



บริษัท เอ็นเอฟซี จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED

Annual Report 2017



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Messages from the Chairman

In the year 2017, NFC Public Company Limited (the “Company”) met the target with intention of the management by manage the Capital Structure to compensate for the retained losses, managing all aspects of risk managements, operating the business as plan, and preparation to take the organization to the goal that flourished in the future with the cooperation of the Board of Directors, managements and staff at all levels. As a result, the Company had overcome many obstacles and achieved satisfactory outcome. This year, the Company had changed the name to "**NFC Public Company Limited**" which emphasis on the main business of Chemical distribution, Warehouse services, Logistics and Liquid storage service and Port services.

In 2018, The Company continues the policy and business plan and there are a long-term plans in the integrated logistics business to increase the value of the business to continue growth by emphasis is on improving existing assets to fully benefit, reducing unnecessary workload and investing in new projects to create a value for the organization with the Company will grow stronger and more sustainable. The Company had used a feasibility study of various projects prior to investment, which will help control and limit the risk to an acceptable level. The Board of Directors is confident that an entering into this new business is a business development that will benefit the organization, private Sector including government agencies and the nation as a whole. These complys with the government policy that wishes to develop the logistics system of the country to be equal to the developed countries in the world.

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



Mr. Wisanu Niwesmarintra

Chairman

Audit Committee's Report

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

The Audit Committee performs duties in accordance with the scope of duties assigned by the Board of Directors to audit and review the Company's good Corporate Governance and the sufficient internal control system for the benefit of all shareholders and stakeholders and also ensures that the management follows the Company's policy with honesty. During the year 2017, the Audit Committee convened a total of 5 meetings that concluded the significant of duty as follows.

1. **Review of the financial report:** The Audit Committee reviewed the quarterly financial statement and the financial statement for the year 2017 of NFC Public Company Limited and the consolidated financial statements by invite the Auditor to attend each meeting and 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 and independent of auditor to ensure that the preparation of the financial statements complies with the statutory requirements and the generally accepted accounting principles, Reliable and timely including an adequate disclosures on the financial statements for the benefits of investors and Financial statement users.
2. **Review of the internal control system:** The Audit Committee had reviewed quarterly the internal control system with the auditor and internal audit department. There was no material issues that affected the Company, and the management had improved continuously the recommendations of the Audit Committee, the auditor and the internal audit department to ensure that the Company had sufficient internal control.
3. **Review of the risk management:** NFC Public Company Limited has a Risk Management Committee which is responsible for setting policies, and procedures for assessment and management the risk that affect the Company. The Audit Committee reviewed the effectiveness of the risk management from the Company's performance report. The reports of internal audit and the auditor of the Company which can be confident that the Company's Risk management is an acceptable level.
4. **Review of the good governance:** The Audit Committee has reviewed the compliance with the Corporate Governance policy and the Code of Conduct. Compliance with the requirements of the Stock Exchange of Thailand and other laws related to the business of the Company, especially in related transactions to ensure that the Company operates in accordance with normal business conditions and the information is fully disclosed.
5. **Supervision of internal audit department:** The Audit Committee had reviewed yearly the Audit Committee Charter and review the performance of the internal audit department for the long-term plan, and the annual plan per approved which advised the recommendations and followed up on corrective actions in the audit report on significant issues, including annually reviewed the appropriateness of the annual budget and manpower to ensure that the internal audit department independently and honestly for the benefit of the Company.

6. **Appointment of auditors for the year 2018:** The Audit Committee has considered to select the auditor based on experiences, knowledge, freedom Qualified under the Notification of the Securities and Exchange Commission and the Stock Exchange of Thailand and propose the remuneration of the Company's auditors for the year 2018 to the Board of Directors to present at the shareholders meeting of the Company for approve the appointment.

For the summary of year 2017, the Audit Committee performed duties and responsibilities as stated in the Audit Committee Charter with the knowledge and sufficient independence to monitor the operation of the Company, and provide creatively comments and suggestions to be equally benefit for the stakeholders. The Audit Committee opinioned that the Company has properly and accurately reported financial information in accordance with generally accepted accounting standards, Adequate disclosure, Operation consistent with legal compliance, Commitments related to business operations, including good corporate governance, and the risk management and internal control systems are adequate.



Assoc.Prof.Dr. Seri Wongmonta

Chairman of the Audit Committee

Board of Directors



Mr. Wisanu Niwesmarintra

Chairman / Independent Director /
Chairman of the Risk Management Committee



Mr. Nuttaphob Ratanasuwanthawee

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



Mr. Suppakit Duyapich

Director / Executive Committee /
Risk Management Committee



Mr. Yongyos Palanitisena

Director / Executive Committee /
Risk Management Committee



Mrs. Sunee Sornchaitanasuk

Director / Risk Management Committee



Mr. Wiboon Rasmeepaisarn

Director / Risk Management Committee



Mrs. Bongkot Rungkornpaisarn

Director / Executive Committee



Mr. Kijja Smunyahirun

Director / Executive Committee



Mr. Nataphong Ratanasuwanthawee

Director / Executive Committee



Assoc.Prof.Dr. Seri Wongmonta

Independent Director / Chairman of the Audit Committee



Mr. Suppakit Duyapich

Independent Director / Audit Committee



Mrs. Aree Termwattanapakdee

Independent Director / Audit Committee

Biography and Experiences

1. Mr. Wisanu Niwesmarintra (Chairman / Independent Director /Chairman of the Risk Management Committee)

Education

Master of Business Administration, Southeastern Oklahoma State University.

Bachelor Degree, Bachelor of Science, Kasetsart University
Advance Course in management Development Programme, Westpac College.

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

Education

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

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

Diploma

Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) 28/2004,
- Directors Certification Program (DCP) 53/2005,
- Financial Statement for Directors 17/2005

Current position

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

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

1985-present: Chairman and Managing Director of SC Group

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

At present: Roong Natee Co., Ltd.

Experiences

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

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

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

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

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

Education

Bachelor Degree / Bachelor of Accounting, Thammasat University

Bachelor Degree of Faculty of Law, Thammasat University

Current Position

Retired civil servant (Retirement on 1 October 2005)

Experiences

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

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

Education

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

Bachelor Degree of Accounting, Chulalongkorn University

Diploma

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

Current position

Director Rayong Bulk Terminal Company Limited

Adviser of the Board of Directors of Sahathai Terminal Company Limited

Adviser of Stake International Bangkok Company Limited

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

Experiences

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

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

Education

Doctor of Philosophy (Communication Management),
Dissertation 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

Chief Executive Officer, AMC Medical Center Co., Ltd.
Chairman of the Audit Committee, Siam City Cement Public
Company Limited

Experiences

2010-2013: Chief Executive Officer, Health Trading (Thailand)
Co., Ltd.
2007-2015: Chairman of Nomination and Remuneration
Committee / Audit Committee of EMC Public Limited
2004-2013: Director/Managing Director of Dmed hearing Center
Company Limited
2004-2013: Director/Managing Director of Dusit Med Company
Limited

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

Education

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

Current Position

Managing Director of Warach Paisarn Company Limited
Member of Executive committee of Eltek Power (Thailand)
Company Limited
Audit Committee Member / Risk Management Committee
Member of Nomination and Remuneration Committee Member
of Ananda Development Property Public Company Limited
Member of Executive Committee of Eltek Valere (Thailand)
Company Limited

Experience

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

7. Mrs. Bongkot Rungkornpaisarn (Director and Executive Committee)

Education

Master Degree, Master of Business Administration,
Chulalongkorn University

Bachelor Degree of Accounting, Chulalongkorn University

Diploma

Directors Accreditation Program 28/2004

Company Secretary Program 74/2016

Director Certification Program 147/2011

Role of the Compensation Committee 13/2011

Advance Audit Committee Programs 12/2012

Role of the Chairman Program 35/2014

Audit Committee Program 41/2012

Monitoring Fraud Risk Management 8/2012

Monitoring the Quality of Financial Reporting 16/2012

Monitoring the Internal Audit Function 13/2012

Monitoring the System of Internal Control and Risk Management
13/2012

Anti-Corruption for Executive Program 13/2014

Current Position

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

Executive Vice President (Corporate Affairs) of SC Group

Experiences

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

2013 - 2015: Director, Executive Committee and Chief

Executive Officer of Begistics Public Company Limited

(Formerly Bangpakong Terminal Public Company Limited)

2011-2015: Director of Thai Herb Recipe Company limited

2013-Present: Director of Technor Co., Ltd.

2009-Present: Director of Eltrek Power Co., Ltd.

1992-Present: Director of Warach Paisarn Company Limited

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

Education

Bachelor Degree of Accounting, Bangkok University

Diploma

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

Current Position

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

Senior Vice President (Human Resource) of SC Group

Experience

2013 – 2015: Director of Begistics Public Company Limited
(Formerly Bangpakong Terminal Public Company Limited)

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

Education

Bachelor Degree, Public Administration, Ramkhamhaeng University

Diploma

Directors Accreditation Program 132/2016

Current position

Executive Vice President (Planning and Business Development) of NFC Public Company Limited

Executive Vice President - Business Development and Joint Venture SC Group

2009 - Present 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
- SC Offshore Service Company Limited
- Thai International Dockyard Company Limited
- SC Auto Logistics Company Limited
- PKR Logistics Company Limited
- Strategic Portlink Company Limited
- Liquid Gas Supply Company Limited

Experiences

2014-2017: Director of Thai Pipeline Network Co., Ltd.

2014-2017: Director of NP Marine Company Limited

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

Education

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

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

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

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

Current position

Chairman of Good Communication Limited Partnership

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

11. Mr. Sumit Petcharapirat

(Independent Director and Audit Committee)

Education

Bachelor of Engineering of Chiang Mai University
Master of Business Administration of National Institute of
Development Administration

Current position

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

Experiences

2009-2013: Custodial Director of National Institute of
Development Administration

12. Mrs. Aree Termwattanapakdee

(Independent Director and Audit Committee)

Education

Master Degree / Master of Business Administration from
Chulalongkorn University
Bachelor Degree / Bachelor of Business Administration in
Accounting from Ramkamhaeng University

Diploma

Director Accreditation Program 112/2014
Company Secretary Program 26/2008
Audit committee Program 22/2008
Board Reporting Program 4/2010
Effective Minute Taking 18/2010
Monitoring Fraud Risk Management 2/2010
Monitoring the system of Internal Control and Risk Management
8/2010
Laundering office of Anti-Corruption: The Practical Guide 1/2012
Training the Trainer from Anti-Money Laundering office
Senior Executive Program of the Capital Market Academy
(CMA) Class 1

Current position

2014-present: Independent Director and Audit Committee of
Begistics Public Company Limited (Formerly Bangpakong
Terminal Public Company Limited)
Chief of Compliance & Internal Audit Department and secretary
of the Audit Committee and secretary of Audit Committee,
Seamico Securities Public Company Limited

General Information

Company's name	:	NFC Public Company Limited
Abbreviation	:	NFC
Registration number	:	0107538000495 (formerly, BorMorJor.572)
Listing Securities	:	1,087,833,056 of Common shares, 0.75 Baht par value, total value of 815,874,792 Baht
Capital	:	Registered and Paid up capital Common shares of 815,874,792 Baht
Type of business	:	1. Chemical products distribution 2. Services Currently classified in "listed companies in the REHABCO (Rehabilitation) sector"
Head Office Address at the present	:	No. 88 SC Group Tower 3 th floor, The Park Land Road, (Bangna-Trad KM.5), BangnaNueau Sub-District, Bangna District, Bangkok. Tel. (02) 348-0580-6 Fax. (02) 348-0578-9 Website: www.nfc.co.th
Factory and Warehouse address	:	1. No.2 MapTaPhut Industrial Estate, I-2 road, MapTaPhut Sub-District, Mueang Rayong District, Rayong Province 21150 2. No. 9/25 Mu 4, BuengYitho Sub-District, Thanyaburi District, Pathumthani. 3. No. 105/10 Mu 2, Surath-Phaknum, Bangkok Sub-District, Mueang Suraththani District, Suraththani
Registrar	:	Thailand Securities Depository Company Limited 93 Ratchadaphisek road, Dindaeng, Sub-District, Dindaeng District, Bangkok 10400 Tel. (02) 009-9000 Fax. (02)009-9999

Policy and Overview of Business Operations

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

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

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

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

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

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

In 2008, the Company filed a petition for business rehabilitation with the Central Bankruptcy Court due to the problems of deteriorated factory condition, and a new property appraisal state that the net appraisal value was lower than book

value. Therefore, the Company had to record impairment loss on assets as a result, the company had more debt than the properties, and in 2009, the Central Bankruptcy Court ordered to NFC Fertilizer Public Company Limited to be under the business rehabilitation and appointed NFC Fertilizer Public Company Limited to be the Business Rehabilitation Planner. However, some creditors filed their objections to the Central Bankruptcy Court's order to the Supreme Court.

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

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

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

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

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

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

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

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

The Company has strategies for business plan operations as follows:

Chemical products distribution

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

Services

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

Major changes and developments

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

- On March 12, 2012, the Stock Exchange of Thailand (SET) announced the NFC as a non-performing group (Non-Performing Group: NPG) second phase.
- On June 21-29, 2012, the Company as the Plan Administrator transferred 5 land plots of land to the Group 5 creditors as specified in the rehabilitation plan.
- On August 2, 2012, Thai Asset Management Corporation transferred claims arising from mortgage guarantees, pledges and all other rights or obligations to Thai Asset Management Corporation pursuant to the assignment agreement dated August 1, 2012. Re-organization and acquisition of shares in the Thai Asset Management Corporation were transferred to Sukhumvit Asset Management Co., Ltd.
- November 1, 2012, the Industrial Estate Authority of Thailand temporarily allowed the customers of Rayong Bulk Terminal Co., Ltd. using the company's port service for a period of 1 year to solve the problem of cargo traffic congestion at MapTaPhut Port in accordance with government policy.
- March 12, 2013 the Stock Exchange of Thailand (SET) announced the NFC as a non-performing group (NPG) second phase 3, which expired by March 12, 2014, and the Company requested for an extension of the resolution period for a further one year in accordance with the criteria of the Stock Exchange of Thailand.
- On November 1, 2013, the Industrial Estate Authority of Thailand (IEAT) extended the term of service to customers of Rayong Bulk Terminal Co., Ltd. for a one-year temporary berth to solve the problem of cargo traffic congestion at MapTaPhut Port, and date ended on November 1, 2014.
- On January 29, 2014, the Stock Exchange of Thailand would like to notify the Stock Exchange of Thailand of the resolutions of the SET and the listed companies whose operations or financial status may be withdrawn for the third phas and informed the Company to submit resume trade letter or request for extension of the rehabilitation period to rectify the cause of the delisting, along with submitted the Financial Statement for the year 2013 which

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

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

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

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

- On 28 June 2017, the Company had changed its name from NFC Fertilizer Public Company Limited to NFC Public Company Limited, and also change the seal of the company to be consistent with the current business. The Company registered the change in par value and number of shares from Baht 0.50 per share to Baht 1.25 per share. Then, the Company had decreased its registered and paid-up capital of the Company amount of Baht 543.92 million from its registered and paid-up capital of Baht 1,359.79 million to the new registered and paid-up capital of Baht 815.87 million by reducing the value of shares from Baht 1.25 per share to Baht 0.75 per share to compensate for the Company's deficit, resulting in a shareholding structure after the capital increase as follows:

NFC Public Company Limited

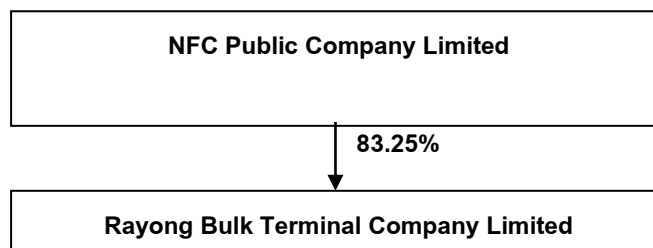
Share's Holder structure

Unit : share / Baht

Name of Share Holder	56-1 Report			Change of Par value		Reduction of registered capital			After Change			
	As at Dec. 31, 2016 (Par 0.50 Baht)			As at Jun. 28, 2017 (Par 1.25 Baht)		As at Sep. 6, 2017 (Par 0.75 Baht)			As at Mar. 6, 2018 (Par 0.75 Baht)			
	Amount of Share	%		Amount of Share	%	Amount of Share	%		Amount of Share	%		
1 Total of Mr. Nuttaphob Ratanasuwanhawee 's Group		1,518,541,679	55.84		607,414,962	44.67		607,414,962	55.84		607,414,962	55.84
1.1 Mr. Nuttaphob Ratanasuwanhawee	952,747,683			607,414,962			607,414,962			607,414,962		
1.2 Chemical & Aromatic (Thailand) Co., Ltd.	565,793,996			-			-			-		
2 Inter Spec Global Company Limited		440,000,000	16.18		176,000,000	12.94		176,000,000	16.18		176,000,000	16.18
3 Mr. Teerawat Wongchareonsin		-	-		-	-	-	-		-	86,000,000	7.91
4 Total of Chatpimolkul Family		77,813,328	2.86		31,125,332	2.29		31,143,332	2.86		31,125,332	2.86
4.1 Mr. Direk Chatpimolkul	33,280,000			13,312,000			13,312,000			13,312,000		
4.2 Mr. SomkiatChatpimolkol	16,000,000			6,400,000			6,400,000			6,400,000		
4.3 Mr. Somchai Chatpimolkul	16,000,000			6,400,000			6,400,000			6,400,000		
4.4 Ms. Apinya Chatpimolkul	12,533,328			5,013,332			5,031,332			5,013,332		
5 Mr. Asia Phukhunanun		-	-		-	-		-	-		28,160,000	2.59
6 Mr. Wichai Thongtang		64,000,000	2.35		25,600,000	1.88		25,600,000	2.35		25,600,000	2.35
7 Mr. Pratya Sermsuksakulchai		-	-		-	-		-	-		24,160,000	2.22
8 Total of Aungsumtrat family		60,385,201	2.22		24,154,081	1.78		24,153,081	2.22		16,658,081	1.53
8.1 Mr. Satimon Aungsumtrat	27,331,652.00			10,932,661			10,931,661			5,868,661		
8.2 Mr. Archavee Aungsumtrat	19,197,549			7,679,020			7,679,020			5,247,020		
8.3 Mr. Anun Aungsumtrat	11,926,000.00			4,770,400			4,770,400			4,770,400		
8.4 Mrs. Supadee Aungsumtrat	1,930,000.00			772,000			772,000			772,000		
9 Total of Chaiyakolyhamdee Family		38,400,000	1.41		15,360,000	1.13		15,360,000	1.41		15,360,000	1.41
9.1 Mr. Tanit Chaiyakolyhamdee	26,880,000			10,752,000			10,752,000			10,752,000		
9.2 Mr. Wichai Chaiyakolyhamdee	6,400,000			2,560,000			2,560,000			2,560,000		
9.3 Mrs. Tapana Chaiyakolyhamdee	5,120,000			2,048,000			2,048,000			2,048,000		
10 Mr. Pittayakorn Naothaworn		240,000,000	8.82		96,000,000	7.06		96,000,000	8.82		12,560,000	1.15
11 Miss Rapatporn Trongwongsa		25,600,000	0.94		10,240,000	0.75		10,240,000	0.94		11,520,000	1.06
Other Minor shareholders		254,842,432	9.37		373,896,945	27.50		101,921,681	9.37		53,274,681	4.90
Total Shareholders		2,719,582,640	100.00		1,359,791,320	100.00		1,087,833,056	100.00		1,087,833,056	100.00

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:



Relationship with the major shareholder's business.

