



Annual Report 2019

NFC PUBLIC COMPANY LIMITED

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Messages from the Chairman



Recently, NFC Public Company Limited has overcome many obstacles. The Stock Exchange of Thailand (SET) approved the Company to be exempt from possible delisting and allowed the Company's shares to be traded in the SET as before, with the cooperation of the Board of Directors, the executives and employees at every level with capital structure, comprehensive risks management, implementation of business plans which the Company still emphasizes on the business of distributing chemicals, warehouse services, logistics and liquid warehouse services, including berth services. Furthermore, the Company has implemented a long-term business policy and plan to develop businesses that have potential to continuously increase the value of the businesses by focusing on improvement of existing assets for maximum benefits and reducing any unnecessary burdens from operations, investing in new projects that raise the value of the organization, emphasizing good corporate governance to ensure an efficient, transparent and verifiable management system in order to gain confidence from shareholders, investors and stakeholders so that the Company achieve strong and sustainable growth.

In 2019, NFCT Company Limited ("NFCT"), a subsidiary company which is 100 percent owned by the Company, invested in tanks for fuel oil storage project ("Project"), located in the general industrial zone, no. 2 I-2 Road, Map Ta Phut Industrial Estate, Map Ta Phut Sub-district, Mueang Rayong District, Rayong Province, on the leased land according to the industrial land lease agreement from Map Ta Phut Industrial Estate for a lease period of 30 years to provide liquid storage for oil storage and logistic services in transportation of oil through pipelines for the Shell Company of Thailand Limited for a period of 12 years with the right to extend the period of contract for another 5 years, totaling of 17 years term. Thus, the Project will have a stable return and a suitable and satisfactory rate of return from the investment. Currently, the Project is under construction as according to the plan, which is expected to be open for service in the third quarter of 2021 which NFCT could recognize the revenue from providing logistics and liquid storage services immediately when NFCT starts to generate service incomes and reflects the overall picture of the Company's financial status and operating results which would contribute higher incomes and better cash flows and improved liquidity as well as beneficial to the investment of other projects in the future. In this regard, the Company applies feasibility study tools to assess any projects before investing which will help to control and limit the risk to an acceptable level.

The Board of Directors is committed to perform our duties with cautiousness, discretion and dedication to lead the Company in making more progress which will be of great benefit to all shareholders as well. Finally, on behalf of the Board of Directors, may we express our appreciation to all shareholders, investors, valued customers and financial institutions for your continued trust putting in the Company.

Gen.



Montree Sungkasap

Chairman

Audit Committee's Report



The Audit Committee of NFC Public Company Limited has been appointed by the Board of Directors consisting of 3 honorary independent directors which are Mr. Virasak Sutantawibul being the Chairman of the Audit Committee, Assoc. Prof. Dr. Seri Wongmonta and Mrs. Aree Termwattanapakdee being members of the Audit Committee. During 2019, there was a change in the Audit Committee when Mr. Sumit Petcharapirat requested to resign which is effective from 7th May 2019 and at the No. 6 of Board of Directors Meeting held on 14th May 2019, the Board of Directors has appointed Mr. Virasak Sutantawibul as a member of the Audit Committee replacing Mr. Sumit Petcharapirat. In addition, the meeting was informed by Assoc. Prof. Dr. Seri Wongmonta to resign from being the Chairman but still be a member of the Audit Committee and nominated Mr. Virasak Sutantawibul to be the Chairman of the Audit Committee.

The Audit Committee has performed its duties independently and uprightly in accordance with the scope of responsibilities assigned by the Board of Directors and according to the charter of the Audit Committee in accordance with the regulations of the Securities and Exchange Commission (SEC) and the Stocks Exchange of Thailand (SET). In 2019, the Audit Committee held a total of 7 meetings to discuss and exchange ideas with the management, the internal auditor and the auditor which summarizes the important aspects of performing duties for 2019 as follows:

Review of the financial report

The Audit Committee has audited the quarterly and annual financial statements of the Company and consolidated financial statements which the auditor had already audited and reported unqualified opinion in collaboration with the management and the auditor to clarify and answer questions about the correctness and completeness of the financial statements, the adjustment of significant accounting items affecting the financial statements, sufficiency of information disclosed in the financial statements and the impact of changes in new financial reporting standards which shall be effective in 2020. The Audit Committee is of the opinion that the Company's financial statements have been accurately presented in material aspects in accordance with financial reporting standards and there are sufficient and appropriate disclosure of data which the auditor had

performed their duties and independently expressed their opinions for the preparation of the complete, timely, reliable, beneficial financial statements to the investors and any users of financial statements. In this regard, the Audit Committee has conducted a meeting with just the auditor 1 time without the participation of the management to freely discuss any material aspects for the preparation of the financial statements and the annual audit plan.

Review of the risk management

The Audit Committee, the Risks Management Committee and the management have focused on risk management, incidences that will affect business operations by establishing risks management policies and risks management plans by the Risk Management Committee responsible for overseeing the Company's risks management and the Risk Management Sub Committee responsible for preparing the risks report and jointly considering the risks from significant internal and external factors and future chances to prevent or reduce the impact that may occur to business operations. In this regard, the Audit Committee has audited the effectiveness of risk management from the reporting of the Company's business operations, from the results of internal audit and from the Company's auditor assuring that the Company has managed the risks to an acceptable level.

Review of the internal control System

The Audit Committee has audited and approved the assessment report of the internal control system of the management by using the adequacy assessment form in accordance with the regulations of the Securities and Exchange Commission (SEC) and verified the audit reports of the internal audit and the auditor of every quarter which there are no issues or defects that may significantly affect the Company as well as the management has continuously improved according to the recommendations of the Audit Committee, auditors and internal audit to be in compliance with related laws and regulations. Thus, the Audit Committee is of the opinion that the Company has an appropriate and sufficient internal control system for business operations without finding any significant issues that may affect the Company's operations.

Review of the related parties transaction

The Audit Committee has audited the related parties transaction or the transaction that may cause conflict of interests to the Company to be in accordance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) by monitoring of the related parties transactions report of every quarter and is of the opinion that the Company has complied with general trade conditions which are fair, reasonable, rendering the highest benefit mainly to the operations and shareholders of the Company provided that transactions are initially approved by the management or the Board of Directors before making transactions and also complete and sufficient information are disclosed.

Supervision of internal audit Department

The Audit Committee has supervised the internal audit to conduct the internal audit operations to be independent and effective, achieve international standards and create added value to the organization by reviewing the charter of the internal audit on an annual basis, approving an annual internal audit plan which is prepared according to the significant risks of the

Company including the appropriateness of the budget on expenditure and personnel of the internal audit as well as supervising the internal audit and supporting to enhance the quality of the internal audit in terms of personnel and regular operations.

Review of the good corporate governance

The Audit Committee has audited the operations of the Company to conduct its businesses under the principles of Good Corporate Governance in compliance with the governing laws on securities and stock exchange, regulations of the Securities and Exchange Commission (SEC), regulations of the Stock Exchange of Thailand (SET) and other laws related to the Company's businesses operations. The audit results show that the Company operates with transparency and reasonableness to benefit the business operations of the Company and shareholders as a whole including correct scheduled disclosure of information are performed.

Consideration for the appointment of auditors and the annual remuneration of the auditor for 2020

The Audit Committee has considered the appointment of auditors based on performance, experience, independence and appropriateness of the audit fees. Therefore, resolved to propose to the Board of Directors for consideration and thereafter request for an approval from the Annual General Meeting of Shareholders of 2020 to appoint the auditor of Karin Audit Company Limited and approve the audit fees for 2020.

