008 and start the operation within 30 days after the completion or no later than 14 October 2008.
- 2) Manage to return to IEAT certain land leased from IEAT (120 Rai) and agree to allow for the use of the land by a newly established company who will operate the liquid warehouses.
- 3) Confirm to manage the parent company to pay all fees for the use of sea - trespassing constructions until the return of the leased land to IEAT.

On 18 April 2008, the subsidiary sent a letter to IEAT requesting for extensions of a) the completion date of develop and build general pier for liquid product for a period of 2 years from 14 September 2008 to be no later than 14 September 2011 and b) the start operation date to be no later than 14 October 2011 due to the parent company is in the process of business rehabilitation and could not be able to return the leased land to IEAT and establish a new company who will lease the land and operate the liquid warehouses as discussed above.

On 26 October 2010, IEAT sent a letter to the subsidiary asking for a) an additional performance guarantee amounting to Baht 21.74 million with a fine under the agreement and b) process to resolve the problem on the operation of dedicated berth and liquid public berth. Presently, the subsidiary is in the process of studying and identifying a resolution for further negotiates with IEAT.

## **28. COMMITMENTS AND CONTINGENT LIABILITIES**

As at 31 December 2015,

- a) The Company and its subsidiary have commitments for letters of guarantee issued by banks totaling Baht 45.46 million.
- b) The Company have committed to pay land rent and compensation to IEAT under the Land Lease Agreement and the Agreement for Joint Development of the Pier Area amounting to approximately Baht 469.78 million
- c) The Company has commitment related to the rental and service charges with a company amounting to Baht 2 million per year. The agreement will expire on 31 December 2016.
- d) The Company has commitment to pay the professional fee to a consultant firm amounting to Baht 0.2 million per month.