The Company's major shareholder is Mr. Nuttaphob Ratanasuwanthawee, the major shareholders of the SC Group which, the Company relies on and operates a business related to its major shareholders, due to Financial Statement as of December 31, 2017 as follows:

Company	Type of Business	Relationship
SC Management Co., Ltd.	Water carriage	Co-shareholders and directors/ co-management team
SC Carrier Co., Ltd.	Land carriage	Co-shareholders and directors/ co-management team
NP Marine Co., Ltd.	Provide wharf frontage services, warehouse services and water carriage	Co-shareholders and directors/ co-management team
SCG Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors/ co-management team
SC Offshore Services Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team
Thai International Dockyard Co., Ltd.	Operated shipyards, repair and maintenance for all types of boat engines.	Co-shareholders and directors/ co-management team
SCENA Offshore Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team

Nature of Business Operations

Revenue's Structure

Unit : Million Baht	For the year ended		For the year ended		For the year ended	
	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	%	Amount	%	Amount	%
<u>Revenue from Sale chemical products</u>	1,018.87	87.74	867.50	84.72	990.67	89.98
Ammonia	686.95	67.42	593.55	68.42	574.57	58.00
Ammonium Hydroxide	35.12	3.45	20.70	2.39	22.69	2.29
Sulfuric acid	296.80	29.13	253.25	29.19	393.41	39.71
<u>Revenue from Services</u>	142.33	12.26	156.51	15.28	110.34	10.02
Warehouse services	53.63	37.68	18.55	11.85	18.29	16.58
Logistics and Liquid storage service	37.58	26.40	60.46	38.63	55.34	50.15
Port service	51.12	35.92	77.50	49.52	36.71	33.27
Total revenue	1,161.20	100.00	1,024.01	100.00	1,101.01	100.00
<u>Others income</u>						
Gypsum revenues net of related expenses	30.97	5.28	1.13	0.39	14.04	50.63
Reversal of allowance for doubtful accounts	44.99	7.67	24.90	8.49	6.92	24.95
Gain from sale of feixed assets	0.03	0.01	0.06	0.02	3.68	13.27
Reversal of allowance for impairment on assets	0.00	0.00	244.23	83.27	0.00	0.00
Debt forgiveness from legal claim	0.00	0.00	18.54	6.32	0.00	0.00
Gain from restructuring	258.29	44.03	0.00	0.00	0.00	0.00
Reversal of accrued interest payable under joint operating agreement	250.67	42.74	0.00	0.00	0.00	0.00
Gain from Exchange rate	0.00	0.00	2.90	0.99	0.73	2.63
Income from Bank interest	0.04	0.01	0.19	0.06	1.59	5.73
Gain from claim	0.01	0.00	0.04	0.01	0.04	0.15
Income from sales of materials and equipment	0.02	0.00	0.09	0.03	0.01	0.04
Reversal of allowance for inventories obsolete and defective	0.10	0.02	0.50	0.17	0.43	1.55
Others (i.e. sale of scrap materials)	1.43	0.24	0.72	0.25	0.29	1.05
Total Others income	586.55	100.00	293.30	100.00	27.73	100.00

Types of Products and Services

Distribution of chemicals such as Ammonia and Sulfuric acid.

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

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

Services

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

Marketing and Competition

A. Target customers

Distribution of chemicals

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

- Ammonia

In 2017, Ammonia revenue was Baht 574.57 million, or 58.00% of total sales of chemicals revenue. There are 42 customers, including Trader and End User, which can be divided into industry segments as follows:

Industry group	Amount (Million Baht)	%
1. Monosodium glutamate	389.73	67.83
2. Latex	140.93	24.53
3. Refrigerant	27.06	4.71
4. Chemicals	15.48	2.69
5. Others	1.37	0.24
Total	574.57	100.00

The major customers are Thai-MC Co., Ltd., representing 66.47% of the income from Ammonia sales.

- Ammonia Hydroxide

In 2017, Ammonia Hydroxide revenue was Baht 22.69 million, or 2.29% of total sales of chemicals revenue. There are 12 customers, including Trader and End User, which can be divided into industry segments as follows:

Industry group	Amount (Million Baht)	%
1. Power plants/Gas separation plants	13.52	59.59
2. Pollution Control	7.37	32.48
3. Rubber	1.55	6.83
4. Rubber planters	0.22	0.97
5. Others	0.03	0.13
Total	22.69	100.00

The major customers are Asian Scientific Co., Ltd., representing 47.97% of the income from Ammonia Hydroxide sales.

- Sulfuric acid

In 2017, Sulfuric acid revenue was Baht 393.41 million, or 39.71% of total sales of chemicals revenue. There are 2 customers of Trader, which can be divided into industry segments as follows:

Customer	Amount (Million Baht)	%
1. Saksri Industry Co.,Ltd	324.22	82.41
2. Sumitomo Corporation Thailand Co., Ltd.	69.19	17.59
Total	393.41	100.00

Services

In 2017, the Company provides the following services to the customers:

1) Target customer of warehouse services

In 2017, the revenue from warehouse services was Baht 12.24 million, representing 11.10% of total service revenue. There are 12 customers who are customers in Map Ta Phut Industrial Estate. The major customers are NP Marine Co., Ltd., computing to 31.35% of total revenue from warehouse services.

2) Target customer of Logistics and Liquid storage service

In 2017, the revenues from Logistics and Liquid storage service was Baht 55.34 million, representing 50.15% of total service revenue. There are 2 customers who are the customers of Sulfuric acid. The major customers are Saksri Industry Co., Ltd computing to 82.07% of total revenue from Logistics and Liquid storage service.

3) Target customer of Port services

In 2017, the revenues from Port service was Baht 42.76 million, representing 38.75% of total service revenue. There are 50 customers who are customers in Map Ta Phut Industrial Estate. The major customers are SC Management Co., Ltd computing to 21.24% of total revenue from Port service.

B. Distribution

Distribution of chemicals

- **Ammonia**

In the year 2017, there are 42 customers were sold through the Trader and End User segments, which were classified as follows.

Customer segment	Amount (Million Baht)	%
1. Trader	418.04	72.76
2. End User	156.53	27.24
Total	574.57	100.00

The distribution was made through the Trader segment, representing 72.76% of the total revenue from sales of Ammonia. The Company and Suppliers plan together to forecast the amount of using Ammonia annually and monthly delivery plan. The disposal of 36 end users, computing to 27.24% of the revenues from the sale of Ammonia. The Company sells the Ammonia to various customers and delivery according to customer's requirement. The Company has facilitated the supply and installation of storage tanks for customers which can make a good relationship for customer loyalty. At present, the company has the storage tank inventories ready for installation service of new customers group to meet the needs of customers.

- **Ammonia Hydroxide**

In the year 2017, there are 12 customers were sold through the Trader and End User segments, which were classified as follows.

Customer segment	Amount (Million Baht)	%
1. Trader	15.10	66.55
2. End User	156.53	33.45
Total	22.69	100.00

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

- **Sulfuric acid**

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

Services

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

C. Distribution

Distribution of chemicals

- **Ammonia**

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

In the years 2015 - 2017, Thailand imported 426,012 tonnes, 429,115 tonnes and 426,896 tonnes of Ammonia, respectively, mainly from Malaysia, Indonesia, Australia and Saudi Arabia (Source: www.customs.go.th). Most Ammonia is imported by operators using Ammonia in their own production process. In 2017, there were imported for the production of Caprolactam Acrylonitrile and Methylmethacrylate, representing 82% of total import volume. The rest are imported Ammonia for sale to other industrial operators such as Monosodium glutamate industry and Latex industry. Thus, the Company imported Ammonia for sale in 2017, representing 31% of the volume of imports for sale.

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

- **Ammonia Hydroxide**

Ammonium Hydroxide or ammonia Water Ammonia is the main raw material for production to react with water, the concentration of Ammonium Hydroxide depends on the proportion of Ammonia mixed. Ammonium Hydroxide is used in the Textile industry, Pharmaceuticals, Rubber, Detergents, Gas separation plants, Power plants, Dyes and cleaning agents, etc. Ammonium Hydroxide used in Thailand, mostly produced locally from imported Ammonia. For direct import of ammonium Hydroxide in 2015 - 2017, Thailand imported 352.82 tons of 338.43 tons and 309.15 tons of Ammonium Hydroxide, respectively, mainly imported from China approximately 80% of total import volume (Source: www.customs.go.th).

The Company has imported Ammonia to sell and have the raw materials used for the production of Ammonium Hydroxide, and also can produce Ammonium Hydroxide with the concentration that customers required as a result, the Company has expanded its customer base. In 2017, the Company sold 3,299 tons of Ammonium Hydroxide.

- **Sulfuric acid**

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

For Sulfuric acid used in Thailand, production in country and importation from abroad in 2015 to 2016, Thailand imported Sulfuric acid of 427,404 tons, 626,047 tons and 889,948 tons, respectively, mainly imported from Japan. South Korea and the Philippines (Source: www.customs.go.th).

In 2017, Sulfuric acid was imported into the country and exported to neighboring countries approximately 80% of total import volume. (The Company imported Sulfuric acid for sale, representing 48% of Sulfuric acid for sale.) The rest of 20% of total import volume was imported by operators for the production of Caprolactam, Acrylonitrile and Methylmethacrylate.

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

Services

- **Warehouse services**

At present, over 95% of the warehouse business in Thailand is a traditional warehouse that focuses on renting warehouse space and providing utilities/facilities such as electricity, water, telephone, security, etc. Nowadays, partially business had transformed the traditional warehouse into a modern warehouse designed to Completed logistics system and modern technology is used to improve the efficiency of warehouse management. The factor of customer service selection is based on location factors and other. The selection of the right warehouse will allow the

user to produce and/or ship quickly for reduce costs of distances, transit time and transportation expenses that increase efficiency and competitiveness.

General warehouse services in the next 1-3 years are still stable and demand will continue to grow as a result of Investments in industry industry that are likely to grow from government and Business and service sector in the country has continued to grow resulting from Thai export sector has improved, but the expansion of warehouse space in some areas continued which this may result in excess inventory and may be a limitation on rental rate increase. Meanwhile, the recovery of the manufacturing industry concentrated in the Eastern Economic Corridor (EEC), which is reflected in the continued expansion of investment promotion (in the first nine months of 2017, there was 911 projects expanded by 30% per year). The warehouse business in this area will continue to grow in the future.

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

- Logistics and Liquid storage service and Port services

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

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

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

2.3 Products and Services Supply

Distribution of chemicals

- **Ammonia**

The Company imported Ammonia from Petronas Group, Malaysia only because of the commercial advantage compared to other sources in terms of quantity of each order and goods delivery time, resulting the Cost effective and efficient inventory management. So, the import volume depends on conditions, price and marketing status in each period with a monthly contract and/or Spot sales contract. The Company has a license to import Ammonia hazardous substances from various sources of reserves totally 14 sources and manufacturing plant licenses to operate Ammonia filling business including a business license that is harmful to health.

- **Ammonia Hydroxide**

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

- **Sulfuric acid**

The Company importer Sulfuric acid from three overseas suppliers such as Switzerland, Korea, and Japan which most of them are yearly contract. Imported from Switzerland representing 47.88% of total import volume. The Company has a license to import hazardous materials, Sulfuric acid from 12 different reserved sources.

Services

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

Future investment plans

The Company has two projects in the future:

1. Renovation the existing warehouse project of the Company to be the standardized with facilities to meet the needs of customers, and expand customers base in Map Ta Phut Industrial Estate. It is expected to be completed by 2018 with funding from working capital.
2. Additional of Liquid Tank Warehouse Development Project which the Board of Directors assigned the management to conduct feasibility studies on both technical and commercial projects, including the request for space permits for the development of liquid storage from IEAT. The Company expected that the summary of Study and clarify to the Board for approval of the project about the last quarter of 2018.

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

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

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

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

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

Risk from depending on a major customer and a few customers

The Company has two major customers, Thai-MC Co., Ltd., which is a customer of Ammonia representing 34.69% of revenue from sales and services and Saksri Industry Co., Ltd., which is the customer from the sale of Sulfuric acid and use the Liquid storage representing 33.57% of revenues from sales and services. Both customers have a good relationship with the company over 10 years. The Company has received the confidence and trust from customers. For managing the supply chain from the stage of procurement, Inventory Management, and goods delivery to customers comply with the customer requirements. The company also provide delivery services to customers in urgent cases, and provide the maintenance section for additional installation services and help customers in case of equipment related to the delivery system fail. However, the major customer also have their own risk management policies, with no single supplier policy to prevent production disruptions due to raw material shortages. So, it is quite possible for the company to lose such customers.

Risks of dependence Major Distributor (Vendor)

The Company has one major Vendor, Petronas Group, which sells Ammonia representing 32.84% of cost of sales and services. However, at present, the Company has a license to import Ammonia hazardous substances from 14 sources and is ready to import from the Vendor in the Vendor List of the Company or other companies in Japan, United Arab Emirates, and Indonesia. The Company has a good relationship for more than 10 years with the Petronas Group with the advantage of logistics and marketing comparing to other sources in terms of quantity of each order and delivery period with the cost effective and efficient inventory management. In addition, the supplier is an Ammonia directly

producer who own a cargo ship. The Company has a policy to manage the risk by contacting multiple suppliers to offer prices and terms of sale to the Company in order to select suitable partners according to market conditions.

Risk of new entrants.

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

Risk of Transportation for Ammonia and Sulfuric acid

A) Sea transportation

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

B) Land transportation

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

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

Risks of government policy

The Company has a Port, Warehouse and Liquid storage located in Map Ta Phut Industrial Estate, which there is no pollution from Company business. However, the Company plans to expand the business that may cause air pollution and may be affected by air pollution control measures in Map Ta Phut Industrial Estate area. Unless investment to buy a quota of emission. The area of Map Ta Phut Industrial Estate. In addition, the policy on the development of the Eastern

Special Economic Corridor (EEC) including Port improvement of Map Ta Phut Industrial Estate project, Double track railway project, Infrastructure development of public sector to increase the competitiveness and incentives for entrepreneurs to invest in the East. The government may consider taking more measures to reduce air pollution control in Map Ta Phut that make the Company enable to develop more projects in the Map Ta Phut area.

Risk of environment

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

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

Financial Risks

1) Risk from Currency Exchange

The Company 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 US currency to be in THB clearly state on buying agreement or entering into a forward contract with the bank when THB will be likely to depreciate against such exchange rate risk.

2) Risk from Credit

At the end of 2017, the Company had allowance for doubtful accounts amounting to Baht 40.40 million, representing 23.19% of total trade accounts receivable. The litigation debt generated by the chemical fertilizer business before the year 2006 was Baht 12.82 million. In the year 2017, the Company made an allowance for doubtful accounts of Baht 0.22 million. However, the sale of goods and services to credit customers must be approved by the credit committee of the Company resulting for the risk of such loans is low. In addition, the Company manages the risk by providing short-term loans or charge for goods and services in advance from customers resulting for credit risk decreased.

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

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

Securities Details and Shareholders

Number of registered capital and paid up capital

As of December 31, 2017, the Company registered capital was Baht 815.87 million, divided to ordinary shares amount of 1,087.83 million shares with a par value of 0.75 Baht per share and name used for trading is “NFC”.

Shareholders’ structure

List of major shareholders of the Company as of March 6, 2018:

<u>Name - Surname</u>	<u>Number of shares</u>		<u>% of paid up capital</u>
1. Mr. Nuttaphob Ratanasuwanhawee		607,414,962	55.84
2. Inter Spec Global Company Limited		176,000,000	16.18
3. Mr. Teerawat Wongchareonsin		86,000,000	7.91
4. Total of Chatpimolkul Family		31,125,332	2.86
4.1 Mr. Direk Chatpimolkul	13,312,000		
4.2 Mr. Somchai Chatpimolkul	6,400,000		
4.3 Mr. Somkiat Chatpimolkol	6,400,000		
4.4 Ms. Apinya Chatpimolkul	5,013,332		
5. Mr. Asia Phukhunanun		28,160,000	2.59
6. Mr. Wichai Thongtang		25,600,000	2.35
7. Mr. Pratya Sermsuksakulchai		24,160,000	2.22
8. Total of Aungsumrat family		16,658,081	1.53
8.1 Mr. Satimon Aungsumrat	5,868,661		
8.2 Mr. Archavee Aungsumrat	5,247,020		
8.3 Mr. Anun Aungsumrat	4,770,400		
8.4 Mrs. Supadee Aungsumrat	772,000		
9. Total of Chaiyakolyhamdee Family		15,360,000	1.41
9.1 Mr. Tanit Chaiyakolyhamdee	10,752,000		
9.2 Mr. Wichai Chaiyakolyhamdee	2,560,000		
9.3 Mrs. Tapan Chaiyakolyhamdee	2,048,000		
10. Mr. Pittayakorn Naothaworn		12,560,000	1.15
11. Miss Rapatporn Trongwongsa		11,520,000	1.06
Other Minor shareholders		53,274,681	4.90
Total Shareholders		1,087,833,056	100.00

Dividend Policy

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

Management Structure and Management

Board of Directors

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

Board of Directors

Item	Name - Surname	Position	Meeting (Jan. 1, 2017-Dec. 31, 2017)	
			Number of Meetings	Number of Attendances
1	Mr. Wisanu Niwesmarintra*	Chairman / Independent Director / Chairman of Risk management Committee	8	8
2	Mr. Nuttaphob Ratanasuwanthawee	Vice Chairman / Chairman of Executive Committee	8	7
3	Mr. Suppakit Duyapich*	Director / Executive Committee / Risk management Committee	8	7
4	Mr. Yongyos Palanitisena*	Director / Executive Committee / Risk management Committee	8	8
5	Dr. Sunee Sornchaitanasuk	Director / Risk management Committee	8	6
6	Mr. Wiboon Rasmeepaisarn	Director / Risk management Committee	8	8
7	Mrs. Bongkot Rungkompaisarn	Director / Executive Committee	8	8
8	Mr. Kijja Smunyahirun*	Director / Executive Committee	8	7
9	Mr. Nataphong Ratanasuwanthawee	Director / Executive Committee	8	7
10	Assoc.Prof.Dr. Seri Wongmonta	Independent Director / Chairman of Audit Committee	8	8
11	Mr. Sumit Petcharapirat	Independent Director / Chairman of Audit Committee	8	5
12	Mrs. Aree Termwattanapakdee	Independent Director / Chairman of Audit Committee	8	5

Remarks:

*Member of Executive Committee has been appointed in the Annual General Shareholders Meeting no. 1/2017 on 28 April 2017.