In summary of 2019, the Audit Committee performed its duties and responsibilities in accordance with the Audit Committee Charter by using their knowledge, caution, prudence and adequate independence to monitor the operations of the Company as well as giving creative advice and suggestions to benefit the interested parties equally. The Audit Committee is of an opinion that the Board of Directors including the management of the Company are determined to perform their duties in order to achieve the goals by focusing on business operations under strict internal control and risk management, possessing adequate Good Corporate Governance and ensuring development and improvement of business operation system to continually improve its efficiency.



Mr. Virasak Sutantawibul

Chairman of the Audit Committee

Board of Directors



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



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



Mr. Suppakit Duyapich
Director / Risk Management Committee



Mrs. Sunee Sornchaitanasuk
Director / Risk Management Committee



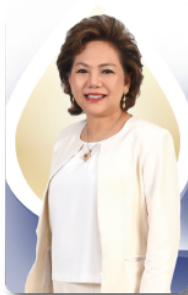
Mr. Yongyos Palanitisa
Director / Executive Committee /
Risk Management Committee



Mr. Wiboon Rasmeepaisarn
Director / Risk Management Committee



Mr. Kijja Smunyahirun
Director / Executive Committee



Mrs. Bongkot Rungkornpaisarn
Director / Executive Committee



Mr. Nataphong Ratanasuwanthawee
Director / Executive Committee



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



Mr. Virasak Sutanthavibul
Independent Director / Chairman of the Audit Committee



Mrs. Aree Termwattanakdee
Independent Director / Audit Committee

Biography and Experiences

1. Gen. Montree Sungkasap

(Chairman / Director /Chairman of the Risk Management Committee)

Education

Master of Arts (Military) Year 1996.

Bachelor Degree, Chulachomklao Royal Military Academy, Class 20

Command and General Staff College, Course Class 61

Royal Thai Army College, Class 39

National Defense College (England), year 1998

National Defense College (Thailand), Class 44

Capital Market Academy Institute, Class 9

Thai Institute of Directors (IOD)

- Role of the Chairman Program(RCP) 16/2007
- Director Certification Program(DCP) 261/2018
- Advanced Audit Committee Program(AACP) 30/2018



Current position

2018-Present	Chairman of the Audit Committee of Star Flex Co., Ltd.
2017-Present	Chairman of NP Marine Co., Ltd.
2011-Present	Advisory Board of Broadcasting Committee Television Business and the National Telecommunications Commission (NBTC)

Experience

2006-2008	Chairman of CAT Telecom Public Company Limited
2013-2015:	Independent director and Chairman of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)
2010-2018	Chairman Advisor of SC Group

2. Mr. Nuttaphob Ratanasuwanthawee

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

Education

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

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

Thai Institute of Directors (IOD)

- Directors Accreditation Program 28/2004
- Directors Certification Program 53/2005
- Financial Statement for Directors 17/2005
- Senior Executive Program of the Capital Market Academy (CMA) Class 29



Current position

2006-Present Chief Executive Officer of NFC Public Company Limited

2006-Present Chairman of Rayong Bulk Terminal Co., Ltd.

1985-Present Chairman and President of SC Group

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

2018-Present Chairman of NFCT Company

Chairman of NFCW Company

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

Experience

2015-2017 Chairman and President of Thai Pipe Line Network Co., Ltd.

1995-2017 Chairman and President of NP Marine Co., Ltd.

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

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

3. Mr. Suppakit Duyapich

(Director / Risk Management Committee)

Education

Bachelor Degree / Bachelor of Accounting, Thammasat University

Bachelor Degree of Faculty of Law, Thammasat University

Thai Institute of Directors (IOD)

- Directors Accreditation Program(DAP) 66/2007

Current Position

Retired civil servant (Retirement on 1 October 2005)

Experience

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



4. Mr. Yongyos Palanitisena

**(Director / Executive Committee / Risk Management
Committee)**

Education

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

Bachelor Degree of Accounting, Chulalongkorn University

Thai Institute of Directors (IOD)

- Director Accreditation Program 42/2005

Current position

Present	Director Rayong Bulk Terminal Company Limited
Present	Adviser of Stake International Bangkok Company Limited
Present	Director and Chairman of the Audit Committee of Phatara House and Property Public Company Limited

Experiences

2012-2017	Advisor of the Board of Directors of Sahathai Terminal Company Limited
2013-2015	Director and executive Committee of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)



5. Mrs. Sunee Sornchaitanasuk

(Director / Risk Management Committee)

Education

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

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

Bachelor Degree of Accounting, Thammasat University

CPA, Institute of Certified Accounting & Audit of Thailand Certified Public Accountant No.3733

Courses of Medical governance for senior Executive Class 3/2015, King

Prajadhipok's Institute

Courses of Top Executive Program in Commerce and Trade (TEPCoT) Class 7

National Defence Course in private sector (2011), National Defence College

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

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

Thai Institute of Directors (IOD)

- Ethical Leadership Program 16/2019 (ELP)
- Strategic Board Master 1/2017 (SBM)
- Successful Formulation and Execution of Strategy 17/2013 (SFE)
- Role of the Chairman Program 18/2008 (RCP)
- Monitoring the Internal Audit Function 2/2008 (MIA)
- Monitoring the System of Internal Control and Risk Management 3/2008 (MIR)
- Chartered Director Program 3/2008 (CDC)
- Quality of Financial Reporting 5/2007 (QFR)
- Director Diploma Examination 18/2005 (Fellow member)
- Audit Committee Program 5/2005 (ACP)
- Director Certification Program 53/2005 (DCP)
- Director Accreditation Program 28/2004 (DAP)

Current position

2017-Present	Independent director and Audit Committee of B Grimm Power Public Company Limited
2016-Present	Independent director and Chairman of the Audit Committee of Namyong Terminal Public Company Limited
2015-Present	Chairman of Audit Committee and Independent Director of Siam City Cement Public Company Limited
2013-Present	Chief Executive Officer of AMC Medical Center (Thailand) Company Limited



Experiences

2015-2017	Advisor to the Subcommittee on Physical Space Use And the environment National Legislative Assembly
2013-2015	Expert Committee on Accounting Fund for Education Committee Ministry of Finance Chairperson of the Education Fund Subcommittee Ministry of Finance Advisor to the Deputy Minister of Education Tourism and Sports Commissioner House of Representatives
2007-2015	Audit Committee And Independent Director of EMC Public 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)

Thai Institute of Directors (IOD)

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



Current position

- 2015-Present Independent Director / Audit Committee / Risk Management Committee / Nomination and Remuneration Committee of Ananda Development Property Public Company Limited.
- 2018-Present Director of Mena Transport Company Limited.
- 2009-Present Director and Executive committee of Eltek Power (Thailand) Company Limited.
- 2009-Present Director and Managing Director of Warach Paisarn Company Limited.

Experiences

- 2013-Sep 2019 Director of Technor Company Limited.
- 2011-2015 Director of Thai Herb Recipe Company limited.