As of December 31, 2017, 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 Rungkornpaisarn 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	Meeting (Jan. 1, 2017-Dec. 31, 2017)	
			Number of Meetings	Number of Attendances
1	Mr. Nuttaphob Ratanasuwanthawee	Chairman of the Executive Committee	3	3
2	Mr. Suppakit Duyapich*	Member of Executive Committee	3	3
3	Mr. Yongyos Palanitisena*	Member of Executive Committee	3	3
4	Mrs. Bongkot Rungkornpaisarn	Member of Executive Committee	3	3
5	Mr. Kijja Smunyahirun*	Member of Executive Committee	3	3
6	Mr. Nataphong Ratanasuwanthawee	Member of Executive Committee	3	3

Remarks:

*Member of Executive Committee has been appointed in the Annual General Shareholders Meeting no. 1/2017 on 28 April 2017.

Audit Committee

Item	Name - Surname	Position	Meeting (Jan. 1, 2017-Dec. 31, 2017)	
			Number of Meetings	Number of Attendances
1	Assoc.Prof.Dr. Wongmonta Seri	Chairman of the Audit Committee	5	5
2	Mrs. Aree Termwattanakdee*	Audit Committee	5	4
3	Mr. Sumit Petcharapiratch	Audit Committee	5	4

Remarks:

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

Risk Management Committee

Item	Name - Surname	Position	Meeting (Jan. 1, 2017-Dec. 31, 2017)	
			Number of Meetings	Number of Attendances
1	Mr. Wisanu Niwesmarintra*	Chairman of the Risk Management Committee	1	1
2	Mr. Suppakit Duyapich*	Risk management Committee	1	1
3	Mr. Yongyos Palanitisena*	Risk management Committee	1	1
4	Dr. Sunee Sornchaitanasuk	Risk management Committee	1	1
5	Mr. Wiboon Rasmeepaisarn	Risk management Committee	1	1

Remarks:

* The Risk Management Committee has been appointed in the Annual General Shareholders Meeting no. 1/2017 on 28 April 2017.

Management

As of December 31, 2017, the Company's management consists of 6 members as follows:

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

Company's Internal Management Structure Diagram



Company Secretary

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

Remuneration for Directors and Executives

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

Remuneration for Directors during January to December 2017

Name's List		Director (Baht)	Executive Committee (Baht)	Audit Committee (Baht)	Risk Management Committee	Total (Baht)
Mr. Wisanu	Niwesmarin	192,000	-	-	12,000	240,000
Mr. Nuttaphob	Ratanasuwanthawee	156,000	192,000	-	-	348,000
Mr. Suppakit	Duyapich	120,000	120,000	-	10,000	250,000
Mr. Yongyos	Palanitisena	120,000	120,000	-	10,000	250,000
Dr. Sunee	Sornchaitanasuk	120,000	-	-	10,000	130,000
Mr. Wiboon	Rasmeepaisarn	120,000	-	-	10,000	130,000
Mrs. Bongkot	Rungkornpaisarn	120,000	120,000	-	-	240,000
Mr. Kijja	Smunyahirun	120,000	120,000	-	-	240,000

Name's List	Director (Baht)	Executive Committee (Baht)	Audit Committee (Baht)	Risk Management Committee	Total (Baht)
Mr. Nataphong Ratanasuwanthawee	120,000	120,000	-	-	240,000
Assoc.Prof. Dr. Seri Wongmonta	120,000	-	60,000	-	180,000
Mr. Sumit Petcharapiratch	120,000	-	40,000	-	160,000
Mrs. Aree Termwattamapakdee	120,000	-	40,000	-	160,000
Total	1,548,000	792,000	140,000	52,000	2,532,000

- **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 2017

In 2017, the Company paid remuneration for 6 executives as follows:

	2016		2017	
	Number (persons)	Amount (million Baht)	Number (persons)	Amount (million Baht)
Salary	6	20.25	7	22.94
Provident Fund		0.79		1.07
Once paid income		0.00		1.04
Other income		0.00		0.00
Total		21.04		25.05

Personnel

During January 1, 2017 to December 31, 2017, 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 123 employees (entering and leaving during a year included), totaling Baht 63.66 million.

Number of employees: As of December 31, 2017

Item	Office	Number (persons)		
		Male	Female	Total
1	Bangkok	20	35	55
2	Rayong	47	13	60
3	Rangsit	8	0	8
Total		75	48	123

For the past three years, the Company has one labor dispute, as Mr. Nuttaphob Rattanasuwanthawee has been sued by Mr. Krit Vimtrimate for calling the compensation payment in case of the Company's lay off since 2004, which the court had previously dismissed, subsequently, Mr. Krit Vimtrimate filed a new lawsuit in 2016, and the Central Labor Court dismissed the plaintiff on June 13, 2017. The plaintiff appealed the court's discretion in fact, which was prohibited by

law. Therefore, on January 22, 2018, the Court of Appeal has ordered not to accept the plaintiff's appeal, so the case is considered.

Policy on Employee Development

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

In the year 2017, the Company has a policy to create personnel by focus on human resource management for lead the organization to improve and grow sustainably through the organizational structure review process, work process to prepare personnel for capacity and appropriate manpower rate and consistent with the company's growth plan including to support business expansion and the foundation of human resource management has been emphasized, the policy and process is clear and integrate the needs of the company continuously, and motivate their employees to create a work that will lead the organization to excellence and achieve organizational goals in and fields.

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

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

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

Treatment to Concerned persons

1. Policy and Treatment to Shareholders

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

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

2. Policy and Treatment to Employees

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

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

3. Policy and Treatment to Customers

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

- Operate its business in honesty, justice, and provide accurate and timely enough customers.
- Goods production and service with the highest quality as per the expectation of customers at the fair price and Aims to raise the standards continuously.
- Define the acceptable quality level of products and services.
- Accurate, adequate and updated information about goods and services to the customers without exaggeration to cause the customers to misunderstand about quality, quantity, and conditions of goods or services.
- Provide system and procedure for customers to complain about quality, quantity, safety of goods and services including the rapidity for response or delivery, and proceed to the utmost with fast response for the customers.
- Contact with customer politely, efficiently and trustfully
- Give advice about use methods of goods and services to be and for the maximum benefit to the customers.
- Strictly maintain the business confidentiality of customer, including the customer information which will not disclosed without any permission of the customer, or the authorized representative of the company, unless the

information must be disclosed to a third party, the relevant articles of the law, including usage information for the benefit of themselves and people involved in.

- Find a way to reduce production costs by maintaining the standard of quality of goods and services to be added to customers continuously.
- Strictly comply with all condition with customers. If the Company cannot comply with any condition, the customers must be informed immediately in order to find the solution together.
- Not pay any benefits that are being hijacked or customers by using dis-honest methods.

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

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

Negotiation for problem resolution shall be on business relationship basis, as follows:

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

5. Policy and Treatment to Business Competitors

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

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

6. Occupational Safety, Health and Environment

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

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

7. Responsibility to Society and Public

The Company has policy to operate business for the benefit of the economy and society. The Company also gives the importance of preservation of local tradition where company's business unit is located. In addition, it is also the policy

of the Company to be a good citizen and to fully comply with laws and relevant regulations. To support the policy as mentioned above, the Company shall regularly proceed with activities that will create contribution to society and also implant consciousness to all levels of the employees in order for them to have serious and continued responsibility to society in order to be always sustained as a good organization culture.

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

Principle for conducting business

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

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

Vision and Mission

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

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

Conflict of Interest

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

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

Business Ethics

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

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

Checks and Balances of Non-Executive Directors

The Board of Directors has 12 members, comprising of:

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

Therefore, the Company's Independent Directors are 4 members (i.e. Chairman and Independent Director being as Audit Committee), equivalent to 33.33 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 Independent Directors, equivalent to 33.33 percent of all directors, establishing the checks and balances and review of the management.

Board of Directors' Meeting

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

Decisions at the meeting shall be made by majority vote.

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

2. The Board of Directors shall hold meetings at least three times per year in a local area of corporate headquarters or branch office or any other place as the Board of Directors shall determine, with the meeting dates being fixed in advance annually and additional meetings held as necessary. The Chairman of the Board of Directors and the Chairman of the Executive Board shall determine and approve agenda items.
3. The Company Secretary shall serve meeting notices with agenda items and supporting documents to the directors at least 7 days prior to the meeting date to allow time for the directors to study before the meeting.
4. The Chairman of the Board of Directors shall serve as the Chair of the meeting, with a duty to allocate adequate time in each agenda item for the directors to freely discuss important matters, taking into consideration the fair benefits of the shareholders and related parties.
5. The Company Secretary shall take and prepare the minutes of a meeting within 14 days of the meeting, keep the minutes and supporting documents, and provide support to ensure that the

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

The Board of Directors has several meetings during a year. Agendas are expressly specified and there are agendas for following up the operating performance periodically as appropriate and the invitation notices with the meeting's

agendas and documents shall be delivered to all directors at least 7 days before the meeting date. In 2017, the Board of Directors as the Plan Administrator had 8 meetings, taking 2-4 hours each. The record of each meeting's conduct was made in form of a minutes presented to the Board of Directors for approval and was kept with concerned persons in order to be checkable.

Report of the Board of Directors

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

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

Investor Relations

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

Sub-Committee

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

Board of Directors

Item	Name - Surname		Position
1	Mr. Wisanu	Niwesmarintra *	Independent Director and Chairman of the Board of Directors
2	Mr. Nuttaphob	Ratanasuwanthawee	Vice Chairman of the Board of Directors
3	Mr. Suppakit	Duyapich	Director
4	Mr. Yongyos	Palanitisena *	Director
5	Dr. Sunee	Sornchaitanasuk	Director
6	Mr. Wiboon	Rasmeepaisarn	Director
7	Mrs. Bongkot	Rungkornpaisarn	Director
8	Mr. Kijja	Smunyahirun *	Director
9	Mr. Nataphong	Ratanasuwanthawee	Director
10	Assoc.Prof.Dr. Seri	Wongmonta	Independent Director

Item	Name - Surname		Position
11	Mr. Sumit	Petcharapirat	Independent Director
12	Mrs. Aree	Termwattanapakdee	Independent Director

Remarks:

Director has been appointed in the Annual General Shareholder Meeting 2017 on April 28, 2017.

Duties and Responsibilities of the Board of Directors

1. To oversee the Corporate Governance with ethic for example making Code of Business Conduct for Directors, Management and employees of the Company as well as acknowledge rules and follow up on the implementation.
2. To consider approval of the business policies, targets, operation plans, business strategies and annual budgets of the Company.
3. To consider appointment of a person who possesses qualifications and does not possess any characteristics prohibited under the Public Company Act B.E. 2535 (1992) and the laws governing securities and exchange and any relevant rules, regulations and/or notifications to be Director in case there is a vacancy due to a cause other than retirement by rotation.
4. To consider appointment of Independent Directors by taking into consideration qualifications and prohibited characteristics under the laws governing securities and exchanges, notifications of the Capital Market Supervisory Board, including relevant rules, regulations and/or notifications of the Capital Market Supervisory Board, SET or propose to a shareholders' meeting for such appointment.
5. To consider appointment of Audit Committee members who have qualifications under the laws governing securities and exchange notifications of the Capital Market Supervisory Board, including rules, regulations and/or notifications of the SET.
6. To consider appointment of Executive Directors from among the directors or the management of the Company and prescribe their roles, powers, duties and responsibilities.
7. To consider appointment of sub-committee to assist in the operation according to the Board of Director's responsibilities
8. To appoint and change the names of Directors who can have the power to sign to bind the Company.
9. To nominate other person to manage the operations of the Company under the control of the Board or authorize the person to have power for the time period, as the Board deems appropriate. The Board may remove or change the power of the person.
10. To consider approval of transactions relating to acquisition or disposition of assets, except where such transactions require approval by a shareholders' meeting. Such approval must be in compliance with the notifications of the Capital Market Supervisory Board, and/or SET's relevant rules, regulations and/or notifications.
11. To consider approval of connected transactions, except where such transactions require approval from a shareholders' meeting. Such approval must be in compliance with the Capital Market Supervisory Board and/ or SET's relevant rules, regulations and/or notifications.
12. To consider approval for interim dividend payment when it considers that the Company has sufficiently profits to do so and to report such payment to the following shareholders' meeting. The Board of Directors shall elect a Director to be the Chairman. If it is deemed appropriates, the Board of Directors may consider electing one or many directors

- to be Vice Chairman, who shall be assigned by the Chairman to perform duties to conduct the Company's business according to the Articles of Association. The Board of Directors shall meet at least once every three months.
13. To perform with responsibility, caution, and faithfulness and conduct the Company's business according to the laws, Company's objectives, Articles of Association, and resolutions of the shareholders' meeting, except for matters required by law to be approved at shareholders' meetings, entering into connected transactions, and any purchase or sale of material assets pursuant to the regulations of the SET or those prescribed by other government authorities.
 14. To perform duties with responsibility and caution, like a person with common sense, it will conduct business under the same situation.
 15. To perform duties with honesty, the highest beneficially of the company. The aim are appropriate and it will not conduct conflicts with the benefit of the company significantly.
 16. To provide with the Company's Secretary which he/she will response on behalf of the company or the Board of Directors in regard to the registration committee, the notice of meeting, the meeting report of the Board of Directors and/or Shareholders of including with the annual report.
 17. To determine the company's visions, missions, directions and strategy by fully express opinions and share information that is beneficial for the determination of the company's direction.
 18. To review and approve the company's key strategies, policies, objectives, plans, and financial goals as well as oversee and monitor the management team to consistently follow the set out plans to ensure effective and efficient implementation of visions, direction, and strategies.
 19. To oversee that the company has credible accounting system, financial statements and audit system as well as efficient and effective internal auditing process
 20. To consider key risk factors and determine comprehensive risk management strategy as well as oversee that the management team work under efficient risk management system and predict possible risks from new business opportunities.
 21. To established guidelines for the careful consideration of transactions involving possible conflicts of interest for the company and its shareholders, whereby anyone having an interest in any agenda item must disclose such interest to the meeting, and foregoes the right to take part in deciding on that item.
 22. To provide each group of shareholders with communication channels as well as monitor that the company has accurate, transparent, and credible information disclosure with high standard.

Executive Committee

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

Remarks:

Member of Executive Committee has been appointed in the Annual General Shareholder Meeting 2017 on April 28, 2017.

Duties and Responsibilities of Executive Committee

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

Audit Committee

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

Remarks:

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

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.
6. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the highest benefit of the company.
7. 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
8. To engage an advisor or specialist to give opinion or consultation as necessary.
9. To invite the management or any relevant person of the Company attending in meetings or giving additionally related information.
10. To review the Audit Committee's charter at least once a year and present to the Board of Directors for approval in the event where there is any change thereof or present the Board of Directors for information in the event of no change.
11. To perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee.

Risk Management Committee

Item	Name - Surname	Position
1	Mr. Wisanu Niwesmarintra [*]	Independent Director and Chairman of Risk Management Committee
2	Mr. Suppakit Duyapich [*]	Director and Risk Management Committee
3	Mr. Yongyos Palanitisena [*]	Director and Risk Management Committee
4	Mrs. Bongkot Rungkornpaisarn	Director and Risk Management Committee
5	Mr. Kijja Smunyahirun	Director and Risk Management Committee

Remarks:

^{*}Member of Executive Committee has been appointed in the Annual General Shareholder Meeting 2017 on April 28, 2017.

Duties and Responsibilities of Executive Committee

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

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

1. Holding shares not exceeding one per cent of the total number of shares with voting rights of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the company.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the company or its subsidiary company.
4. Neither having nor used to have a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years. The term business relationship under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which

result in the company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commence.

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

Recruitment of the Director and Executive Management

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

Director

1. The Board of Directors comprising not less than 5 directors, and not less than one half of the total number of directors must have a residence in the Kingdom. Directors may be the Company's shareholders or not.
2. The Board of Directors shall be voted by the meeting of shareholders under the following criteria and procedure:
 - 2.1 Each shareholder shall have one vote per share.
 - 2.2 Each shareholder shall exercise all votes applicable under 2.1 appointing one or more person to be a director, provided that any of the votes shall not be divisible.
 - 2.3 The candidates receiving the highest votes in respective sequence equal to the number of directors which should be elected at such time shall be elected directors, the chairman shall have a casting vote.

3. At every Annual General Meeting, one-third (1/3) of the directors, or, if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from office.

The directors who retire in the first and second years after the registration of the Company shall be determined by drawing lots. In every subsequent year, the directors who have been longest in office shall retire

4. In addition to the retirement by rotation, the directors shall retire upon:

4.1 death

4.2 resignation

4.3 disqualification or being of the forbidden by law

4.4 retirement by a resolution of a meeting of shareholders

4.5 retirement by the court's order.

5. A director who resign shall tender the resignation letter to the Company, and this resignation will be effective from the date on which the resignation is delivered to the Company. The director who resigns under the first paragraph may also notify the registrar.

6. In the case of a director is vacated otherwise than by rotation, the Board of Directors may elect a person, who is qualified and is not of the forbidden nature under the law, to replace such director at the following meeting of the Board of Directors unless the remaining tenure of the director is less than two (2) months.

The person who is as elected as the new director shall retain the position during such period only as the vacating director was entitled to retain the same.

The resolution of the Board must be as specified in the first paragraph above and shall consist of votes of not less than three-fourths of the remaining directors.

7. A meeting of shareholders may pass a resolution retiring any director before the time of his retirement by rotation by a vote of not less than three-fourths (3/4) of the number of the shareholders present and entitled to vote and having shares in the aggregate not less than one half of the number of shares held by the shareholders present and entitled to vote.

Executive Management

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

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

In the past, the Company has appointed persons to be the subsidiary company's director and management. (Currently, the subsidiary is in the process of being secured. The authority to supervise the assets of the subsidiary belonging to the official receiver.)

Supervision of Internal Information Use

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

1. To inform director and executive to understand duties and obligations of report of Company's securities held by themselves, couple and children below legal age including report of Company's securities transfer according to Section 59 and the penalty of Section 275 subject to the Securities and Exchange Act 1992.
2. To limit of access of internal information. Only director, executive, personnel or concerned person as necessary and stipulate authorization of personnel who has authority to disclose information of the Company.
3. To submit a circular informing blackout period of Company's securities and prohibit to disclose internal information, balance sheet information within 1 month prior disclose information to public and within 24 hours after disclose aforesaid information to director, executive including concerned person (couple and children below legal age of director and executive) and any management to perform terms in such period.
4. To stipulate a director, executive including concerned person (couple and children below legal age of director or executive) to declare to board of director of the Company or designated person regarding sale and purchase share of the Company at least 1 day in advance prior purchase securities.
5. To keep confidential information of the Company and prevent confidential document or data of the company to not disclose or expose to unconcerned person which might create a detriment to the Company.
6. To stipulate rules and regulations regarding strictly security of computer and information technology of the Company.

Audit Fee

Audit Fee

The Annual General Shareholders Meeting 2017 has approved the Company's Auditor remuneration for the year 2017 in the amount of Baht 1,080,000.

Non-Audit Fee

- None -

Corporate Social Responsibility

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

CSR in process

The Company has focused 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.

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

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

Referred from Zero Complaint Policy.

Besides, the Company considers that occupational health, safety and environment management as an integral part of engaging the 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 and Risk management

In the Board of Directors' meeting no. 1/2017 on February 19, 2017 with 3 Audit Committees had a meeting considered the adequacy of the Company's internal control system based on the assessment by the Office of the Securities and Exchange Commission (SEC) as proposed by the management to ensure that the Company has adequate internal control system and conclude the evaluated the Internal Control system of the Company in 5 compositions as Organizational internal control, Risk evaluation, Operational control, Information technology and communications system, and Follow-up system. The Audit Committee had an opinion that the Company's Internal Control system is appropriate and adequately which the Company had provided sufficient personnel to perform the work in accordance with the system proficiently including the system of Follow up, Control and operation of the Company and Subsidiary and preventing the assets of the Company and its subsidiaries from being misused by the directors or executives without sufficient authority in adequate for internal control.

In the year 2017, there were no material issues relating to conflicts of interests, fraud, or irregularities or defects in the internal control system. Violation of the Securities and Exchange Act of the Stock Exchange of Thailand or any law concerned to the business of the Company.

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

1. Control Environment

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

- Due to Regulatory Compliance, the Company has prepared The "Ethics and Code of Conduct for business" was approved by the Board of Directors on 25 February 2016, covering the policy of good corporate governance, Code of Conduct, Principles qualifications of the Board of director and appointment, Principles Code of Conduct for business. In addition, the Company has developed a Code of Conduct for Employees to set up the guidelines for the conduct of duties and tasks that all employees should be entrusted with honesty, transparency, morality and ethics. The manual has been approved by Chief Executive Officer and announced on January 1, 2016. The company has implemented the plan in 2017.
- The Company has set a yearly budget for 2017, which covers revenue forecasting for each product and service revenue and estimated the expenses, funding of investment for purpose of business planning with the Corporate KPIs and the KPIs are used to measure the performance of each business department.
- The Company provides job descriptions covering all job positions that identify the basic responsibilities of employees and identified the position responsibility, qualifications of the position, training programs, performance indicators, and the chain of command that consist with the current organizational structure.
- The Company has a policy for succession plan which has been approved by Chief Executive Officer and announced on February 29, 2016 and revised on July 25, 2016, the Company set the policy of succession plan for management comply with the human resource development policy by developing management and employees

under the same corporate culture to prepare personnel for capacity and The rate is right to rotate the vacancies with the Company's growth plan.

2. Risk Assessment

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

3. Control Activities

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

- In the case of the transaction is a related transaction according to the requirements of the Corporate Governance must comply with the rules, procedures and disclosure strictly.
- Related transactions must be reviewed or consideration from the Audit Committee and the Board of Directors, respectively. In case of any Audit Committees or Directors have a stake in the related transaction, the Audit Committee or Director of the Company must be no consideration in such related transaction.
- The Company monitors the operation of subsidiaries by appointing the Company's employee to be the Board of Directors and Executives in the subsidiary and Management of the Company's subsidiaries who the Company assigned must communicate the Company policy to the subsidiary and monitors the operation of the subsidiary (currently the subsidiary is in the process of being secured. The authority to supervise the assets of the subsidiary. It is the official receiver.

4. Information and Communication

- The Company provides executives management meetings on a weekly basis to provide each section with a report on the performance, problems, obstacles and plans of the Company to the meeting. Chief Executive Officer is a Chairman of the meeting and Senior Executive Vice President of Finance and Administration is a meeting Secretary and executives from the Executive Vice President level up to attend the meeting.
- The company pays attention to safety in information technology and electronic data storage. The policy is to backup the information approved by Executive Vice President of Corporate Administration and announcement on February 16, 2016, by the Information Department, who made Back up tape a daily, weekly, monthly and annual backup keep in bank safe with perform a data recovery test. (Restoration)
- The Company appoints the Vice President of Finance and Administration to be responsible for communicating the Company's information to third parties such as information about the Company, Products & Services, Investor Relations and Corporate Governance.
- The Company has set up a channel for complaints about Corporate Governance and Business ethics and assigned the office of Directors department to be the receivers of complaints or suggestions. The directors, executives and employees, as well as all stakeholders can send the complaints be made through verbal, telephone, facsimile, email and correspondence. The Company will keep the information confidential. The policy has been announced to staff through the company's public relations.

5. Monitoring

- Supervisors monitor whether the work meets the set goals or not. If there is a defect or failure to meet the plan, it has been resolved immediately and report directly to management. The management has evaluated that the outcome base on the policy and the company's plans effective and efficient or not. The findings from the follow up evaluation, the Audit Committee and the executive management paid an attention to the improvement and continuously follow up and evaluate and report to the Board of Directors for acknowledgment.
- Internal Audit Department is an independent department and report directly to the Audit Committee acting for confident and counseling to make the process work within the organization, Corporate Governance, Risk management and Good internal control. The Internal Audit Department has monitored the activities follow an annual audit plan approved by the Audit Committee by preparing a monitoring plan based on the Company's

strategic direction and the major risks that affect the operation. Covering all aspects of the company's business process every 2 years, with regularly follow-up on recommendations from audit and communicate to management for corrective action. The audited outcome si reported to The Audit Committee on a quarterly basis.

- The Company recognizes the importance of internal control and appointed the external auditor to evaluate the internal control system of the company every 5 years.

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

Head of Internal Audit department

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

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

Head of Compliance department

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

Duties:

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

Related Transactions

Related transactions arising among the Company and its subsidiary company and those who may be in conflict for the year ended December 31, 2017 as indicated in the notes to financial statement No. 9 are important items as shown in the table below. The Audit Committee has considered the reasonableness of the transaction as follows:

Company name	Nature of relationship	Related transaction	Amount (Million baht)	
			2017	2016
SC Carrier Company Limited	■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 92.22% shares	Revenue from Warehouse services	1.04	1.13
		Revenue from Sale of property	0.07	0.01
		Ammonia transportation fee	49.49	46.86
	Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share	Rental and services, Office building	2.40	2.37
		Expense of repairing equipment, storage and storage of Ammonia	1.21	0.94
		Land rental with warehouse building at Surat Thani	0.72	0.42
	■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee	Electricity and water supply, office building	0.40	0.49
		Others Expenses	0.08	-
		Trade Account Receivable and Other Accounts Receivable	022	0.58
	■ jointly executives are: Mr. Nuttaphob Ratanasuwanthawee and Mrs. Bongkot Rungkornpaisarn	Trade account Payable and Other Accounts Payable	9.91	12.91
		Deposits	0.50	0.50
SC Management Company Limited	■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.35% shares Mr. Nataphong Ratanasuwanthawee of 0.65% shares Mrs. Bongkot Rungkornpaisarn of 1 share	Revenue from Port services	9.08	9.99
		Revenue from Warehouse services	1.63	2.66
		Revenue from Sale of property	0.02	0.07
	■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee	Land rental with warehouse building, Rungsit warehouse	1.08	0.63
		Employee transportation fee	0.22	0.22
		Maintenance expenses	0.07	0.07
	■ jointly executives are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Sarinthip Kittiwongsophon and Miss Dudduen Boonsue	Purchase of computer	0.03	0.03
		Trade Account Receivable and Other Accounts Receivable	1.46	2.86
		Trade account Payable and Other Accounts Payable	0.13	0.22

Company name	Nature of relationship	Related transaction	Amount (Million baht)	
			2017	2016
NP Marine Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 98.33% shares Mr. Nataphong Ratanasuwanthawee of 1.67% shares Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share jointly executive is: Mr. Kijja Smunyahirun 	Revenue from Warehouse services	3.84	3.91
		Electricity and water supply at Surat Thani warehouse	0.05	0.03
		Ammonia Truck Weighing Service fee	0.03	0.02
		Trade Account Receivable and Other Accounts Receivable	0.68	0.69
		Trade account Payable and Other Accounts Payable	0.02	0.03
SCG Logistics Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.86% shares Mr. Nataphong Ratanasuwanthawee of 0.14% shares Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 	Revenue from Warehouse services	0.89	1.19
		Revenue from Port services	0.06	-
		Revenue from Sale of property	-	0.01
		Trade Account Receivable and Other Accounts Receivable	0.21	1.28
SC Offshore Service Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 96.86% shares and Mr. Nataphong Ratanasuwanthawee of 3.14% shares Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Kijja Smunyahirun of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee 	Revenue from Port services	3.83	6.46
		Trade Account Receivable and Other Accounts Receivable	-	6.81

Company name	Nature of relationship	Related transaction	Amount (Million baht)	
			2017	2016
	<ul style="list-style-type: none"> jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 			
SCENA Offshore Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 30.00% shares and Mrs. Bongkot Rungkornpaisarn of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 	Revenue from Port services	1.63	2.87
		Trade Account Receivable and Other Accounts Receivable	-	0.41
Thai International Dockyard Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 1 share and Mr. Nataphong Ratanasuwanthawee of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee 	Service income-Fender	2.04	2.04
		Others services	-	0.02
		Trade account Payable and Other Account Payable	-	0.02

Necessity and reasonableness of the transaction

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

- acquisition a partial of the business from C&A related to the distribution of Ammonia and Ammonium hydroxide products to sell to the end customers are fully integrated. The price and conditions are as market prices as transactions with third parties. This is normal business and the purpose is not interchanged in benefits.
3. The Company had the transaction with SC Carrier Co., Ltd. for the purpose of renting and servicing for head office building, 3rd floor, SC Group Building, 88, Bangnanua Sub-district, Bangna District, Bangkok, total area of 800 square meters for the purpose of office use. This is normal business. The prices and conditions are stated at market price and with normal commercial terms. This is normal business and the purpose is not interchanged in benefits.
 4. The Company had the transaction with SC Carrier Co., Ltd., NP Marine Co., Ltd., SCG Logistics Co., Ltd., SC Offshore Services Co., Ltd., SCENA Offshore Co., Ltd. and Thai International Dockyard Co., Ltd. such as Service income, Revenue from Sale of property, Assets purchase, and Rental and services fee. The price and conditions are as market prices as transactions with third parties and the purpose is not interchanged in benefits.

Audit Committee opinion

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

Policy or Trend of Future Connected Transactions

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

Management Discussion and Analysis

An overview of business operations and significant changes.

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

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

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

In the year 2016, as at 31 December 2016, during the second quarter of 2016, the Company entered into the partial business transfer agreements with Chemicals and Aromatic (Thailand) Co., Ltd. Mr. Nattapop Ratanasuwan (Shareholders and directors / executives of the Company) are major shareholders. Under the terms of the agreement, the company has received the ammonia distribution business and ammonium hydroxide and related specific assets, including ammonia tanks, related equipment, customers and commercial contracts, and all licenses related to the business of Chemicals and Aromatic (Thailand) Co., Ltd. in the amount of Baht 282.90 million. This transfer is a Business Combination under Common Control. The difference between the cost of business combination and the net book value of the transferred entity is Baht 255.26 million. "Minority from the business combination under control" is included in shareholders' equity.

Therefore, the consolidated and separate statements of income and other comprehensive income for the years ended 31 December 2016 and 2015 are as comparison. The overall impact of business combinations under control, as if the business combination had been initially.

Purpose of purchasing and accepting some business from related company to create added value in import business and completed Ammonia distribution of the company to enhance the company's competitiveness and marketing including expanding the base to other chemicals in the future. It also increases revenue and consistency return. The Company has issued new ordinary shares for such business. 1,768,106,235 shares, with a par value of Baht 0.16 per share, totaling Baht 282.90 million, were paid for the partial acquisition and transfer of such business.

The Company has changed its par value from Baht 0.16 per share to Baht 0.50 per share. As a result, the number of shares changed 8,498,695,750 shares to 2,719,582,640 shares.

Subsidiary was still in custody under the order of the bankruptcy court. As a result, the company has not been able to resume normal business since 2011. The subsidiary has no operating income while there are costs and expenses under the contract. Also, In March 2015, the Central Bankruptcy Court issued a petition for the subsidiary to dispute the order of the Official Receiver made the joint venture agreement between the subsidiary and the Industrial Estate Authority of Thailand has been completed. The above factors have a material impact on the value of the use of the berth including other assets in the financial statements of subsidiary. During the year, the subsidiary had amortized the right to use the port of Baht 510 million from the account.

Operating Results of the Company and its subsidiary

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

For the year 2016, the net profit for the year ended of the Company and its subsidiary were Baht 403.24 million, which allocated profit to portion of the Company's shareholder amounting to Baht 397 million increasing Baht 316.72 million or equivalent to 394.52% comparing with the comprehensive income - portion of the Company's shareholders for last year Baht 80.28 million because of Revenue from sales and services of the Company and its subsidiary were Baht 1,024.01 million, decreased to Baht 137.20 million or equivalent to 11.81% from the year of 2015 divided to Revenue from sales of chemical products Baht 867.50 million, decreased to Baht 151.37 million, or equivalent to 14.86% and Revenue from services Baht156.51 million, increased to Baht 14.18 million, or equivalent to 9.96% comparing with the last year. From the result of the year 2016, the Company had lower revenue from sales, but net profit increased because the company can manage the cost much better. As a result, gross profit margin increased by Baht 60.81 million or equivalent to 38.33% due to the increase in Ammonia profit from sales of Baht 51.70 million. Sales of Ammonium hydroxide increased by Baht 3.83 million. The profit from sales of Sulfuric acid increased by Baht 5.28 million as compared to the year 2015. Moreover, the profit from service increased by Baht 17.15 million as compared to net profit of the year. The Company has a revaluation of its assets by an independent appraiser using the current valuation methodology, subject to the principles set out in the Company's accounting policy, which requires a reversal of allowance for impairment of assets of Baht 244.24 million. Million baht in 2016.

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

Revenues from sales and services

- In 2017, the Company and its subsidiary had total revenues from sales and services of Baht 1,101.01 million, an increase of Baht 77.00 million or an increase of 7.52%, compared to the year 2016 with revenues from sales and services of Baht 1,024.01 million, resulting from the increase in sales of chemical products by Baht 123.17 million or increase of 14.20% due to the increase in the average selling price of sulfuric acid to Baht 140.16 million or increase of 55.35%. The volume of sulfuric acid sales increased 84,398 tons compared to 2016. The service revenue decreased by Baht 46.17 million or decrease of 29.50% when compared to the same period of last year. The company's revenue has been on the decline since the end of the second quarter of 2017.
- In 2016, the Company and its subsidiary had total revenues from sales and services of Baht 1,024.01 million, a decrease of Baht 137.20 million or equivalent to 11.81% compared to the year 2015 Baht 1,161.20 million, resulting from the decrease in sales of chemical products by Baht 151.37 million or equivalent to 14.86 % due to the decrease in the average selling price of sulfuric acid, which was significantly lower than that of the previous year. In addition, the Company and its subsidiaries also recorded service income of Baht 156.51 million, an increase of Baht 14.18 million or equivalent to 9.96% from the previous year. The revenue from services amounted to Baht 142.34 million.

Cost of sales and services

- In the year 2017, the Company and its subsidiary had cost of sales and services of Baht 813.51 million, an increase of Baht 58.94 million or an increase of 7.81% from the previous year. However, the gross profit margin of the company was Baht 287.50 million, an increase of Baht 18.06 million or increase of 6.70%, showing a gross profit margin of 26.11% compared to 26.31% in the year of 2016. Gross profit margin increased over the past year, as the result from the profitability of chemical products has increased, especially in the ammonia business. The cost of chemical products increased by Baht 76.09 million or increase of 10.67% due to higher sales volume of chemical products such as Sulfuric Acid and Ammonia. Considering the gross profit margin of sales of chemical products in the same period. The rate of increase was 20.37% compared to 17.83% of the year 2016. Cost of services decreased by Baht 17.15 million or decrease of 41.03% compared to the previous year, due to lower service income. The gross profit margin of service rate still increased from 77.68% in the previous year to 73.31% in 2016.
- In 2016, the cost of sales and services of the Company and its subsidiaries was Baht 754.57 million, a decrease of Baht 156.71 million or equivalent to 17.20% from Baht 911.28 million in the previous year. The cost of chemical products decreased by Baht 147.45 million or equivalent to 17.14% due to lower sales volume of ammonia. Including the price of sulfuric acid and ammonia in the world market decreased. In addition, service cost was Baht 41.78 million, a decrease of Baht 9.26 million or equivalent to 18.14% from the previous year. As a result, the Company and its subsidiaries had gross profit of Baht 269.44 million, an increase of Baht 19.51 million or equivalent to 7.81% compared to the previous year, gross profit margin was only Baht 249.93 million. Ammonia sales volume decreased including the price of sulfuric acid and ammonia in the world market decreased.