7. Mrs. Bongkot Rungkornpaisarn

(Director and Executive Committee / Executive Vice President

(Corporate Affairs))

Education

Master Degree, Master of Business Administration, Chulalongkorn University

Bachelor Degree of Accounting, Chulalongkorn University

Thai Institute of Directors (IOD)

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



Current position

Present	Director of SC Group
- SC Logistics Co., Ltd.	- Thai International Dockyard Co., Ltd.
- SC Management Co., Ltd.	- SC Groups Co., Ltd.
- SC Offshore Services Co., Ltd.	- Eastery Mall Co.,Ltd.
- NP Marine Logistics Co., Ltd.	(Formerly:S C Oil & Gas Supply Co.,Ltd.)
- Strategic Port link Co., Ltd.	- SC Corporation Co., Ltd.
- SC Groups Holding Co., Ltd.	- SC Sirapat Co., Ltd.
- PKR Logistics Co., Ltd.	
- SC Auto Logistics Co., Ltd.	
- SCENA Offshore Co., Ltd.	
Present	Executive Vice President (Corporate Affairs) of N Holding Company Limited.
2018 - Present	Director of NFCT Co., Ltd
	Director of NFCW Co., Ltd
2006-Present	Director of Rayong Bulk Terminal Company Limited
2009-Present	Director of Eltek Power (Thailand) Company Limited
1992-Prsent	Director of Warach Paisarn Company Limited

Experiences

2013-2015	Director of Thai Herb Recipe Company limited
2013-Sep 2019	Director of Technor Company Limited
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)

8. Mr. Kijja Smunyahirun

(Director and Executive Committee)

Education

Bachelor Degree of Accounting, Bangkok University

Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) 112/2014
- Company Secretary Program 10/2005

Experiences

2016-2019	Senior Vice President (Corporate Affairs) of NFC Public Company Limited
2007-2019	Senior Vice President (Corporate Human Resource) of SC Group
2005-2018	Senior Vice President (Finance and Corporate) of NFC Public Company Limited
2013-2015	Director and Executive director of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)



9. Mr. Nataphong Ratanasuwanthawee

(Director / Executive Committee / Executive Vice President

(Business Development and Operating))

Education

Bachelor Degree, Public Administration, Ramkhamhaeng University

Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) 132/2016

Current position

Present Director of SC Group

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

Present Executive Vice President (Business Development and Joint Venture) of N Holding Company Limited

2018 - Present Director and Managing Director of NFCT Co., Ltd
Director of NFCW Co., Ltd

Experiences

2015-July 2018 Director of Thai Pipeline Network Co., Ltd.

2014-2017 Director of NP Marine Company Limited



10. Assoc. Prof. Dr. Seri Wongmonta

(Independent Director / Audit Committee)

Education

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

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

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

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

Current position

Present Present: Chairman of Good Communication Company Limited
Instructor, College of Management, Phayao University Bangkok Campus

Experiences

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



11. Mr. Sumit Petcharapirat

(Independent Director / Audit Committee)

(Resigned from Director of the Company effective on 7 May 2019)

Education

Master of Business Administration of National Institute of Development

Administration

Bachelor of Engineering of Chiang Mai University

Current position

1988-Present	Managing Director of Chairatchakarn (Bangkok) Company Limited
1988-Present	Toyota Chairatchakarn Company Limited
2009-Present	Director of Center of Enhancing Competitiveness, National Institute of Development Administration
2009-Present	Honorary Board of Business Administration, National Institute of Development Administration
2011-Present	Director of Research Ethics, Huachiew Chalermprakiet University
2011-Present	Executive Committee of Business Administration Faculty, Rajamangala University of Technology Krungthep
2013-Present	President of Alumni Association, National Institute of Development Administration
2013-Present	Director of Right-Livelihoods Foundation
2014-Present	Conciliator of Provincial Court, Samutprakarn Province
2015- Present	Conciliator of National Institute of Development Administration

Experiences

2015	Custodial Director of National Institute of Development Administration
2015	Business Incubator Committee of National Institute of Development Administration
2015	Association President of Engineering Alumni Association, Chiang Mai University
2015	Director of Assumption Sriracha Alumni Association
2014	Director of Engineering Alumni Association, Chiang Mai University



12. Mrs. Aree Termwattanapakdee

(Independent Director /Audit Committee)

Education

Master Degree / Master of Business Administration of Chulalongkorn University

Bachelor Degree / Bachelor of Business Administration in Accounting of

Ramkamhaeng University

Thai Institute of Directors (IOD)

- Directors Accreditation Program 11/2/2014
- Company Secretary Program 26/2008
- Audit Committee Program 22/2008
- Board Reporting Program 4/2010
- Effective Minutes Taking 18/2010
- Monitoring Fraud Risk Management 2/2010
- Monitoring the System of Internal Control and Risk Management 8/2010
- 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

Present Chief of Compliance & Internal Audit Department and secretary of the Audit Committee of Krungthai ZMICO Securities Company Limited
Chairperson of The Compliance Club of the Association of securities Companies, Association of Thai Securities Companies

Experiences

2014-2018 Independent Director and Audit Committee of Begistics Public Company Limited
(Formerly Bangpakong Terminal Public Company Limited)

13. Mr. Virasak Sutanthavibul

(Independent Director / Chairman of the Audit Committee)

Education

B. Eng., Chulalongkorn University

M.E., Texas A&M University, Texas, U.S.A.

The Joint State – Private Sectors Class 18/2005, The National Defence College of Thailand

Certificate, Capital Market Academy (CMA), Class 10/2010

Certificate, Thailand Energy Academy (TEA), Class 1/2012

Certificate of Completion and Graduation Pin, Justice Administration Batch 17

National Justice Academy (2012 – 2013)

Certificate of Completion and Graduation Pin, Institute of Business and Industrial Development (IBID), Class 2 /2015

Certificate, Business Revolution and Innovation Network (BRAIN) Class2/2018

Certificate, Harvard University, Advanced Management Program, U.S.A.

Certificate, Harvard University, Financial Institution for Private Enterprise Development, U.S.A.

Thai Institute of Director of association (IOD)