Other income

- In the year 2017, the Company and its subsidiary had other income of Baht 27.23 million, showing a decrease of Baht 266.07 million or a decrease of 90.71% from the same period of last year. As in 2016, the Company reversed

allowance for impairment of assets amounting to Baht 244.23 million. The reversal of allowance for doubtful accounts amounted to Baht 24.90 million and gain on debt restructuring was Baht 18.54 million.

- In the fourth quarter of 2017, the Company's revenue from sales of gypsum (Net of related expenses and reversals) of Baht 14.04 million. During the year 2017, the Company reversed allowance for doubtful accounts amounting to Baht 6.92 million and gain on sale of fixed assets amount to Baht 3.68 million
- In the year 2016, the Company had other income Baht 293.30 million, Debt forgiveness from a bank's legal claim amounting to Baht 18.54, Reversal of allowance for impairment on assets amounting to Baht 244.24 million, Reversal of allowance for doubtful accounts amounting to Baht 24.90 million and Reversal of provision for gypsum relocation amounting to Baht 0.25 million, thus, the Company and its subsidiary's gross profit amounting to Baht 621.35 million, decreased to Baht 562.74 million or equivalent to 32.72 % from a profit of prior year amounting to Baht 836.47 million baht in 2015.

Total cost

- In the year 2017, the Company and its subsidiary had total expenses of Baht 198.83 million, an increase of Baht 33.04 million or increase of 19.93% from the previous year. The company can manage the sales and administrative expenses (excluding depreciation from underutilized assets) at a better rate than the same period last year, compared with the total revenue of 11.88% of total revenue, compared with 12.14% of the previous year. In addition, in the year 2017, the Company has allocated the depreciation from its underutilized assets. This is shown as part of administrative expenses to have a proper relationship with the property and use it properly.
- In 2016, the Company and its subsidiary had total expenses of Baht 165.79 million, a decrease of Baht 598.69 million or 78.31% from the previous year. The selling and administrative expenses were Baht 124.03 million, consisting of plant shutdown expenses of Baht 94.93 million, loss on impairment of other long-term capital at Baht 0.30 million, expenses from using the jetty of Baht 0.02 million, and finance cost of Baht 5.12 million, resulting in a gain on the Company and its subsidiary before income tax at Baht 396.95 million.

Deferred income tax

- In the year 2017, the Company and its subsidiary had deferred income tax of Baht 97.79 million, thus, net profit for the year was Baht 214.19 million or equivalent to Baht 0.1974 per share.
- In the year 2016, the Company and its subsidiary had deferred income tax of Baht 6.29 million, thus, net profit for the year was Baht 403.24 million or equivalent to basic earnings per share (Restated) 0.3997 per share

Profitability

- In the year 2017, the Company and its subsidiary had a gross profit margin of 26.11% but the gross profit margin increased from the previous year due to the profitability of the chemical products. Especially in the ammonia business.
- In the year 2016, the Company and its subsidiary have gross profit margin (Restated) 26.31% due to the decrease of sales revenue but gross profit increased due to the Company and its subsidiary can manage the cost much better and gross profit margin on sale of chemical products increased. Meanwhile, the gross profit margin was 21.52%.

Asset Management

- In the year 2017, the Company and its subsidiary had a Account receivable turnover ratio of 5.42 times and average collection period of 66 days, while the inventory Account receivable turnover ratio was 8.06 times and average selling period was 45 days, return on assets of 10.74%.
- In the year 2016, the Company and its subsidiary had an Account receivable turnover ratio of 6.71 times and average collection period of 54 days, while having inventory turnover ratio of 5.59 times and average selling period of 64 days with return on assets of 53.75%

Liquidity and adequacy of capital

- In the year 2017, the Company and its subsidiary had a liquidity ratio of 3.85 times, increased by approximately 1.48 times compared to 2016, with an average collection period of 66 days, sales period of 45 days and repayment period of 24 Day, resulting in a 87-day cash cycle. In the year 2017, the Company had operating profit and net cash from operating activities of Baht 228.85 million. In addition, the Company and its subsidiary had a debt to equity ratio of 0.21 times, a decrease of 0.15 times compared with 2016 and the interest coverage ratio is 372.61 times.
- Year 2016, considering the liquidity and adequacy of working capital, the Company and its subsidiary has a liquidity ratio of 2.37 times in 2016, an increase of approximately 1.53 times compared to the year 2015. The average collection period was 54 days, the sales period was 64 days and the repayment period was 25 days, resulting in a cash cycle of approximately 93 days, because in 2016, the company had purchased and transferred some of its business from C & A, and able to better cost management. As a result, operating profit and cash flow from operating activities were Baht 59.68 Million. In addition, the Company and its subsidiary had a debt to equity ratio of 0.36 time decreased to 2.60 times compare with 2558 and interest coverage ratio was 432.20 time, increase of 415.34 time compared to the year 2015 because in year 2015, the Company and its subsidiary had been able to repay the debt under the rehabilitation plan almost completely. The remaining debt were forgone and the interest was unpaid.

Financial position of the Company and its subsidiary company

For the year ended December 31, 2017, the Company and its subsidiary had total assets of Baht 1,159.46 million, total liabilities of Baht 200.51 million and shareholders' equity of Baht 958.95 million or book value of Baht 0.88 per share, and as of December 31, 2016. The Company and its subsidiary had total assets of Baht 1,024.61 million, total liabilities of Baht 273.87 million, net shareholders' equity of Baht 750.75 million or a net worth of Baht 0.69 per share. Which has the following.

- In the year 2017, total assets increased by Baht 0.13 million or 13.16% from 2016. The increase in assets was classified as current assets by Baht 209.30 million or 57.95% contain with Cash and cash equivalents increased by Baht 226.42 million or 269.71% from the operating cash flow. Trade accounts receivable increased by Baht 34.88 million or 24.62%, but the balance of inventories decreased by Baht 50.89 million or 41.28%. Non-current assets decreased Baht 74.45 million or 11.12%. Fixed assets - net decreased Baht 111.27 million or 18.43% due to sales and amortization during the year 2017. At the same time, the Company recognized assets, deferred Income Tax amounting to Baht 34.54 million.

- In 2016, the total assets increased by Baht 553.08 million or equivalent to 117.29% compared to the Year 2015 due to the acquisition and transfer of some assets from Chemicals and Aromatic (Thailand) Co., Ltd and appraised the value of additional assets by the independent appraiser, subject to the criteria set out in the Company's accounting policy. The rising share of assets was the current assets increased by Baht 116.57 million and non-current assets increased Baht 436.51 million, or equivalent to 47.66% and 192.33%, respectively.
- In the year 2017, the Company and its subsidiary had total liabilities of Baht 200.51 million, divided into current liabilities of Baht 147.98 million and non-current liabilities of Baht 52.53 million, which decreased by Baht 73.36 million or 25.84%, compared to 2016. Accounts payable and other current liabilities decreased by Baht 6.07 million or 3.98%, deferred tax liabilities decreased by Baht 63.25 million.
- In 2016, the Company and its subsidiary had total liabilities of Baht 273.87 million, consisting of current liabilities of Baht 152.47 million and non-current liabilities of Baht 121.40 million, decreased by Baht 78.54 million or 22.28%, from the previous year 2015 because in the year 2016, the Company was not record the accrued expenses under contract with IEAT of subsidiary. In additions, the deferred tax liabilities increased by Baht 49.37 million.
- In the year 2017, the Company and its subsidiary had shareholders' equity of Baht 958.95 million, increased by Baht 208.20 million or 27.73% from the previous year which had shareholders' equity of Baht 959.69 million. In June 2017, the Company changed its par value and number of shares from the existing value of Baht 0.50 to Baht 1.25 per share resulting in a change in the number of shares decreased from 2,719,582,640 shares to 1,087,833,056 shares. In September 2017, the Company changed its par value from Baht 1.25 per share to Baht 0.75 per share, resulting in the registered and paid-up capital of Baht 815,874,792. Capital reduction to compensate for the Company's deficit. Statement of financial position as at 31 December 2016 audited by the auditor of the Company shareholders' equity of the Company was Baht 958.95 million or Baht 0.88 per share.
- In 2016, the Company and its subsidiary had shareholders' equity of Baht 750.98 million, increase to Baht 632.58 million or 534.26% from the year 2015, with shareholders' equity of Baht 118.40 million. As at June 2016, the Company has allotment of new ordinary shares amount of 1,768,106,235 shares at the par value of Baht 0.16 per share, totaling Baht 282.90 million and registered the paid-up capital of Baht 1,359.79 million, divided into 8,498,695,750 shares at the par value of Baht 0.16 per share. Then, the Company changed the par value from Baht 0.16 per share to Baht 0.50 per share, resulting in a change in the number of original shares amount 8,498,695,750 shares to 2,719,582,640 shares and the statement of financial position of the Company and its subsidiary as at 31 December 2016 audited by the auditor of the Company reported the shareholders' equity of the Company was Baht 750.98 million or Baht 0.69 per share.

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 March 10, 2014 and have been extended the time to remedy the cause of withdrawal for another 3 years that are: 31 March 2015, 2016, and 2017, respectively. The Stock Exchange of Thailand has notified the Company in writing that the Company should speed up to be qualified with in March 31, 2018, and the Company should submit a petition for

releasing from the cause of withdrawal and deliver the audited financial statement as at December 31, 2017 by the certified public auditor as well as explanation or supportive or useful documents to the Stock Exchange of Thailand.

If the Company cannot remedy it within March 31, 2017, 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.

At present, the Company is fully qualified according to the criteria for delisting of listed securities by sending the letter to the SET for Delisting of listed securities and resume trading on the Stock Exchange of Thailand and is in the consideration of the SET Board. The company expects to be able to file for the revocation of delisting within the deadline. If the company can not remedy its eligibility for delisting, the SET may not exten a time for delisting. This will cause the company's securities to be withdrawn from the SET.

Significant Financial Information

Financial Statement

Auditors

The auditors of NFC Public Company Limited for the year 2015-2016 are Mr. Somkid Tietrakul, Certified Public Accountant No. 2785 and Miss Kanyanat Sriratchachaval Certified Public Accountant No. 6549, respectively, from Grant Thornton Co., Ltd. and the year 2017, Mr. Jadesada Hungsapruet, Certified Public Accountant No. 3759, from Karin Audit Company Limited.

Summary of Auditor's Report

■ Accounting Period 1 January - 31 December 2017

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

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

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

■ Accounting Period 1 January - 31 December 2016

The auditor has expressed his opinion on the consolidated financial statements of NFC Public Company Limited and its subsidiary for the year ended 31 December 2016 and the separate financial statements of NFC Public Company Limited, the financial statements reflect the consolidated financial position of NFC Public Company Limited and its subsidiary as of December 31, 2016 and consolidated operating results and consolidated cash flows for the year then ended. The financial position of NFC Public Company Limited as at 31 December 2016 and the results of its operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

The key audit matters are the revaluation of plant and equipment as at 31 December 2016, the Plant and Equipment of the group amounted to Baht 603.84 million, representing 59% of total assets of the Group. The fair value of the assets acquired by the business combination is determined by the independent appraiser.

The auditor has noted, the Company has entered into the partial business transfer agreement with a related company. This is a business combination under common control. The consolidated financial statements of NFC Public Company Limited and its subsidiary for the years ended 31 December 2015 and 2014 and the separate financial statements of NFC Public Company Limited for the year then ended. It has been retrospectively updated as if the business was merged from the beginning.

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary of financial position	For year ended		For year ended		For year ended	
	December 31, 2015		December 31, 2016		December 31, 2017	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	27,279	5.79	83,948	8.19	112,418	9.70
Temporary investments in available - for - sale	-	0.00	-	0.00	197,947	17.07
Trade and other current receivables	38,779	8.22	141,666	13.83	176,543	15.23
Inventories	131,684	27.93	123,279	12.03	72,385	6.24
Other current assets	46,832	9.93	12,254	1.20	11,152	0.96
Total Current Assets	244,574	51.87	361,147	35.25	570,445	49.20
NON - CURRENT ASSETS						
Investment in subsidiary	-	0.00	-	0.00	-	0.00
Other long-term investments	3,654	0.77	3,352	0.33	3,007	0.26
Property, plant and equipment	143,889	30.52	603,836	58.93	492,566	42.48
Deferred tax asset	-	0.00	-	0.00	34,544	2.98
Other non - current assets	79,416	16.84	56,278	5.49	58,898	5.08
Total Non - Current Assets	226,959	48.13	663,466	64.75	589,015	50.80
TOTAL ASSETS	471,533	100.00	1,024,613	100.00	1,159,460	100.00

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary of financial position	For year ended		For year ended		For year ended	
	December 31, 2015		December 31, 2016		December 31, 2017	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Trade and other current payables	283,605	60.15	152,203	14.85	146,129	12.60
Current provisions for employee benefit	-	0.00	-	0.00	1,853	0.16
Other current liabilities	263	0.06	263	0.03	-	0.00
Total Current Liabilities	283,868	60.20	152,466	14.88	147,982	12.76
NON - CURRENT LIABILITIES						
Deferred tax liabilities	13,878	2.94	63,247	6.17	-	0.00
Non - current provisions for employee benefit	5,287	1.12	9,023	0.88	10,628	0.92
Other non - current provisions	49,377	10.47	49,130	4.79	41,902	3.61
Total Non - Current Liabilities	68,542	14.54	121,400	11.85	52,530	4.53
TOTAL LIABILITIES	352,410	74.74	273,866	26.73	200,512	17.29
SHAREHOLDERS' EQUITY						
Share capital - ordinary share						
Authorized share capital	1,076,894	228.38	1,359,791	132.71	815,875	70.37
Issued and paid share capital	1,076,894	228.38	1,359,791	132.71	815,875	70.37
Surplus (Deficit) from business combination under the common control	9,489	2.01	(255,264)	(24.91)	(255,264)	(22.02)
Retained earnings						
Legal reserve	-	0.00	-	0.00	6,700	0.58
Unappropriated	(1,023,494)	(217.06)	(601,731)	(58.73)	197,783	17.23
Other components of shareholder's equity	55,514	11.77	248,189	24.22	192,592	16.61
Total equity attributable to owners of the company	118,403	25.11	750,985	73.29	959,686	82.77
Non-controlling interests of subsidiary	720	0.15	(238)	(0.02)	(738)	(0.06)
TOTAL SHAREHOLDERS' EQUITY	119,123	25.26	750,747	73.27	958,948	82.71
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	471,533	100.00	1,024,613	100.00	1,159,460	100.00

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary Operating Results	For year ended		For year ended		For year ended	
	December 31, 2015		December 31, 2016		December 31, 2017	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
REVENUES						
Revenue from sales of chemical products	1,018,867	87.74	867,497	84.72	990,664	89.98
Revenue from services	142,335	12.26	156,510	15.28	110,343	10.02
Total Revenues from Sales and Services	1,161,202	100.0	1,024,007	100.0	1,101,007	100.0
		0		0		0
COSTS OF SALES AND SERVICES						
Cost of chemical products sold	860,242	74.08	712,792	69.61	788,877	71.65
Cost of services	51,034	4.39	41,777	4.08	24,634	2.24
Total Costs of Sales and Services	911,276	74.48	754,569	73.69	813,511	73.89
Gross profit	249,926	21.52	269,438	26.31	287,496	26.11
Other income	586,548	50.51	293,301	28.64	27,232	2.47
Profit Before Expenses	836,474	72.04	562,739	54.95	315,228	28.63
Selling expenses	21,218	1.83	48,993	4.78	53,770	4.88
Administrative expenses	728,451	62.73	111,677	10.91	144,182	13.00
Financial costs	14,803	1.27	5,116	0.50	879	0.08
Total expenses	764,472	65.83	165,786	16.19	198,831	18.06
Profit (Loss) Before income Tax expense	72,002	6.20	396,953	38.76	116,397	10.57
Income (Expense) Tax	1,385	0.12	6,289	0.62	97,791	8.88
NET PROFIT (LOSS) FOR THE YEAR	73,387	6.32	403,242	39.38	214,188	19.45

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary Statement of Cash Flows	Ended December 31		
	2015	2016	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Net Cash provided from (Used in) Operating Activities	58,549	59,684	228,854
Net Cash provided from (Used in) Investing Activities	(2,133)	(9,052)	(199,505)
Net Cash provided from (Used in) Financing Activities	(38,984)	-	(879)
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	17,432	50,632	28,470
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,884	33,316	83,948
CASH AND CASH EQUIVALENTS AT END OF PERIOD	33,316	83,948	112,418

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Statement of Cash Flows	Ended December 31		
	2015	2016	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Cash Flows from Operating Activities			
Profit (Loss) before income Tax expense	72,002	396,953	116,397
Portion of the Company before business combination under common control	(42,430)	(9,809)	-
Profit (Loss) Before income Tax expense - Net	29,572	387,144	116,397
Adjustments to reconcile profit (Loss) to net cash provided from (used in)			
Adjustment on financial costs	3,780	153	879
Adjustment on Trade and other receivable (Increase) Decrease	53,835	(19,196)	(42,269)
Adjustment on Inventories (Increase) Decrease	(10,880)	8,908	49,515
Adjustment on Other assets (Increase) Decrease	1,709	(18,291)	(1,521)
Adjustment on Trade and other payable Increase (Decrease)	(48,012)	(67,751)	(5,347)
Adjustment on Other Liabilities Increase (Decrease)	44,377	(23,220)	(2,761)
Depreciation Depletion and Amortisation charge	71,029	70,885	109,604
Adjustment on Impairment loss (Reverse)	13,263	(241,206)	345
Adjustment on Provisions liabilities (Reverse)	(30,454)	403	(3,429)
Adjustment on Unrealized (Gain) loss on exchange rate	2,842	(781)	(726)
Adjustment on Doubtful debt (Reverse)	(79,765)	(18,373)	7,392
Adjustment on loss from inventories devaluation (Reversal)	(1,886)	(503)	1,379
Adjustment on loss from Write-off pier lease right	509,928	-	-
Adjustment on loss (gain) on disposal of non-current assets	2,160	(56)	(2,604)
Adjustment on loss (gain) from debt restructuring	(258,290)	-	-
Reversal of Accrued compensation expense and debts under joint operating agreement	(250,665)	-	-
Adjustment other on cash from investment or borrowings	(39)	107	(1,591)
Adjustment other to reconcile gain (Loss) on disposed of unused assets	-	-	3,591

Adjustment other to reconcile gain (Loss) debt forgiveness from legal claim		(18,539)	-
Net Cash provided from (Used in) Operating Activities	52,504	59,684	228,854
Cash Flows from Investing Activities			
Proceeds from disposal of Equity Instruments or debt Instruments from other parties	-	-	50,786
Cash paid for equity Instruments or debt Instruments from other parties	-	-	(252,561)
Cash paid for acquisitions of property, plan and equipment	(2,195)	(9,304)	(22,758)
Proceeds from disposal of property, plan and equipment	31	57	23,436
Proceeds from Interest received	39	195	1,592
Net Cash provided from (Used in) Investing Activities	(2,125)	(9,052)	(199,505)
Cash Flows from Financing Activities			
Received from the capital increase of the company.	340,000	-	-
Cash paid for interest	-	-	(879)
Debt repayment under rehabilitation plan	(378,984)	-	-
Net Cash provided from (Used in) Financing Activities	(38,984)	-	(879)
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	11,395	50,632	28,470
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,884	33,316	83,948
CASH AND CASH EQUIVALENTS AT END OF PERIOD	27,279	83,948	112,418
Financial Ratios			

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

For the Year Ended December 31			
	2015	2016	2017
(LIQUIDITY RATIOS)			
▪ Current Ratio (Times)	0.84	2.37	3.85
▪ Quick ratio (times)	0.23	1.48	3.29
▪ Cash Ratio (Times)	0.14	0.27	1.52
▪ Account Receivable Turnover (Times)	18.07	6.71	5.42
▪ Average collection period (days)	19.93	53.64	66.44
▪ Inventory turnover (times)	6.87	5.59	8.06
▪ Receivable conversion period (days)	52.41	64.39	44.65
▪ Account Payable Turnover(Times)	16.97	14.47	15.03
▪ Payable conversion period (days)	21.22	24.88	23.96
▪ Cash Cycle (Days)	51.12	93.15	87.13
(PROFITABILITY RATIOS)			
▪ Gross Profit Margin (%)	21.52%	26.31%	26.11%
▪ Operating Profit Margin (%)	8.53%	11.07%	17.18%
▪ Cash to Profit Ratio (%)	59.10%	52.65%	121.00%
▪ Net Profit Margin (%)	6.32%	38.77%	19.50%
▪ Return on Equity (%)	(59.19%)	91.33%	25.10%
(EFFICIENCY RATIOS)			
▪ Return on Assets (%)	12.38%	53.75%	10.74%
▪ Return on Fixed Assets (%)	109.35%	126.50%	41.39%
▪ Total Assets Turnover (Time)	1.66	1.37	1.01
(FINANCIAL POLICY RATIOS)			
▪ Debt to Equity Ratio (Time)	2.96	0.36	0.21
▪ Interest Coverage Ratio (Time)	16.86	432.20	372.61
▪ Obligation coverage Ratio (cash basis) (Time)	9.80	6.31	9.68
▪ Dividend Payout Ratio (%)	0.00	0.00	0.00

Summary of financial status and performance of the Company and Subsidiary

Statement of Financial Position as at December 31

	CONSOLIDATED						SEPARATED					
	2017	%	2016	%	2015	%	2017	%	2016	%	2015	%
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents	112,418	9.70%	83,948	8.19%	27,279	5.79%	112,415	10.06%	83,913	8.54%	27,252	6.70%
Temporary investments in available for sale investments	197,947	17.07%	-	0.00%	-	0.00%	197,947	17.71%	-	0.00%	-	0.00%
Trade and other current receivables	176,543	15.23%	141,666	13.83%	38,779	8.22%	169,575	15.17%	134,494	13.68%	38,619	9.50%
Inventories	72,385	6.24%	123,279	12.03%	131,684	27.93%	72,385	6.48%	123,279	12.54%	131,684	32.39%
Other current assets	11,152	0.96%	12,254	1.20%	46,832	9.93%	178	0.02%	1,338	0.14%	28,788	7.08%
Total Current Assets	570,445	49.20%	361,147	35.25%	244,574	51.87%	552,500	49.42%	343,024	34.90%	226,343	55.68%
NON - CURRENT ASSETS												
Investment in	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other long-term investments	3,007	0.26%	3,352	0.33%	3,654	0.77%	3,007	0.27%	3,352	0.34%	3,654	0.90%
Property, plant and equipment	492,566	42.48%	603,836	58.93%	143,889	30.52%	492,566	44.06%	603,836	61.44%	143,889	35.40%
Deferred tax asset	34,544	2.98%	-	0.00%	-	0.00%	34,544	3.09%	-	0.00%	-	0.00%
Other non - current assets	58,898	5.08%	56,278	5.49%	79,416	16.84%	35,244	3.15%	32,624	3.32%	32,622	8.02%
Total Non - Current Assets	589,015	50.80%	663,466	64.75%	226,959	48.13%	565,361	50.58%	639,812	65.10%	180,165	44.32%
TOTAL ASSETS	1,159,460	100.00%	1,024,613	100.00%	471,533	100.00%	1,117,861	100.00%	982,836	100.00%	406,508	100.00%

Summary of financial position and operating Performance of subsidiary

Rayong Bulk Terminal Co., Ltd.

Unit: Million Baht

	2017	2016	2015
Total Assets	59.37	61.56	87.00
Total Liabilities	63.77	62.99	83.00
Total Shareholders' Equity	(4.41)	(1.43)	4.00
Net Income	0.70	0.18	282.00
Net Profit	(2.97)	(5.72)	(257.00)
Book value per share (Baht)	(0.06)	(0.02)	0.06

Others

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

Auditor's Report and Financial Statement for the year ended on December 31, 2017

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of NFC Public Company Limited
(Formerly Known as “NFC Fertilizer Public Company Limited”)

Opinion

I have audited the financial statements of NFC Public Company Limited and its subsidiary, which comprise the consolidated and separate statements of financial position and as at December 31, 2017, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of NFC Public Company Limited and its subsidiary as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Revaluation of plant and equipment

Risk

As discussed in Note 14 to the financial statements, The Group values its plant and equipment, including those assets acquired in a business combination, at fair value which is determined by an independent appraiser. The valuation process requires judgement and significant estimates to be made by management. As at December 31, 2017, Plant and Equipment of The Group the amount of 492.57 million Baht represents 42 percent of total assets of the Group.

Risk Responses of Auditor

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

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

Deferred Tax Assets

Risk

As discussed in Note 21 to the financial statements, the Company recorded a deferred tax asset during the year 2017 because the Company has sufficient future taxable profit that will be available to utilize tax losses when computing tax in the future.

Risk Responses of Auditor

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

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

Other matters

The consolidated financial statements of NFC Public Company Limited and its subsidiary and the separate financial statement of NFC Public Company Limited as at December 31, 2016 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2016, and notes to the consolidated financial statements were audited and reviewed by other auditor, who expressed unqualified opinions on those statements, under her reports dated March 3, 2017.

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation, whether.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Mr. Jadesada Hungsapruerk

Certified Public Accountant (Thailand)

Registration No. 3759

Karin Audit Company Limited

Bangkok, Thailand.

February 19, 2018

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

(FORMERLY KNOWN AS " NFC FERTILIZER PUBLIC COMPANY LIMITED ")

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

		CONSOLIDATED		SEPARATE	
	Notes	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	112,418	83,948	112,415	83,913
Temporary investments in available - for - sale investments	7	197,947	-	197,947	-
Trade and other current receivables	8,9	176,543	141,666	169,575	134,494
Inventories	10	72,385	123,279	72,385	123,279
Other current assets	11	11,152	12,254	178	1,338
Total Current Assets		570,445	361,147	552,500	343,024
NON - CURRENT ASSETS					
Investment in subsidiary	12	-	-	-	-
Other long-term investments		3,007	3,352	3,007	3,352
Property, plant and equipment	14	492,566	603,836	492,566	603,836
Deferred tax asset	21	34,544	-	34,544	-
Other non - current assets		58,898	56,278	35,244	32,624
Total Non - Current Assets		589,015	663,466	565,361	639,812
TOTAL ASSETS		1,159,460	1,024,613	1,117,861	982,836

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY**(FORMERLY KNOWN AS " NFC FERTILIZER PUBLIC COMPANY LIMITED ")****STATEMENTS OF FINANCIAL POSITION****LIABILITIES AND SHAREHOLDERS' EQUITY****CURRENT LIABILITIES**

Trade and other current payables	9,15	146,129	152,203	176,392	184,215
current provisions for employee benefits	16	1,853	-	1,853	-
Other current liabilities		-	263	-	263
Total Current Liabilities		147,982	152,466	178,245	184,478

NON - CURRENT LIABILITIES

Deferred tax liabilities	21	-	63,247	-	63,247
Non - current provisions for employee benefits	16	10,628	9,023	10,628	9,023
Other non - current provisions		41,902	49,130	41,902	49,130
Total Non - Current Liabilities		52,530	121,400	52,530	121,400

TOTAL LIABILITIES

	200,512	273,866	230,775	305,878
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SHAREHOLDERS' EQUITY

Share capital - ordinary share					
- Authorized share capital					
1,087,833,056 shares of Baht 0.75 each					
(In year 2016 : Authorized share capital					
2,719,582,640 shares of Baht 0.50 each)	17	815,875	1,359,791	815,875	1,359,791
- Issued and paid share capital					
Authorized share capital 1,087,833,056 shares					
of Baht 0.75 each					
(In year 2016 : Authorized share capital					
2,719,582,640 shares of Baht 0.50 each)	17	815,875	1,359,791	815,875	1,359,791
Surplus (Deficit) from business combination under					
the common control		(255,264)	(255,264)	(255,264)	(255,264)
Retained earnings					
Legal reserve	17	6,700	-	6,700	-
Unappropriated		199,783	(601,731)	127,183	(675,758)
Other components of shareholder's equity		192,592	248,189	192,592	248,189
Total equity attributable to owners of the company		959,686	750,985	887,086	676,958
Non-controlling interests of subsidiary		(738)	(238)	-	-
TOTAL SHAREHOLDERS' EQUITY		958,948	750,747	887,086	676,958
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,159,460	1,024,613	1,117,861	982,836

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY KNOWN AS " NFC FERTILIZER PUBLIC COMPANY LIMITED ")
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31

		(Unit : Thousand Baht)			
		CONSOLIDATED		SEPARATE	
		2017	2016	2017	2016
	Notes		"Restated"		"Restated"
REVENUES					
Revenue from sales of chemical products		990,664	867,497	990,664	867,497
Revenue from services		110,343	156,510	112,963	159,130
Total Revenues from Sales and Services	9, 24	1,101,007	1,024,007	1,103,627	1,026,627
COSTS OF SALES AND SERVICES					
Cost of chemical products sold		788,877	712,792	788,877	712,792
Cost of services		24,634	41,777	25,225	41,777
Total Costs of Sales and Services	9, 24	813,511	754,569	814,102	754,569
Gross profit		287,496	269,438	289,525	272,058
Other income	9, 24	27,732	293,301	26,580	291,882
Profit Before Expenses		315,228	562,739	316,105	563,940
Selling expenses	24	53,770	48,993	53,770	48,993
Administrative expenses	24	144,182	111,677	143,364	108,922
Financial costs	24	879	5,116	647	4,596
Total expenses		198,831	165,786	197,781	162,511
Profit (Loss) Before income Tax expense		116,397	396,953	118,324	401,429
Income (Expense) Tax		97,791	6,289	97,791	6,289
NET PROFIT (LOSS) FOR THE YEAR		214,188	403,242	216,115	407,718
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR					
Items that will be reclassified subsequently to profit or loss					
Unrealized gain (Loss) on available-for-sale investments		(3,829)	-	(3,829)	-
Items that will not be reclassified subsequently to profit or loss					
Surplus on assets revaluation		(49,610)	222,642	(49,610)	222,642
Gains (losses) on remeasurements of defined benefit plans		(2,158)	(2,933)	(2,158)	(2,933)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		158,591	622,951	160,518	627,427
ALLOCATION OF INCOME (LOSS)					
Portion of the Company's Shareholders		214,688	396,996	216,115	400,514
Portion of non-controlling interests in subsidiary		(500)	(958)	-	-
Pre-acquisition portion from business combination under common control		-	7,204	-	7,204
		214,188	403,242	216,115	407,718
ALLOCATION OF COMPREHENSIVE INCOME (LOSS)					
Portion of the Company's shareholders		159,091	616,705	160,518	620,223
Portion of non-controlling interests in subsidiary		(500)	(958)	-	-
Pre-acquisition portion from business combination under common control		-	7,204	-	7,204
		158,591	622,951	160,518	627,427
Basic Earnings (Loss) per Share					
Profit (Loss) (Baht per share)	18	0.1974	0.3997	0.1987	0.4032
Weight average number of common shares (Thousand : Shares)	18	1,087,833	993,225	1,087,833	993,225

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY KNOWN AS " NFC FERTILIZER PUBLIC COMPANY LIMITED ")
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31

Equity attributable to the Company's shareholders											(Unit : Thousand Baht)	
	Notes	Paid-up share capital	Surplus (Deficit) from business combination under common control	Other components of equity						Total shareholders' equity of the Company	Non controlling interests of Subsidiary	Total
				Legal reserve	Retained earnings (Deficit)	Available-for-sale investments	Surplus on assets Revaluation	Gains (losses) on remeasurements of defined benefits	Total other components of partners' equity			
CONSOLIDATED												
Balance as at January 1, 2016 (As previously reported)		1,076,894	-	-	(1,018,694)	-	251	(4,801)	(4,550)	53,650	720	54,370
Effect from the business combination under common control		-	9,489	-	-	-	55,263	-	55,263	64,752	-	64,752
Balance as at January 1, 2016 (After Adjustment)		1,076,894	9,489	-	(1,018,694)	-	55,514	(4,801)	50,713	118,402	720	119,122
Share increment during the year for business combination		282,897	-	-	-	-	-	-	-	282,897	-	282,897
Surplus on assets revaluation		-	-	-	-	-	222,642	-	222,642	222,642	-	222,642
Share discount on business combination under common control		-	(264,414)	-	-	-	-	-	-	(264,414)	-	(264,414)
Adjustment on share discount on business combination under common control		-	(339)	-	-	-	-	-	-	(339)	-	(339)
Total comprehensive income (Loss) for the year		-	-	-	394,063	-	-	-	-	394,063	(958)	393,105
Transfer to retained earnings (loss)		-	-	-	22,900	-	(25,166)	-	(25,166)	(2,266)	-	(2,266)
Balance as at December 31, 2016		1,359,791	(255,264)	-	(601,731)	-	252,990	(4,801)	248,189	750,985	(238)	750,747
Increase (Decrease) ordinary share	17	(543,916)	-	-	543,916	-	-	-	-	-	-	-
Total comprehensive income (Loss) for the year		-	-	-	214,688	(3,829)	-	(2,158)	(5,987)	208,701	(500)	208,201
Transfer to retained earnings (loss)		-	-	-	49,610	-	(49,610)	-	(49,610)	-	-	-
Other - Legal reserve	17	-	-	6,700	(6,700)	-	-	-	-	-	-	-
Balance as at December 31, 2017		815,875	(255,264)	6,700	199,783	(3,829)	203,380	(6,999)	192,592	959,686	(738)	958,948

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY KNOWN AS " NFC FERTILIZER PUBLIC COMPANY LIMITED ")
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31

(Unit : Thousand Baht)										
	Notes	Paid-up share capital	Surplus (Deficit) from business combination under common control	Legal reserve	Retained earnings (Deficit)	Other components of equity				Total
						Available-for-sale investments	Surplus on assets revaluation	Gains (losses) on remeasurements of defined benefits	Total other components shareholders' equity	
<u>SEPARATE</u>										
Balance as at January 1, 2016 (As previously reported)		1,076,894	-	-	(1,105,841)	-	251	(4,801)	(4,550)	(33,497)
Effect from the business combination under common control		-	9,489	-	-	-	55,263	-	55,263	64,752
Balance as at January 1, 2016 (After Adjustment)		1,076,894	9,489	-	(1,105,841)	-	55,514	(4,801)	50,713	31,255
Share increase during the period for business combination		282,897	-	-	-	-	-	-	-	282,897
Surplus on assets revaluation		-	-	-	-	-	222,642	-	222,642	222,642
Reversal of surplus on assets revaluation		-	-	-	-	-	(25,166)	-	(25,166)	(25,166)
Share discount on business combination under common control		-	(264,414)	-	-	-	-	-	-	(264,414)
Adjustment on share discount on business combination under common control		-	(339)	-	339	-	-	-	-	-
Total comprehensive income (Loss) for the year		-	-	-	404,578	-	-	-	-	404,578
Transfer to retained earnings (loss)		-	-	-	25,166	-	-	-	-	25,166
Balance as at December 31, 2016		1,359,791	(255,264)	-	(675,758)	-	252,990	(4,801)	248,189	676,958
Increase (Decrease) ordinary share	17	(543,916)	-	-	543,916	-	-	-	-	-
Total comprehensive income (Loss) for the year		-	-	-	216,115	(3,829)	-	(2,158)	(5,987)	210,128
Transfer to retained earnings (Loss)		-	-	-	49,610	-	(49,610)	-	(49,610)	-
Other - Legal reserve	17	-	-	6,700	(6,700)	-	-	-	-	-
Balance as at December 31, 2017		815,875	(255,264)	6,700	127,183	(3,829)	203,380	(6,959)	192,592	887,086

(Unit : Thousand Baht)

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

(FORMERLY KNOWN AS " NFC FERTILIZER PUBLIC COMPANY LIMITED ")