- Director Accreditation Program (DAP), Class 21/2003



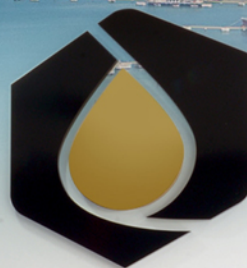
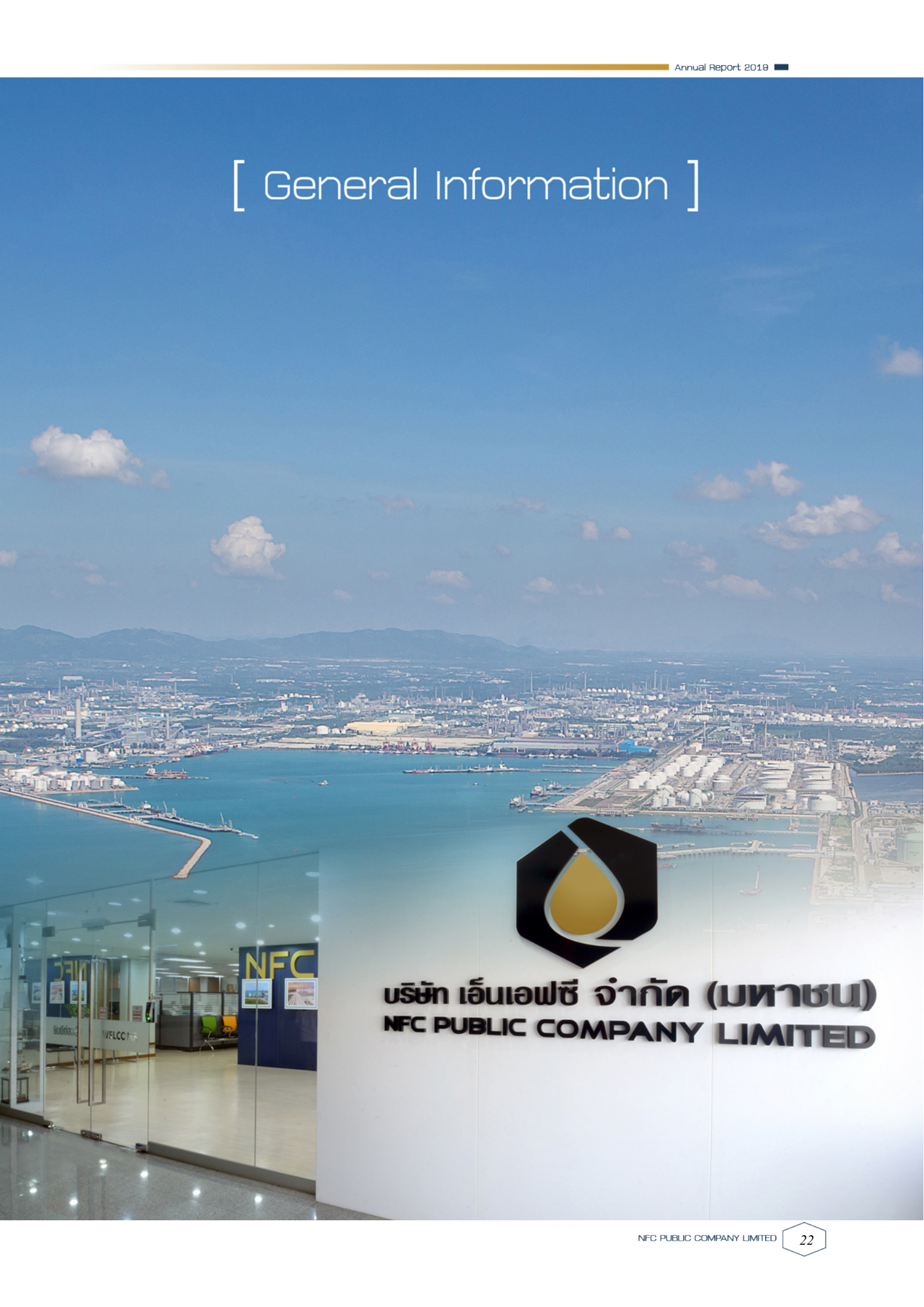
Current position

2005-Present	Independent Director of Bangkok Insurance Public Co.,Ltd.
2015-Present	Director of the Remuneration and Nomination Committee of Bangkok Insurance Public Co.,Ltd.
2011-Present	Chairman of the Corporate Governance Committee of Bangkok Insurance Public Co.,Ltd.
2015-Present	Independent Director and Chairman of Audit Committee of Thai Plaspac Public Co.,Ltd.
2016 – present	Committee of Nomination and Remuneration Committee, Thai Plaspac Public Co., Ltd.
2012-Present	Senior Executive Vice President, Commercial Banking of Bangkok Bank Public Co.,Ltd.
2004-Present	Independent Director and Audit Committee of T.Krungthai Industries Public Co.,Ltd.
2016-Present	Director of Bualuang Ventures Co.,Ltd.

Experiences

2014 – 2018	Independent Director and Audit Committee of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)
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[General Information]



บริษัท เอ็นเอฟซี จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED

General Information

Company's name	:	NFC Public Company Limited
Abbreviation	:	NFC
Registration number	:	0107538000495 (formerly, BorMorJor.572)
Listing Securities	:	1,087,833,056 of Common shares, Baht 0.75 par value
Capital registered	:	Baht 897,462,271.50
Paid up capital	:	Baht 815,874,792.00
Type of business	:	1. Chemical products distribution 2. Services
Head Office Address at the present	:	No. 88 SC Group building 3 rd floor, The Park Land Road, (Bangna-Trad KM.5), Bangna Nuea Sub-District, Bangna District, Bangkok. Tel. (02) 348-0580-6 Fax. (02) 348-0578-9 Website: www.nfc.co.th
Factory and Warehouse address	:	1. No.2 MapTaPhut Industrial Estate, I-2 road, MapTaPhut Sub-District, Mueang Rayong District, Rayong Province 21150 2. No. 9/25 Mu 4, BuengYitho Sub-District, Thanyaburi District, Pathumthani 12130 3. No. 105/10 Mu 2, Surath-Phaknum, Bangkung Sub-District, Mueang Surat Thani District, Surat Thani 84000
Registrar	:	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng Sub-District and District, Bangkok 10400 Tel. (02) 009-9000 Fax. (02)009-9999
Auditor	:	Mr. Mr. Jadesada Hungsapruet CPA no. 3759 Mr. Jirote Sirirorote CPA no. 5113 Ms. Kannika Wipanurat CPA no. 7305 Karin Audit Co., Ltd. 72 CAT Telecom Tower, Floor 24, Charoen Krung Rd. Bangrak, Bangkok. 10500 Thailand Tel. 0-2105-4661 Fax. 0-2026-3760 Website: http://www.karinaudit.co.th

[Policy and Overview of Business Operations]



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 an initial registered capital 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 the 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 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, the Company’s contractor performed the construction in delay and was unable to deliver the work within the contractual deadline. From the Baht devaluation announced by the government, the Company costs and expenses of the operating performance were continuously loss. Therefore, the Company entered into the business rehabilitation proceedings of the Central Bankruptcy Court in 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 to 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 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 1 Bath per share to 0.16 Baht 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 the private placement, at the offering price of 0.16 Baht per share, the total offering price of the Company's shares was 340 million Baht to Inter Spec Global Company Limited and Mr. Pittayakorn Naothaworn who was the private placement made the Company's paid-up capital changed to 1,076.89 million Baht. 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 with the condition to rest of the remaining debts amounted to approximately 190.18 million Baht.

In 2016, the Company had expanded the import business of Ammonia distribution to provide fully integrated end-user services by the acquisition and partial transfer of some business from Chemical and Aromatics (Thailand) Co., Ltd. ("C&A"). The Company had issued the new shares to private placement for paying the acquisition and partial transfer of some business to C&A and to register the change of paid-up capital 282.90 million Baht, resulting in paid-up capital changed to 1,359.79 million Baht. At present, C&A does not run any business and is in the process of other business practices study, which is 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 0.16 Baht per share to 0.50 Baht 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 0.50 Baht per share to 1.25 Baht 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 543.92 million Baht from the registered capital and the registered and paid-up capital of the Company of 1,359.79 million Baht to the registered and paid-up capital of 815.87 million Baht from 1.25 Baht per share to 0.75 Baht per share to compensate for the Company's deficit, which the Company still had 1,087.83 million registered and paid-up shares.

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

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

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

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

At the Extraordinary General Meeting 1/2018 on November 2018, had a resolution in purchasing all ordinary shares of SC Carrier Company Limited (“SCC”), which run a business on transportation and logistics services of the hazardous, petroleum, and chemical products. This will increase the profitability in the chemical selling business, income, and the performance of the Company, as well as raise the value of the Company. It also creates an opportunity to expand the business line to the related profession, diverse the risk of the Company, and provides a chance to be a complete service provider on logistics, which is the acquisition of assets type 1 and a connected transaction.

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

In 2019, the Board of Directors meeting had a resolution to terminate the shares purchasing agreement with SCC because the condition precedent enforcement process set in the contract was not completed, including the essential condition precedent about the consent from the financial institutional creditors which is responsible by the two sellers. Later, a significantly negative incident to SCC, due to the law with ambiguous guidelines and the changes in officers’ guidelines, had occurred which caused uncertainty and risk to in their income, as well as, business. Therefore, after consultation between the Board of Directors and the firm’s legal advisor, they found that the happening would be negatively effect to SCC and the Company if we maintain the transaction for the SCC shares so they decided to terminate the purchasing contract.