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	2017	2016	2017	2016
		"Restated"		"Restated"
Cash Flows from Operating Activities				
Profit (Loss) before income Tax expense	116,397	396,953	118,324	401,429
Portion of the Company before business combination under common control	-	(9,809)	-	(9,809)
Profit (Loss) Before income Tax expense - Net	116,397	387,144	118,324	391,620
Adjustments to reconcile profit (Loss) to net cash provided form (used in)				
Adjustment on financial costs	879	153	647	153
Adjustment on Trade and other receivable (Increase) Decrease	(42,269)	(19,196)	(41,376)	(9,881)
Adjustment on Inventories (Increase) Decrease	49,515	8,908	50,895	8,908
Adjustment on Other assets (Increase) Decrease	(1,521)	(18,291)	(1,461)	(12,223)
Adjustment on Trade and other payable Increase (Decrease)	(5,347)	(67,751)	(7,098)	(70,278)
Adjustment on Other liabilities Increase (Decrease)	(2,761)	(23,220)	(2,761)	(23,031)
Depreciation Depletion and Amortisation charge	109,604	70,885	109,604	70,885
Adjustment on Impairment loss (Reverse)	345	(241,206)	345	(243,236)
Adjustment on Provisions liabilities (Reverse)	(3,429)	403	(3,429)	403
Adjustment on Unrealized (Gain) loss on exchange rate	(726)	(781)	(726)	(781)
Adjustment on Doubtful debt (Reverse)	7,392	(18,373)	6,295	(27,835)
Adjustment on loss from inventories devaluation (Reverse)	1,379	(503)	-	(503)
Adjustment on loss (Gain) on disposal of non current assets	(2,604)	(56)	(2,604)	(56)
Adjustment other on cash from investment or borrowings	(1,591)	107	(1,586)	113
Adjustment other to reconcile gain (Loss) on disposed of unused assets	3,591	-	3,591	-
Adjustment other to reconcile gain (Loss) debt forgiveness from legal claim	-	(18,539)	-	(18,539)
Net Cash provided from (Used in) Operating	228,854	59,684	228,660	65,719
Net Cash provided from (Used in) Operating Activities	228,854	59,684	228,660	65,719
Cash Flows from Investing Activities				
Proceeds from disposal of Equity Instruments or debt Instruments				
from other parties	50,786	-	50,786	-
Cash paid for equity Instruments or debt Instruments from other parties	(252,561)	-	(252,561)	-
Cash paid for acquisitions of property, plan and equipment	(22,758)	(9,304)	(22,758)	(9,304)
Proceeds from disposal of property , plan and equipment	23,436	57	23,436	57
Proceeds from Interest received	1,592	195	1,586	189
Net Cash provided from (Used in) Investing Activities	(199,505)	(9,052)	(199,511)	(9,058)
Cash Flows from Financing Activities				
Cash paid for interest	(879)	-	(647)	-
Net Cash provided from (Used in) Financing Activities	(879)	-	(647)	-
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	28,470	50,632	28,502	56,661
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	83,948	33,316	83,913	27,252
CASH AND CASH EQUIVALENTS AT END OF YEAR	112,418	83,948	112,415	83,913

Supplement cash flows information

During the year; 2017

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

During the year; 2016

- The Company has registered to increase its share capital for payment to the acquisition of partial assets from the related party amount of Baht 282.90 million.
(Note 13)
- The Company has surplus on assets revaluation amounting to Baht 344.03 million for the consolidated and separate financial statements. (Note 14)
- A related company settled the accrued compensation expense and debts under joint operating agreement amounting to Baht 25.99 million for subsidiary company by paying the restricted deposit with such related company of Baht 21.11 million. The remaining amount has been recorded as payable - related company.
- The Company got debt forgiveness from legal claim from a financial institution amount of Baht 18.54 million.

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY**(FORMERLY KNOWN AS “NFC FERTILIZER PUBLIC COMPANY LIMITED”)****NOTES TO THE FINANCIAL STATEMENT****DECEMBER 31, 2017****1. GENERAL INFORMATION**

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

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

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

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

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

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATIONStatus of the Company

At the Board of Directors’ Meeting No. 2/2016, held on March 2, 2016, the Board resolved to propose to the Shareholders’ Meeting to consider and approve the Company to enter into transactions deemed as acquisition of assets with related company by purchase and acceptance of the transfer of partial business from Chemicals and Aromatic (Thailand) Co., Ltd. (“C&A”), a related company, particularly engage in the ammonia and ammonium hydroxide business, which the shareholders’ meeting approved such transaction on April 29, 2016 as mentioned in notes 13.

The Company is a public company which is registered with Stock Exchange of Thailand (“SET”). However, the shares are currently suspended because the Company was subject to a rehabilitation plan approved by the Central

Bankruptcy Court in 2009. The rehabilitation plan was dismissed by the Supreme Court on November 3, 2015, and the Company is in the process of applying to resume trading. The SET has granted an extension to the Company to apply and meet the requirements to resume trading until March 31, 2018.

Status of the subsidiary

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

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

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 January 1, 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Company's accounting policies. These changes have no material effect on the financial statements.

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after January 1, 2018, are set out below. The Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period

TFRS	Topic
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Company and subsidiary have made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

3.3. Principles of consolidation

These consolidated financial statements include the subsidiary with information below:

Company name	Country	Percentage of holding (%)		Nature of business
		2017	2016	
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 December 31, 2017 and 2016 are summarized below:

Subsidiary	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2017	2016	2017	2016
Rayong Bulk Terminal Co., Ltd.	5.31	6.01	0.06	0.01

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. Other investments

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

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

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

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

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

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

General investments are carried at cost less impairment loss.

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

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

4.5. Related companies

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

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

4.6. Inventories

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

4.7. Acquisitions from entities under common control

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

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

4.8. 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).

4.9. 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 values its property, plant and equipment at cost.

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

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

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

The Company and 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	5 - 25
Pier	10 - 20
Office improvement	5 - 10
Machinery and equipment	5 - 20

Furniture, fixtures and office equipment	5 - 6
Experimental instrument	5 - 20
Vehicles	5

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

4.10. Right to use pier

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

4.11. Assets not used in operations

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

4.12. Long - term leases – where the 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.

4.13. Long - term leases - where the 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.

4.14. 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.

4.15. 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.

4.16. 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 labour law. The Company and its subsidiary set up provision for the obligation under the defined benefit plan based on the amounts determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

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

4.17. 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.

4.18. Basic earnings per share

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

4.19. 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.

4.20. 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

4.21. 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.

4.22. 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 decline value and defective inventories

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

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. Fair value measurement

Management uses valuation techniques to determine the fair value of capital assets. This involves developing estimates and assumptions consistent with how market participants would price capital assets. Management bases its assumptions on observable data as far as possible but this is not always available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

5.1.6. Leases

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

5.1.7. 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.

5.1.8. Post-employment benefits under defined benefit plans

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

5.1.9. Litigation

The Company and 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 December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Cash on hand	143	199	140	164
Cash deposit with financial institutions	112,275	83,749	112,275	83,749
Total	112,418	83,948	112,415	83,913

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

7. TEMPORARY INVESTMENTS

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Fixed deposits due within 12 months	1,043	-	1,043	-
Available-for-sale fixed income fund	196,904	-	196,904	-
Total	197,947	-	197,947	-

Fixed deposits with interest rate of 1.375% per year.

Available for sale debt securities uses historical yield estimates 1 year average is 1.36 % per year.

Government Bond with yield of 2.12 % per year.

8. TRADE AND OTHER CURRENT RECEIVABLES

Balances of trade and other receivables as at December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Trade receivable				
Related companies	24,125	43,919	47,552	66,288
Others	150,075	102,967	145,714	98,554
Total	174,200	146,886	193,266	164,842
<u>Less</u> Allowance for doubtful accounts	(40,396)	(47,788)	(59,462)	(65,757)
Trade receivable - net	133,804	99,098	133,804	99,085
Other current receivables	42,739	42,568	35,771	35,409
Trade receivable and Other current receivable				
Net	176,543	141,666	169,575	134,494

Aging analysis of trade receivable and are as follows:

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Not yet due	80,333	46,002	81,004	46,793
Past due :				
Not over 3 months	53,371	45,110	53,371	45,179
3 months to 6 months	-	5,115	206	5,139
6 months to 12 months	605	8,851	1,578	9,859
Over 12 months	39,891	41,808	57,107	57,872
Total	174,200	146,886	193,266	164,842
<u>Less</u> Allowance for doubtful accounts	(40,396)	(47,788)	(59,462)	(65,757)
Net	133,804	99,098	133,804	99,085

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

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Beginning balance	(47,788)	(76,912)	(65,757)	(93,592)
Increase	(214)	(6,771)	(1,259)	(8,013)
Bad Debt	76	10,574	76	10,527
Decrease	7,530	25,321	7,478	25,321
Ending balance	(40,396)	(47,788)	(59,462)	(65,757)

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

During the year 2016, the Company wrote off trade receivables that had full allowance for doubtful account of Baht 35.90 million since they were no longer recoverable through the legal process amounting Baht 10.58 million. (Separate: Baht 10.53 million) Also, the receiving of payment from one receivables amounting Baht 25.32 million. (Separate: Baht 25.32 million)

9. RELATED PARTIES TRANSACTIONS

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

The related parties include the following:

Company	Type of Business	Relationship
Rayong Bulk Terminal Co., Ltd.	Provide wharf frontage services and warehouse services	Subsidiary company and co-directors/ co-management team
SC Management Co., Ltd.	Water carriage	Co-shareholders and directors/ co-management team
SC Carrier Co., Ltd.	Land carriage	Co-shareholders and directors/ co-management team
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 services, warehouse services and water carriage	Co-shareholders and directors/ co-management team

Company	Type of Business	Relationship
Strategic Port Link Co., Ltd.	Land carriage	Co-shareholders and directors/ co-management team
SCG Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors/ co-management team
SC Offshore Services Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team
NP Marine Logistics Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team
Natural Fuel Industries Co., Ltd.**	Natural fuel industries from agricultural by products	Ever been Co-shareholders and directors
PKR Logistics Co., Ltd.	Land carriage	Co-shareholders and directors
Necotrans Siam Co.,Ltd.	Logistics services	Co-shareholders and directors
SC Auto Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors
Platinum Emerald Co., Ltd.*	International Seaborne transport	Ever been an 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 services	Co-shareholders and directors
Bangpakong Terminal PCL.	Provide wharf frontage services and warehouse services	Co-shareholders and directors
Inter Spec Global Co., Ltd.	Import and export products	The Company's shareholders
Thai International Dockyard Co., Ltd.	Operated shipyards, repair and maintenance for all types of boat engines.	Co-shareholders and directors/ co-management team

* On September 30, 2016 Platinum Emerald Co., Ltd. ceased to be a related company. Due to change in shareholding structure within the new company. Without any involvement with the business.

** On March 6, 2017 Natural Fuel Industries Co., Ltd. ceased to be a related company. Due to change in shareholding structure within the new company. Without any involvement with the business.

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

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

Significant balances with related parties for the year ended December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	For the year ended December 31,			
	2017	2016	2017	2016
<u>Revenues from services and other income</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	2,620	2,620
SC Management Co., Ltd.	10,778	13,365	10,731	12,719
NP Marine Co., Ltd.	3,838	3,905	3,838	3,905
SCG Logistics Co., Ltd.	947	1,198	947	1,198
SC Offshore Services Co., Ltd.	3,831	6,460	3,831	6,460
SC Carrier Co., Ltd.	1,107	1,139	1,107	1,139
Necotrans Siam Co., Ltd.	-	139	-	139
Platinum Emerald Co., Ltd.*	-	5,998	-	5,998
SCENA Offshore Co., Ltd.	1,631	2,866	1,631	2,866
Total	22,132	35,070	24,705	37,044

Services fees

Rayong Bulk Terminal Co., Ltd.	-	-	591	703
SC Carrier Co., Ltd.	54,294	51,082	54,294	51,082

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	For the years ended December 31,			
	2017	2016	2017	2016
SC Management Co., Ltd.	1,633	1,474	1,401	954
NP Marine Co., Ltd.	84	47	84	47
Thai International Dockyard Co., Ltd.	2,040	2,059	2,040	2,059
Total	58,051	54,662	58,410	54,845

Key management personnel compensation

Current employee benefits	37,668	29,237	37,668	29,237
Post-employment benefits	1,012	639	1,012	639
Total	38,680	29,876	38,680	29,876

Balances with related parties as at December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<u>Trade and other receivables</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	23,650	22,605
SC Management Co., Ltd.	1,463	2,869	1,463	2,856
Natural Fuel Industries Co., Ltd.**	223	9,951	-	9,728
NP Marine Co., Ltd.	681	694	681	694
SC Offshore Services Co., Ltd.	-	6,814	-	6,814
SCG Logistics Co., Ltd	208	1,282	208	1,282
SC Carrier Co., Ltd.	223	575	223	575
Platinum Emerald Co., Ltd.*	21,327	21,327	21,327	21,327
SCENA Offshore Co.,Ltd	-	407	-	407
Total	24,125	43,919	47,552	66,288
<u>Less</u> Allowance for doubtful accounts	(21,550)	(28,778)	(44,977)	(51,160)
Net	2,575	15,141	2,575	15,128

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		SEPARATE	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<u>Deposit</u>				
SC Carrier Co., Ltd.	499	499	499	499

Trade and other payables

Rayong Bulk Terminal Co., Ltd.	-	-	56,384	56,402
Natural Fuel Industries Co., Ltd.	-	1,730	-	1,730
SC Management Co., Ltd.	7,271	7,361	130	220
SC Carrier Co., Ltd.	10,107	13,099	9,913	12,905

Chemicals and Aromatics (Thailand)				
Co., Ltd.	4,709	4,709	-	-
N.P. Marine Co., Ltd.	18	18	18	18
Thai International Dockyard Co., Ltd.	-	20	-	20
Total	<u>22,105</u>	<u>26,937</u>	<u>66,445</u>	<u>71,295</u>
<u>Unearned revenue from service</u>				
Rayong Bulk Terminal Co., Ltd.	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>16,000</u>
<u>Employee benefits obligation</u>				
Key management personnel	<u>8,926</u>	<u>7,914</u>	<u>8,926</u>	<u>7,914</u>

10. INVENTORIES

(Unit : Thousand Baht)

	CONSOLIDATED AND SEPARATE	
	December 31, 2017	December 31, 2016
Chemical products – finished goods	42,624	81,725
Raw materials	49	57
Supplies and others	106,256	107,843
Work in process	-	22
Goods in transit	14,226	25,781
Total	<u>163,155</u>	<u>215,428</u>
<u>Less</u> Allowance for declined value of inventories	(5)	(5)
Allowance for defective inventories	<u>(90,765)</u>	<u>(92,144)</u>
Net	<u>72,385</u>	<u>123,279</u>

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

(Unit : Thousand Baht)

	CONSOLIDATED AND SEPARATE	
	December 31, 2017	December 31, 2016
Beginning balance	(92,149)	(92,652)
Increase	(22)	-
Decrease	1,401	503
Ending balance	<u>(90,770)</u>	<u>(92,149)</u>

11. OTHER CURRENT ASSETS

As at December 31, 2017 and 2016 the subsidiary has restricted deposit with financial institutions amounting to Baht 5.48 million and Baht 0.54 million respectively, and with Legal Execution Department amounting to Baht 5.50 million and Baht 5.50 million respectively. The subsidiary is allowed to withdraw the restricted deposit with Legal Execution Department by the approval from the meeting of the creditors or the Official Receiver meeting.

As at December 31, 2016, the deposit of Thanachart Capital Public company of Baht 1.21 million and Bangkok Bank Public Company Limited of Baht 0.06 million total of Baht 1.27 million has been pledged as collateral for electricity usage.

12. INVESTMENT IN SUBSIDIARY COMPANY

Investment in subsidiary as December 31, 2017 and 2016 are as follows:

		SEPARATE							
		Percentage of shareholding		Thousand Baht					
				Paid - up capital		At cost		Dividend income	
		Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
<u>Subsidiary company</u>									
Rayong Bulk Terminal Co., Ltd.		83.25	83.25	764,000	764,000	636,000	00	-	-
							636,00		
						(636,000)	0)	-	-
<u>Less Impairment of investment</u>									
Net						-	-	-	-

13. BUSINESS COMBINATION UNDER COMMON CONTROL

On April 27, 2016, the Company entered into an agreement for the partial transfer of the business of Chemicals and Aromatics (Thailand) Co., Ltd. which Mr. Nuttaphob Ratanasuwanthawee (Company's shareholder and director) is major shareholder. Under the terms of the agreement, the Company received the ammonia and ammonium hydroxide distribution business and its related assets which consisted of ammonia gas bins with related equipment, customer and business contracts, and all license to conduct the distribution business from Chemicals and Aromatic (Thailand) Co., Ltd. ("C&A"). The total value of the acquisition was Baht 282 million, and this acquisition was considered to be a business combination under common control. The difference between the cost of the acquisition and the net book value of the net assets transferred amounted to Baht 255 million, was recorded as "Share discount on business combination under common control" within equity.