In the Extraordinary General Meeting on June 2019, there was an approval for the NFCT Co., Ltd, held 100% shares by the Company, to invest in the Fuel Tank Farm Project which located in a general industrial area; No.2 Map Ta Phut Industrial Estate, I-2 road, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province, in order to provide services on fuel liquid storage and logistics by transporting through the pipeline. At the same time, there was a decision from the Board of Directors meeting on raising the registered capital and paying for the full value of NFCT shares for 325 million Baht to support the Fuel Tank Farm Project.

On July 2019, the Company made a payment for paid up capital 325 million Baht to NFCT Co., Ltd. Then, NFCT Co., Ltd has increased their registered capital by 325 million Baht, from 1 million Baht to 326 million Baht, and issued newly ordinary shares for 3,250,000 shares at par value 100 Baht per share, to support the capital raising from the Company.

Furthermore, NFCT Co., Ltd. also signed the land lease agreement for industrial, at Map Ta Put Industrial Estate, to run the Fuel Tank Farm for The Shell Company of Thailand Ltd. according to Storage Facility Services Agreement with a service of 12+5 years.

In November 2019, NFCT Co., Ltd signed the EPC Contract for NFCT Fuel Tank Farm Project with an EPC contractor for lump sum turn keys construction. Moreover, the target completion date of the project is on 1 June 2021. The project would also be ready to start the operation on the following date.

Vision Mission Organization Culture and Business Plan

- **Vision**
Being a leader of business integration in the production, sale and purchase, the chemical storage service provider in Thailand and Southeast Asia regions with sustainable profits.
- **Mission**
 - i. Continuous growth with stability and sustainable way to achieve the vision.
 - ii. Transparent business management with a 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 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 of creative 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.
- **Business Plan**
 - i. Distributing chemical products such as ammonia, ammonium oxide, and sulfuric acid
 - ii. Providing services on warehouse, logistics and liquid storage including port services

Major changes and developments

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

- 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, 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 340 million Baht, by issued 2,125 million shares at a par value of 0.16 Baht per share, and approved the allotment of 2 new shares to the investors, with the terms

of the capital increase being Inter Inter Spec Global Co., Ltd. amount of 1.37 shares at a price of 0.16 Baht and Mr. Pittayakorn Naothaworn amount of 750 million shares at 0.16 Baht per share.

- On December 25, 2015, the Company received 340 million Baht from the capital increase.
- On 28 December 2015, the Company registered the increase of paid-up registered capital of 1,076.89 million Baht divided into 6,730.59 shares at 0.16 Baht 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 282.90 million Baht by issuing ordinary shares, approximately 1,768,106,235 shares at a par value of 0.16 Baht 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 the business of ammonia and ammonium hydroxide.
 - Change in par value from 0.16 Baht per share to 0.50 Baht.
- 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 0.16 Baht per share, totaling 282.90 million Baht, and registered the paid-up capital of 1,359.79 million Baht divided into 8,498.70 million shares at par value of 0.16 Baht.
- On June 10, 2016, the Company changed the par value from 0.16 Baht per share to 0.50 Baht per share, resulting in a change in share capital from 0.16 Baht 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 0.50 Baht per share to Baht 1.25 per share.
- On 6 September 2017, Then, the Company had decreased its registered and paid-up capital of the Company amount of 543.92 million Baht from its registered and paid-up capital of 1,359.79 million Baht to the new registered and paid-up capital of 815.87 million Baht by reducing the value of shares from 1.25 Baht per share to 0.75 Baht per share to compensate for the Company's deficit.
- On 29 March 2018, the Company submitted a letter requesting the Company's securities to enter the period of procedure for qualification to resume stage with the Stock Exchange of Thailand.
- On 31 May 2018, the Company submitted a letter requesting to remove the cause of possible delisting and resumed the securities of NFC to trade (Resume Trading) in the Stock Exchange of Thailand

- On 8 June 2018, The Stock Exchange of Thailand (SET) has approved the Company removed the cause of possible delisting and resumed the securities of NFC to trade on SET (Resume Trading) under Industrials Industry in Petrochemicals & Chemicals Sector from 15 June 2018 onwards and 1 of NFC's a strategic shareholder, holding NFC's ordinary share including the amount of capital increase shares of the shareholders totaling 598.31 million shares or 55% of the paid-up capital in that period would be prohibited on the silent period for 1 year from the first trading date of the Company and would be allowed to trade 25% of all shares that are subject to the prohibition of sale after 6 months.
- On 2 August 2018, the Company has established 2 subsidiaries, namely, NFCT Co., Ltd, operating a liquid warehouse service, and NFCW Co., Ltd, operating a warehouse and yard service which NFC Public Company Limited has shareholder in both of 99.97 % and registered capital Bath 1,000,000 per company.
- On 21 November 2018, the resolution from the Extraordinary General Meeting 1/2018 was to purchase all ordinary shares of SC Carrier Company Limited ("SCC"), which run a business on transportation and logistics services of the hazardous, petroleum, and chemical substances. This will increase the profitability in the chemical selling business, income, and the performance of the Company, as well as raise the value of the Company. It also creates an opportunity to expand the business line to the related profession, diverse the risk of the Company, and provides a chance to be a complete service provider on logistics, consequently be the acquisition of assets type 1 and a connected transaction.
- On 6 December 2018, the Company increased the registered capital by 81,587,479.50 Baht from the existing registered capital of 815,874,792 Baht to the newly registered capital of 897,462,271.50 Baht by issuing 108,783,306 newly issued ordinary shares at the par value of 0.75 Baht per share to reserve for the exercise of warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) on December 2018 of not exceeding 108,783,306 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 10:1 with the term for 3 years by exercising twice a year at the exercise price of 6.50 Baht.
- On 9 April 2019, the Board of Directors meeting had a resolution to terminate the share purchasing agreement on all SCC's stocks because the condition precedent enforcement process set in the contract was not completed, including the essential condition precedent about the consent from the financial institutional creditors which is responsible by the two sellers. Later, a significantly negative incident to SCC, due to the law with ambiguous guidelines and the changes in officers' guidelines, had occurred which caused uncertainty and risk to in their income, as well as, business. Therefore, after consultation between the Board of Directors and the firm's legal advisor, they found that the happening would be negatively effect to SCC and the Company if the Company maintain the transaction for the SCC shares so they decided to terminate the purchasing agreement.
- On 21 June 2019, there was approval in the Extraordinary General Meeting for the NFCT Co., Ltd, held 100% shares by the Company, to invest in the Fuel Tank Farm Project which located in a general industrial area; No.2 Map Ta Phut Industrial Estate, I-2 road, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province, in order to provide services on fuel liquid storage and logistics by transporting through the pipeline.
- On 21 June 2019, there was also a decision from the Board of Directors meeting on raising the registered capital and paying for the full value of NFCT shares for 325 million Baht to support the Fuel Tank Farm Project. Furthermore, NFCT Co., Ltd has got approval in the Extraordinary General Meeting on the same day.
- On 19 July 2019, the Company made a payment for paid up capital 325 million Baht to NFCT Co., Ltd.

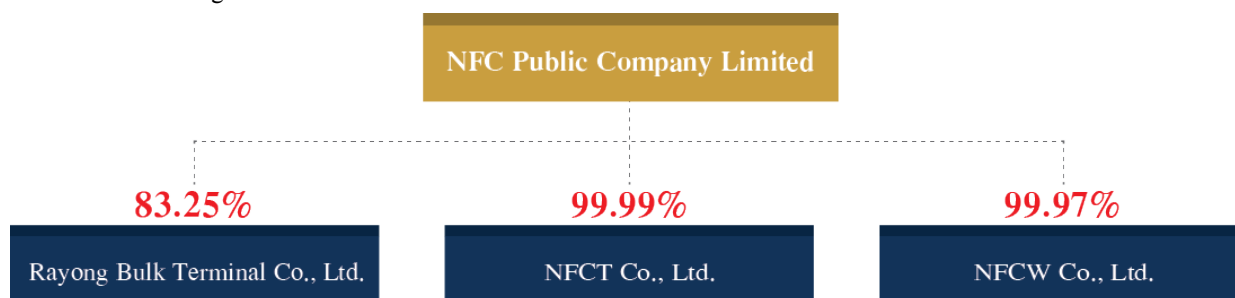
- On 23 July 2019, NFCT Co., Ltd has increased their registered capital by 325 million Baht, from 1 million Baht to 326 million Baht, and issued newly ordinary shares for 3,250,000 shares at par value 100 Baht per shares, to support the capital increasing from the Company.
- On 25 July 2019, NFCT Co., Ltd signed the land lease agreement for industrial, at Map Ta Phut Industrial Estate, to run the Fuel Tank Farm for The Shell Company of Thailand Ltd. according to Storage Facility Services Agreement with a service of 12+5 years.
- On 6 November 2019, NFCT Co., Ltd signed the EPC Contract for NFCT Fuel Tank Farm Project with an EPC contractor for lump sum turnkey construction. The target completion date of the project is on 1 June 2021. The project would also be ready to start the operation on the following date.

Shareholding Structure of the Group

The Company has 3 subsidiary companies as follows:

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

with the 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, 2019 as follows:

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

[Nature of Business Operations]



Nature of Business Operations

Revenue's Structure

Unit: Million Baht

	For the year ended		For the year ended		For the year ended	
	December 31, 2017		December 31, 2018		December 31, 2019	
	Amount	%	Amount	%	Amount	%
Revenue from Sale chemical products	990.67	89.98	1,085.92	92.03	1,080.75	91.46
Ammonia	574.56	58.00	565.60	52.08	408.61	37.63
Ammonium Hydroxide	22.69	2.29	21.46	1.98	27.06	2.49
Sulfuric acid	393.42	39.71	498.86	45.94	645.08	59.40
Revenue from Services	110.34	10.02	94.07	7.97	100.90	8.54
Warehouse services	12.23	11.09	29.96	31.85	35.77	38.02
Logistics and Liquid storage service	55.34	50.15	55.04	58.51	54.96	58.42
Port service	42.77	38.76	9.07	9.64	10.17	10.81
Total revenue	1,101.01	100.00	1,179.99	100.00	1,181.65	100.00
Others income						
Gypsum revenues net of related expenses	14.04	50.63	7.02	49.17	18.39	67.34
Reversal of allowance for doubtful accounts	6.87	24.77	0.00	0.00	0.00	0.00
Gain from sale of fixed assets	3.69	13.31	0.60	4.20	0.00	0.00
Reversal of allowance for impairment on assets	0.00	0.00	0.00	0.00	0.00	0.00
Debt forgiveness from legal claim	0.00	0.00	0.00	0.00	0.00	0.00
Gain from Exchange rate	0.73	2.63	1.71	11.97	0.03	0.11
Income from Bank interest	1.59	5.73	4.13	28.92	4.16	15.23
Gain from claim	0.04	0.15	0.15	1.05	0.00	0.00
Income from sales of materials and equipment	0.43	1.55	0.00	0.00	0.00	0.00
Reversal of allowance for inventories obsolete and defective	0.00	0.00	0.67	4.69	0.00	0.00
Gain from sales of short-term investment	0.00	0.00	0.00	0.00	4.38	16.04
Others (i.e. sale of scrap materials)	0.43	1.55	0.34	1.23	0.35	1.28
Total Others income	27.73	100.00	27.73	100.00	27.31	100.00

Types of Products and Services

Economic and industrial conditions affecting operations

- **Ammonia**

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

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

- **Ammonium hydroxide**

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

- **Sulfuric acid**

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

Distribution of chemicals.

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

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

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

Services

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

Marketing and Competition

A. Target customers

Distribution of chemicals

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

- Ammonia

In 2019, Ammonia revenue was 408.61 million Baht, or 37.63% of the total sales of chemicals revenue. There are 40 customers, including Trader and End User, which can be divided into industry segments as follows:

Industry group	Amount (Million Baht)	%
1. Monosodium glutamate	251.27	61.49
2. Latex	125.16	30.63
3. Refrigerant	21.98	5.38
4. Chemicals	8.77	2.15
5. Others	1.43	0.35
Total	408.61	100.00

The major customers are IVIC (Thailand) Co., Ltd., representing 59.84% of the income from Ammonia sales.

- Ammonium hydroxide

In 2019, Ammonium hydroxide revenue was 27.06 million Baht, or 2.49 % of total sales of chemicals revenue. There are 9 customers, including Trader and End User, which can be divided into industry segments as follows:

Industry group	Amount (Million Baht)	%
1. Power plants/Gas separation plants	10.28	37.99
2. Pollution Control	16.00	59.13
3. Rubber	0.43	1.59
4. Rubber planters	0.25	0.92
5. Others	0.10	0.37
Total	27.06	100.00

The major customers are Asian Scientific Co., Ltd., representing 37.54% of the income from Ammonium hydroxide sales.

- Sulfuric acid

In 2019, Sulfuric acid revenue was 645.08 million Baht, or 59.40% 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	532.58	82.56
2. Sumitomo Corporation Thailand Co., Ltd.	112.50	17.44
Total	645.08	100.00

Services

In 2019, the Company provides the following services to the customers:

1) Target customer of warehouse services

In 2019, the revenue from warehouse services was 37.77 million Baht, representing 38.02% of total service revenue. There are 14 customers who are customers in Map Ta Phut Industrial Estate. The major customers are GC Logistics Solution Co., Ltd., computing to 69.17% of total revenue from warehouse services.

2) Target customer of Logistics and Liquid storage service

In 2019, the revenues from Logistics and Liquid storage service was 54.96 million Baht, representing 58.42% of total service revenue. There are 2 customers who are the customers of Sulfuric acid. The major customers are Saksri Industry Co., Ltd computing to 81.88% of total revenue from Logistics and Liquid storage service.

3) Target customer of Port services

In 2019, the revenues from Port service was 10.17 million Baht, representing 10.81% of total service revenue. There are 57 customers who are customers in Map Ta Phut Industrial Estate. The major customers are SC Management Co., Ltd computing to 69.62% of total revenue from Port service.

B. Distribution

Distribution of chemicals

- **Ammonia**

In the year 2019, there are 40 customers were sold through the Trader and End User segments, which were classified as follows.

Customer segment	Amount (Million Baht)	%
1. Trader	273.71	66.99
2. End User	134.90	33.01
Total	408.61	100.00

The distribution was made through the 7 Trader segment, representing 69.99% 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 33 end users, computing to 33.01% 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.

- **Ammonium hydroxide**

In the year 2019, there are 9 customers were sold through the Trader and End User segments, which were classified as follows.