The net book values of ammonia and ammonium hydroxide business's assets as at the acquisition date (June 2, 2016) and share capital issued for transferring business is summarized below:

	(Unit : Thousand Baht)
Share capital issued for business transferred	282,897
Net book values of distribution business of ammonia and ammonium hydroxide business's assets as at the acquisition date	(9,150)
Value added tax	(18,483)
Share discount on business combination under common control	255,264

14. PROPERTY, PLANT AND EQUIPMENT

Consist of

	Consolidated/Separate (Unit : Thousand Baht)										
	Land		Building and improvement		Machinery and equipment		Office equipment		Vehicles		Assets in progress
	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	
Assets - cost											Total
As at December 31, 2015	70,548	-	4,033,916	-	4,066,008	-	120,524	-	307,801	-	8
Purchase	-	-	-	-	2,260	-	1,882	-	-	-	5,162
Disposal	-	-	(6,388)	-	(1,108)	-	(31,164)	-	-	-	-
Transfer in (Transfer out)	-	-	(3,801,776)	250,179	(2,969,689)	39,203	(53,006)	53,448	(300,544)	1,203	(1,428)
As at December 31, 2016	70,548	-	225,752	250,179	1,097,471	39,203	38,236	53,448	7,257	1,203	3,742
Accumulated depreciation											
As at December 31, 2015	31,957	-	1,785,891	-	1,582,987	-	55,520	-	115,891	-	-
Depreciation for the year	1,587	-	28,989	21,460	8,011	3,880	2,201	4,025	631	101	-
Depreciation for disposal	-	-	(6,388)	-	(1,084)	-	(30,950)	-	-	-	-
Depreciation for transfer out	-	-	(1,783,368)	-	(1,167,412)	-	-	-	(115,121)	-	-
As at December 31, 2016	33,544	-	25,124	21,460	422,502	3,880	26,771	4,025	1,401	101	-
Allowance for impairment of assets											
As at December 31, 2015	28,341	-	2,213,732	-	2,455,759	-	513	-	191,000	-	-
Increase	-	-	-	-	1,306	-	-	-	-	-	-
Decrease	-	-	(2,213,732)	-	(1,834,649)	-	(214)	-	(190,986)	-	-
As at December 31, 2016	28,341	-	-	-	622,416	-	299	-	14	-	-
Net book value of assets											
As at December 31, 2016	8,663	-	200,628	228,719	52,553	35,323	11,166	49,423	5,842	1,102	3,742
											6,675
											603,836

Consolidated/Separate (Unit : Thousand Baht)

	Land		Building and improvement		Machinery and equipment		Office equipment		Vehicles		Assets in progress		Spare part	Total
	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation		
Assets - cost														
As at December 31, 2016	70,548	-	225,752	250,179	1,097,471	39,203	38,236	53,448	7,257	1,203	3,742	-	56,835	1,843,874
Purchase	-	-	158	-	1,304	-	3,798	-	2,030	-	15,468	-	-	22,758
Disposal	-	-	(14,789)	(4,151)	(835,142)	(2,950)	(20,873)	-	(2,890)	-	-	-	(845)	(881,640)
Transfer in (Transfer out)	-	-	7,927	-	4,968	-	258	-	-	-	(13,368)	-	-	(215)
As at December 31, 2017	70,548	-	219,048	246,028	268,601	36,253	21,419	53,448	6,397	1,203	5,842	-	55,990	984,777
Accumulated depreciation														
As at December 31, 2016	33,544	-	25,124	21,460	422,502	3,880	26,771	4,025	1,401	101	-	-	-	538,808
Depreciation for the year	1,601	-	38,286	42,475	11,913	7,360	2,120	4,473	1,174	202	-	-	-	109,604
Depreciation for disposal	-	-	(7,294)	(590)	(334,817)	(677)	(20,559)	-	(857)	-	-	-	-	(364,794)
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2017	35,145	-	56,116	63,345	99,598	10,563	8,332	8,498	1,718	303	-	-	-	283,618
Allowance for impairment of assets														
As at December 31, 2016	28,341	-	-	-	622,416	-	299	-	14	-	-	-	50,160	701,230
Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	(491,682)	-	(268)	-	(11)	-	-	-	(676)	(492,637)
As at December 31, 2017	28,341	-	-	-	130,734	-	31	-	3	-	-	-	49,484	208,593
Net book value of assets														
As at December 31, 2017	7,062	-	162,932	182,683	38,269	25,690	13,056	44,950	4,676	900	5,842	-	6,506	492,566

During the year 2017, the Company sold its assets to unrelated parties historical cost amount of Baht 5,548.60 million and related parties of Baht 0.28 million. (The net book value of totaling Baht 20.83 million). and has gain on sale of assets of Baht 2.60 million and the Company disposed of unused assets the net book value of totaling Baht 3.38 million and were recorded were recorded in the Statement of Profit or Loss and Other Comprehensive Income.

During the year 2016, The Company has revaluation its assets by the independence appraisal under the basis that identified in the Company's accounting policies. The Company engaged American Appraisal (Thailand) Ltd., an independent professional appraisal firm, to reappraise the Company's assets which the report was dated in June 2016, using the replacement cost approach. This caused the allowance for impairment of assets and the surplus on assets revaluation were accounted for during the year.

In addition, the Company valued the assets acquired under the business combination under common control using the average appraisal values from American Appraisal (Thailand) Ltd., and The Valuation and Consultant Co., Ltd. whose valuations were prepared in June 2016, using the replacement cost approach. The Company retroactive adjusted the appraisal values as though the revalued occurred since the first presented.

As at December 31, 2017 and 2016, some parts of Property, Plant and Equipment of the Company and its subsidiary are fully depreciated and are still being used in operation. Historical cost net of accumulated depreciation of such assets is approximately Baht 293 million and Baht 5,767 million respectively (For the Company, Baht 293 million and Baht 5,767 million respectively)

14. TRADE AND OTHER CURRENT PAYABLE

As at December 31, 2017, The Company has committed to pay land rent and compensation to IEAT under the Land Lease Agreement and the Agreement for Joint Development of the Pier Area was Baht 51.98 million. (December 31, 2016: Baht 57.09 million).

As at December 31, 2017, Accrued compensation expense and debt under joint operating agreement of subsidiary are in the process of repayment negotiated with IEAT in the portion occurred before the receiving order was Baht 27.53 million. (December 31, 2016: Baht 27.53 million).

15. PROVISIONS FOR EMPLOYEE BENEFITS

- Employee benefits expense

Expenses recognised for employee benefits are analysed below:

(Unit : Thousand Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2017	2016
Salaries and wages	56,654	46,782
Social security costs	728	588
Pensions – defined benefit plans	2,075	1,874
Total	59,457	49,244

- Movements in employee benefits obligation for the years ended December 31, 2017 and 2016 are as follows :

(Unit : Thousand Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2017	2016
Defined benefit obligation as at January 1	9,023	5,287
Current service cost	1,027	650
Interest expense	273	153
Re-measurement – actuarial loss (gain) from :		
- changes in financial assumptions	1,883	(1,282)
- experience adjustment	275	4,215
Defined benefit obligation as at December 31	12,481	9,023
Wholly unfunded	12,481	9,023

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

- Principal actuarial assumptions at the reporting date for the years ended December 31, 2017 and 2016 are as follows :

(Unit : Percent)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2017	2016
Discount rates	2.72	2.72
Salary growth rate	4.25	4.46
Weighted average duration of the defined benefit obligations (years)	12	9

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)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2017	2016
Current service cost	1,027	650
Net interest expense	273	153
Total expenses recognized in profit or loss	1,300	803

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

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

(Unit : Thousand Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2017	2016
Actuarial loss (gain) from :		
- changes in financial assumptions	1,883	(1,282)
- experience adjustment	275	4,215
Total expense recognised in other comprehensive income	2,158	2,933

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 F/S AND SEPARATE F/S
Discount rate (0.5% increment)	(308)
Discount rate (0.5% decrement)	324
Future salary growth (0.5% increment)	310
Future salary growth (0.5% decrement)	(298)

As at December 31, 2017, expected maturity of employee benefits obligation before discount are as follow:

(Unit : Thousand Baht)

	CONSOLIDATED F/S AND SEPARATE F/S
Within one year	2,506
Between 2 - 5 years	10,778
Between 6 – 10 years	5,837
Between 11 – 15 years	2,392
Total	21,513

16. SHARE CAPITAL AND LEGAL RESERVE

SHARE CAPITAL

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

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

reducing the par value from Baht 1.25 per share to Baht 0.75 per share to compensate for the retained losses of the Company.

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

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

At the Annual General Meeting of Shareholders held on April 29, 2016, the shareholders passed the following resolutions:

- 17.2.1 Approved the purchase of certain assets and the acceptance of a partial business transfer from Chemicals and Aromatic (Thailand) Co., Ltd. ("C&A"), a related company. The Company would settle the transaction by issuing 1,768,106,235 new common shares to C&A with par value of Baht 0.16, totaling Baht 282,896,997.60. As a result, the Company's registered and paid-up share capital would increase to Baht 1,359,791,320. The Company has registered such change on May 13, 2016 and received paid-up share capital on June 2, 2016. Refer to note 13.
- 17.2.2 Following the transaction described in Note 17.2.1 above, it was approved that the par value of shares would be increased from Baht 0.16 to Baht 0.50, as a result, the share number reduced to 2,719,582,640. The conversion rate of new shares for existing shares is 3.125 existing shares for 1 new share where any fraction of shares will be rounded up to a whole share. The details are as follows:

	Former par value	After adjustment par value
Number of registered share capital (Shares)	8,498,695,750	2,719,582,640
Number of registered share capital - fully paid-up (Baht)	1,359,791,320	1,359,791,320

LEGAL RESERVE

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the issued and paid-up share capital. The legal reserve may not be distributed as dividends.

17. EARNING PER SHAREChange in par value of share capital

Basic earnings per share is calculated by dividing income for the period by the weighted average number of common shares outstanding during the period, after adjusting the number of common shares as a result of the change in par value from Baht 0.50 to Baht 1.25 on June 28, 2017 and change in par value from Baht 0.75, on September 6, 2017. The number of common shares is adjusted as if the change in par value had occurred at the beginning of the earliest period reported.

Restatement of financial statements and effects on basic earnings per share

	CONSOLIDATED		SEPARATE	
	For the years ended December 31,			
	2017	2016	2017	2016
		"Restated"		"Restated"
Profit (Loss) for the year— portion of the				
Company's shareholders (Thousand Baht)	214,688	396,996	216,115	400,514
No. of share capital (Thousand shares)				
Before share increment – January 1, 2016	-	1,473,789	-	1,473,789
After share increment – December 31, 2016	-	1,245,794	-	1,245,794
No. of share capital (Thousand shares)				
- par value at Baht 0.50 per share	2,719,583	2,719,583	2,719,583	2,719,583
No. of weight average share capital (Thousand shares)				
- par value at Baht 0.50 per share	2,719,583	2,483,062	2,719,583	2,483,062
Original Basic earnings per share (Baht)	0.0789	0.1599	0.0795	0.1613
No. of share capital (Thousand shares)				
- par value at Baht 0.75 per share	1,087,833	1,087,833	1,087,833	1,087,833
No. of weight average share capital (Thousand shares)				
- par value at Baht 0.75 per share	1,087,833	993,225	1,087,833	993,225
New Basic earnings per share (Baht)	0.1974	0.3997	0.1987	0.4032

18. 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 2017 and 2016, the Company and its subsidiary contributed Baht 2.08 million and Baht 1.87 million, respectively. (Separate F/S: Baht 2.08 million and 1.87 million, respectively).

19. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2017	2016	2017	2016
Change in inventories and work in process	39,123	20,375	39,123	20,375
Purchases of goods	749,754	620,261	749,754	620,261
Depreciation and amortization	109,604	70,885	109,604	70,885
Salaries, wages and employee compensation	66,182	56,283	66,182	56,283
Professional fees	7,051	15,575	7,051	15,184
Compensation paid to IEAT	59,156	64,902	59,156	64,902

20. DEFERRED INCOME TAX ASSET AND LIABILITY

Deferred income tax asset and liability are as follows:

	(Unit : Thousand Baht)	
	CONSOLIDATED F/S AND SEPARATE F/S	
	2017	2016
Deferred income tax asset	85,389	-
Deferred income tax liability	(50,845)	63,247
Deferred income tax asset (liability) - net	34,544	(63,247)

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

	(Unit : Thousand Baht)			
	CONSOLIDATED F/S AND SEPARATE F/S			
	Recognised as income (expense)			
	January	Statement	Shareholders'	December
	1, 2017	of income	equity	31, 2017
Deferred income tax liability :				
Allowance for doubtful accounts – Account				
Receivables	-	24	-	24
Impairment of investments	-	403	-	403
Provisions for employee benefit	-	2,496	-	2,496
Estimated provisions for gypsum relocation	-	7,646	-	7,646
Tax losses carried forwarded 5 years	-	74,820	-	74,820

Surplus on asset revaluation	(63,247)	12,402	-	(50,845)
Net	(63,247)	97,791	-	34,544

(Unit : Thousand Baht)

CONSOLIDATED F/S AND SEPARATE F/S

	Recognised as income(expense)			
	January	Statement of	Shareholders'	December
	1, 2016	income	equity	31, 2016
Deferred income tax liability :				
From surplus on assets revaluation	13,878	(6,289)	55,658	63,247

Income tax expenses for the years ended December 31, 2017 and 2016 are as follows:

(Unit : Thousand Baht)

CONSOLIDATED F/S AND SEPARATE F/S

	2017	2016
Current income tax expense	-	-
The amount of deferred income tax expense relating to the initial and reversal of temporary differences	97,791	(6,289)
Income tax expense	97,791	(6,289)

***Income tax recognizes in other
comprehensive income***

From surplus on assets revaluation	-	55,658
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Deferred tax assets have not been recognized in respect of the following items:

(Unit : Thousand Baht)

CONSOLIDATED F/S AND SEPARATE F/S

	2017	2016
Deductible temporary differences		
Impairment of defective inventories – supplies	90,765	90,765
Impairment of investment in subsidiary company	636,000	636,000
Depreciation expense and Impairment of assets	208,593	208,246
Balance of Tax losses carried forwarded 5 years	690,894	1,510,765
Other	-	2,305
Total	1,626,252	2,448,081

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

21. FINANCIAL INSTRUMENTS

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

22. FAIR VALUES MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

The following table present assets that are measured at fair value as at December 31, 2017.

	(Unit : Thousand Baht)		
	CONSOLIDATED F/S AND SEPARATE F/S		
	Level 1	Level 2	Level 3
<u>Assets</u>			
Plant and equipment	-	-	480,218

Fair value of the Company's main property assets is estimated based on appraisals performed by independent, professionally-qualified property values. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors and audit committee at each reporting date.

23. SEGMENT REPORTING

The segment financial information of the Company and its subsidiary company for the year ended December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)					
	CONSOLIDATED					
	For the years ended December 31,					
	2017			2016		
	Port Service			Port Service		
	Chemical	and Other	Total	Chemical	and Other	Total
Revenues from sales – net	990,664	-	990,664	867,497	-	867,497
Revenues from the rendering of services	55,339	55,004	110,343	60,464	96,046	156,510
Cost of goods sold	(788,877)	-	(788,877)	(712,792)	-	(712,792)
Cost of services	(12,299)	(12,335)	(24,634)	(14,519)	(27,258)	(41,777)
Gross profit	244,827	42,669	287,496	200,650	68,788	269,438

Other income	6,365	403	6,768	4,143	350	4,493
Debt forgiveness from legal claim	-	-	-	18,539	-	18,539
Reversal of allowance for doubtful accounts	5,524	1,401	6,925	-	24,901	24,901
Gypsum revenues net of related expenses	14,039	-	14,039	1,133	-	1,133
Reversal of allowance for impairment on assets	-	-	-	220,762	23,473	244,235
Selling expenses	(53,770)	-	(53,770)	(48,993)	-	(48,993)
Administrative expenses	(71,923)	(4,772)	(76,695)	(65,350)	(9,688)	(75,038)
Loss on impairment of other long – term investment	(345)	-	(345)	(302)	-	(302)
Depreciation from under utilized fixed asset	-	(67,134)	(67,134)	-	(36,322)	(36,322)
Expenses from temporary closed port	-	(8)	(8)	-	(15)	(15)
Profit (Loss) from operation before financial costs and income Tax	144,717	(27,441)	117,276	330,582	71,487	402,069
Financial costs	(613)	(266)	(879)	(4,154)	(962)	(5,116)
Income (Expense) tax	92,685	5,106	97,791	5,685	604	6,289
Net profit (Loss) for the year	236,789	(22,601)	214,188	332,113	71,129	403,242
Property, plant and equipment - net	200,979	291,587	492,566	249,195	354,641	603,836
Other assets	625,295	41,599	666,894	379,000	41,777	420,777
Total assets	826,274	333,186	1,159,460	628,195	396,418	1,024,613

(Unit : Thousand Baht)

SEPARATE

For the years ended December 31,

	2017			2016		
	Chemical	Port Service and Other	Total	Chemical	Port Service and Other	Total
Revenues from sales – net	990,664	-	990,664	867,497	-	867,497
Revenues from the rendering of services	55,339	57,624	112,963	60,464	98,666	159,130
Cost of goods sold	(788,877)	-	(788,877)	(712,792)	-	(712,792)
Cost of services	(12,299)	(12,926)	(25,225)	(14,519)	(27,258)	(41,777)
Gross profit	244,827	44,698	289,525	200,650	71,408	272,058
Other income	6,365	348	6,713	4,143	172	4,315
Debt forgiveness from legal claim	-	-	-	18,539	-	18,539
Reversal of allowance for doubtful accounts	5,524	304	5,828	-	23,660	23,660
Gypsum revenues net of related expenses	14,039	-	14,039	1,133	-	1,133
Reversal of allowance for impairment on assets	-	-	-	220,762	23,473	244,235
Selling expenses	(53,770)	-	(53,770)	(48,993)	-	(48,993)
Administrative expenses	(71,923)	(3,962)	(75,885)	(65,350)	(6,948)	(72,298)
Loss on impairment of other long – term investment	(345)	-	(345)	(302)	-	(302)
Depreciation from under utilized fixed asset	-	(67,134)	(67,134)	-	(36,322)	(36,322)

Expenses from temporary closed port	-	-	-	-	-	-
Profit (Loss) from operation before						
financial costs and income Tax	144,717	(25,746)	118,971	330,582	75,443	406,025
Financial costs	(613)	(34)	(647)	(4,154)	(442)	(4,596)
Income (Expense) tax	92,685	5,106	97,791	5,685	604	6,289
Net profit (Loss) for the year	236,789	(20,674)	216,115	332,113	75,605	407,718
Property, plant and equipment - net	200,979	291,587	492,566	249,195	354,641	603,836
Other assets	625,295	-	625,295	379,000	-	379,000
Total assets	826,274	291,587	1,117,861	628,195	354,641	982,836

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 Industry Co., Ltd. And Thai – MC Co., Ltd

24. LONG - TERM AGREEMENTS

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

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

25.2. 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:

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

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

25. COMMITMENT

As at December 31, 2017,

25.1. The Company and its subsidiary have commitments for letters of guarantee issued by banks totalling Baht 15.84 million.

25.2. The Company has committed to pay land rent and compensation to IEAT under the Land Lease Agreement and the Agreement for Joint Development of the Pier Area amounting to approximately Baht 367.90 million.

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

Year	Baht
Due within one year	5,640,000
Due over 1 year but not over 5 years	8,430,000
Total	14,070,000

25.4. Forward foreign currency exchange contracts

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

(Unit : Baht)

Consolidated and Separate F/S						
Foreign currency	Foreign currency contract amount		Contract rate			
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
USD	2,180,101	-	32.63 – 33.97		72,463,999	-

Fair value

The net fair value of forward foreign exchange contracts as at December 31, 2017 is unfavorable forward foreign exchange contracts amount Baht 931,604.

The fair value of forward foreign exchange contracts have been calculated using rate quoted by the Company's banker to terminate the contract on December 31, 2017. The valuation is classified as level 2 of the fair value hierarchy.

As at December 31, 2017 and 2016, the Group has trade accounts payable in foreign currencies as follows:

	Consolidated and Separate F/S	
	2017	2016
USD	196,249	905

26. RECLASSIFICATION

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

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

27. RECLASSIFICATION

Certain transactions in the financial statements for 2016 have been reclassified in accordance with the Notification of the Department of Business Development dated October 11, 2016 regarding "The Brief Particulars in the Financial Statements B.E. 2016".

28. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's management on February 19, 2018.