Customer segment	Amount (Million Baht)	%
1. Trader	16.36	60.46
2. End User	10.70	39.54
Total	27.06	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 2017 – 2019, Thailand imported 426,896 tons, 481,642 tons and 428,473 tons 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 production process of Caprolactam Acrylonitrile and Methyl methacrylate. The rest are imported Ammonia for sale to other industrial operators such as Monosodium glutamate industry and Latex industry. Thus, the Company imported Ammonia for sale in 2018, representing 41% of the volume of imports for sale.

Currently, there are only 3 major importers of Ammonia. The Company has a market share approximately 30% 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 ready availability of berths with facilities for importing such goods including most of our clients are customers who have a relationship for more than 10 years.

- **Ammonium hydroxide**

Ammonium hydroxide or Water Ammonia is the main raw material for production to react with water, the concentration of Ammonium hydroxide depends on the proportion of Ammonia mixed. Ammonium hydroxide is used in the Textile Industry, Pharmaceuticals, Rubber, Detergents, Gas separation plants, Power plants, Dyes and cleaning agents, etc. Ammonium hydroxide used in Thailand mostly produced locally from imported Ammonia. For direct import of Ammonium hydroxide in 2017 - 2019, Thailand imported 309 tons, 119 tons and 117 tons of Ammonium hydroxide, respectively, mainly from China approximately 82% 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 2019, the Company sold 5,086 tons of Ammonium hydroxide.

- **Sulfuric acid**

Sulfuric acid is the raw material for many basic industries such as Fertilizers, Batteries, Textiles, Pulp, Tissue, Alum, Rubber, etc. In Thailand, Sulfuric acid is not sufficient to domestic demand so it also depends on the import.

Sulfuric acid used in Thailand is both produced in the country and imported from abroad. In 2017-2019, Thailand imported Sulfuric acid for 822,640 tons, 790,735 tons and 693,245 tons, respectively, mainly from Japan, South Korea and the Philippines (Source: www.customs.go.th).

In 2019, The Company imported Sulfuric acid for sale, representing 42.25 % of Sulfuric acid for sale.

Currently, there are 4 major suppliers of Sulfuric acid and the Company has a 55% of total market share value because the Company has 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 facilities for importing such goods including the Company's customers are customers who have relationships for more than 10 years.

Services

- Warehouse services

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

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

- Logistics and Liquid storage service and Port services

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

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

The location of the Company has strategic advantages in the Map Ta Phut Industrial Estate that is the production base of the major petrochemical and chemical industries. The Company also has a large berth (Panamax) and there is space behind the docks ready to develop to support and enhance service to customers. It has a competitive advantage in offering

services such as logistics services to meet the needs of customers especially customer for import and export. There are also railroads attached to the area of the Company that will be able to develop the main rail connection. (Map Ta Phut Station), which will enhance the competitiveness in the future.

2.3 Products and Services Supply

Distribution of chemicals

- **Ammonia**

The Company imported Ammonia from 2 overseas suppliers such as Petronas Group, Malaysia and Mitsui, Japan which imported from Malaysia computing to 82.59% of the total import volume. The Company has a license to import Ammonia hazardous substances from various sources of reserves totally 9 sources and manufacturing plant licenses to operate Ammonia filling business including a business license that is harmful to health.

- **Ammonium hydroxide**

The Company produces Ammonium hydroxide at Rangsit factory, Pathum Thani 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 4 overseas suppliers such as Switzerland, Korea, Japan, United Arab Emirates and 1 domestics supplier which most of them are yearly contract. Imported from the Philippines representing 37.32% of total import volume. The Company has a license to import hazardous materials, Sulfuric acid from 16 different reserved sources.

Services

- For Warehouse Services, Logistics and Liquid storage service and Port services are located on the area of 498 Rai 1 Ngan 8.76 Square wah of land lease agreement for industry, Map Ta Phut Industrial Estate. The lease agreement will be expired in 2022, but the contract states a promise that if the Company wishes to lease land will be written in writing to the IEAT, and IEAT will consider renting for the next 20 years, according to the rental rates and conditions that notified by IEAT. The Company has also entered into a Joint Operation Agreement for the construction of a Port with IEAT where the terminal area is approximately 265 meters in length for 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 Thai economy in 2019 was grown less than the expectation and faced challenges, especially the impact from the Trade War, the world financial fluctuation, and internal factors in the country. The Office of the National Economics and Social Development Council (December 2019) gave an opinion that the expansion of the consumption and investment tends to be better in 2020 and the growth of 2020 GDP would lie between 2.1% to 3.7%.

According to the COVID-19 outbreak at the beginning of 2020 and the severe drought beyond expectation, the economic in Thailand would face a downward trend and lower than its potential. However, the Company has prepared a plan to handle the economic swing, world financial situation, and the COVID-19 epidemic which are risky to the business. Therefore, to minimize the impact which might occur to the business, the Company should monitor them closely, prioritize the efficiency in financial management, analyze the data in-depth, and prepare an appropriate risk management plan.

For the Fuel Tank Farm Project by the NFCT Co., Ltd, the subsidiary company which company held 100% shares, has been approved in the Extraordinary General Meeting 1/2019, on 21 June 2019. The project is located on No.2 MapTaPhut Industrial Estate, I-2 Road, Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province which is rented followed land lease agreement for industrial with Map Ta Phut Industrial Estate. The duration of this lease agreement is 30 years. The purpose is to provide services on fuel liquid storage and logistics by transporting through the pipeline to The Shell Company of Thailand Ltd. for 12 years with the right to extend the contract for 5 years; 17 years in total. The value of the following project is 2,569.99 million Baht in totally, however, it provides a certain return throughout the period of 17 years. The appropriate Project Internal Rate of Return (Project IRR) is 9.58% per annum and the payback period is 9.63 years. The project is recently under construction according to the project schedule and expects to start the operation on the 3rd quarter of 2021.

In addition, the expansion of the Company's investment is still based on stable and sustainable growth. Therefore, the Company assigned the management to study in detail of the economic situation, industries, law and regulations, business operation, and risks that might occur, in order to develop the investment with a worthwhile return and on the basis of the risk appetite in the risk management policy.

[Risk Factors]



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 indicated 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 the 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 is manufacturers and distributors in the country and the raw materials or chemicals are commodity goods which price are fluctuations in world market prices at the different period that the risk factors are affecting 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 managed the risks by setting up the structure of pricing for selling from the 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, IVIC (Thailand) Co., Ltd., which is a customer of Ammonia representing 20.70% 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 48.88% of revenues from sales and services. Both customers have a good relationship with the Company for over 10 years. The Company has received the confidence and trust of 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 customers 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 reduces the risk of dependency Major Distributor (Vendor) by purchasing Ammonia and Sulfuric acid from more than 1 supplier. In addition, the Company currently has a license to import dangerous substances, Ammonia from various production sources, reserved for 9 sources of production and importing hazardous substances, Sulfuric acid from 16 different sources, ready to be imported from vendors in the Company’s Vendor list.

Risk of new entrants.

Currently, there are a few Ammonia and Sulfuric acid importers because the importer must be ready for storage, Chemical tank and liquid cargo port, which requires a high capital investment and the chemical market is a semi-monopoly market of fewer 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 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 the policy to select cargo ships that are safe and suitable for the 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 the policy to engage Ammonia transportation companies which must be a shipping company licensed to transport an Ammonia carrier from the Department of Industrial Works by Ammonia transport vehicles are licensed and regularly inspected by the Department of Land Transport and regularly inspects by the department of land transport and meet the standards law including the drivers must have the license required by law to ensure the safety of life and property in land transport. In addition, the Company has a team to monitor the operation to meet the requirements of the Company. If during an unexpected incident would result in a loss and could affect the reputation and conduct of the Company, the Company can claim damages as it is incurred by such shipping company.

For Sulfuric acid transportation, the Company does not engage business in Sulfuric acid transportation services due to the current Sulfuric acid trading conditions, the customers themselves are required to supply Sulfuric acid transport vehicles at the warehouse at Map Ta Phut Industrial Estate, Rayong. So, there is no risk of transporting Sulfuric acid by land. However, the Company has the 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 the 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 both short and long term are significant.

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

Financial Risks

1) Risk from Currency Exchange

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

In the year 2019, the Company had an obligation to pay US dollars to foreign sellers amount of approximately USD 20 million, representing 100% of the total amount, the Company has managed the risk by preparing a contract to buy the exchange rate in advance in accordance with the payment conditions for the product.

2) Risk from Credit

At the end of 2019, the Company had an allowance for doubtful accounts amounting to 40.06 million Baht, representing 40.26% of total trade accounts receivable. The litigation debt generated by the chemical fertilizer business before the year 2006 was 12.82 million Baht. In the year 2019, the Company has reversed the allowance for doubtful accounts in the amount of 0.05 million Baht due to receiving payment from debtors. However, the sale of goods and services to credit customers must be approved by the credit committee of the Company resulting for the risk of such loans is low. In addition, the Company manages the risk by providing short-term loans or charge for goods and services in advance from customers resulting for credit risk decreased.

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

The conduct of business by the Company requires license from the 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]



Securities Details and Shareholders

Number of registered capital and paid-up capital

As of December 31, 2019, the Company registered capital was 897.46 million Baht, and paid-up capital was 815.87 million Baht 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 June 21, 2019:

Name - Surname	Number of shares		% of paid-up capital
1. Total of Mr. Nuttaphob Ratanasuwanthawee group		694,071,296	63.80
Mr. Nuttaphob Ratanasuwanthawee	690,329,994		
Mr. Nataphong Ratanasuwanthawee	3,741,302		
2. Inter Spec Global Company Limited		176,000,000	16.18
3. Bentayga Holdings Ltd		86,000,000	7.91
4. Mr. Asia Phukhunanun		28,160,000	2.59
5. Mr. Praty Sermsuksakulchai		23,880,000	2.20
6. Total of Aungsatumrat family		10,867,461	1.00
8.1 Mr. Satimon Aungsatumrat	5,812,561		
8.2 Mr. Archavee Aungsatumrat	4,745,900		
8.3 Mr. Anun Aungsatumrat	239,200		
8.4 Mrs. Supadee Aungsatumrat	70,000		
Other minor shareholders		68,854,299	6.33
Total Shareholders		1,087,833,056	100.00

Note: The Company has no agreement of major shareholders.

On 6 December 2018, the Company increased the registered capital by 81,587,479.50 Baht from the existing registered capital of 815,874,792 Baht to the newly registered capital of 897,462,271.50 Baht by issuing 108,783,306 newly issued ordinary shares at the par value of 0.75 Baht per share to reserve for the exercise of warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) on December 2018 of not exceeding 108,783,306 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 10:1 with the term for 3 years by exercising twice a year at the exercise price of 6.50 Baht per share. The ratio of the right was 1 unit of warrant to 1 ordinary share, and there was the Rights Adjustment of Warrant to Purchase the Company's Ordinary Share No.1 since the Annual General Meeting 2019 approved the dividend payment for the operation result for the year 2018 at 0.043 baht per share or equivalent to 92.99 % of earning per share after deducting legal reserve. Therefore, the dividend payment falls within the criteria under clause 6.5 of the Terms and Conditions of the Right Adjustment of Warrants to Purchase the Company's Ordinary Shares No. 1 (“Warrant” or “NFC-W1”). The Company is required to make the right adjustment when the Company pay a dividend at higher than 50 percent of the Net Profit stated in the financial statement (audited) after deducted by retained loss, legal reserve, minority interest and income tax on the operating performance in such accounting period. The exercise

price and ratio of the adjusted rights, calculated by the formula and the method stated by the following terms and conditions, are 6.48350 Baht and 1 unit of warrant to 1.00255 ordinary shares.

[Dividend Policy]



Dividend Policy

The Company has the 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]



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, 2019-Dec. 31, 2019)	
			Number of Meetings	Number of Attendances
1	Gen. Montree Sungkasap	Chairman / / Chairman of Risk management Committee	11	11
2	Mr. Nuttaphob Ratanasuwanthawee ¹	Vice Chairman / Chairman of Executive Committee	11	9
3	Mr. Suppakit Duyapich	Director / Risk management Committee	11	10
4	Mr. Yongyos Palanitisena	Director / Executive Committee / Risk management Committee	11	7
5	Dr. Suneer Sornchaitanasuk	Director / Risk management Committee	11	7
6	Mr. Wiboon Rasmeepaisarn ¹	Director / Risk management Committee	11	10
7	Mrs. Bongkot Rungkornpaisarn ¹	Director / Executive Committee	11	11
8	Mr. Kijja Smunyahirun	Director / Executive Committee	11	11
9	Mr. Nataphong Ratanasuwanthawee	Director / Executive Committee	11	11
10	Assoc.Prof.Dr. Seri Wongmonta ^{1 and 3}	Independent Director / Audit Committee	11	8
11	Mr. Sumit Petcharapirat ²	Independent Director / Audit Committee	5	1
12	Mrs. Aree Termwattanapakdee	Independent Director / Audit Committee	11	10
13	Mr. Virasak Sutantawibul ^{2 and 3}	Independent Director / Chairman of Audit Committee	5	4

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

² Mr. Sumit Petcharapirat has resigned from Director of the Company effective on 7 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, approved the appointment of Mr. Virasak Sutantawibul to replace the resigned director in remaining terms.

³ Assoc.Prof.Dr. Seri Wongmonta has resigned from the Director of the Audit Committee but still be an Independent Director effective on 14 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, and approved the appointment of Mr. Virasak Sutantawibul to the Director of the Audit Committee.

As of December 31, 2019, authorized signatory directors are Mr. Nuttaphob Ratanasuwanthawee, Mr. Yongyos Palanitisena, Mrs. Bongkot Rungkornpaisarn, Mr. Kijja Smunyahirun and Mr. Nataphong Ratanasuwanthawee by 2 out of five directors signed with the Company's seal affixed.

Executive Committee

Item	Name - Surname	Position	Meeting (Jan. 1, 2019-Dec. 31, 2019)	
			Number of Meetings	Number of Attendances
1	Mr. Nuttaphob Ratanasuwanthawee ¹	Chairman of Executive Committee	5	5
2	Mr. Yongyos Palanitisena	Executive Committee	5	3
3	Mrs. Bongkot Rungkornpaisarn ¹	Executive Committee	5	5
4	Mr. Kijja Smunyahirun	Executive Committee	5	5
5	Mr. Nataphong Ratanasuwanthawee	Executive Committee	5	5

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

Audit Committee

Item	Name - Surname	Position	Meeting (Jan. 1, 2019-Dec. 31, 2019)	
			Number of Meetings	Number of Attendances
1	Assoc. Prof. Dr. Seri Wongmonta ^{1 and 3}	Chairman of Audit Committee	7	6
2	Mrs. Aree Termwattanapakdee*	Audit Committee	7	7
3	Mr. Sumit Petcharapiratch ²	Audit Committee	4	0
4	Mr. Virasak Sutantawibul ^{2 and 3}	Independent Director / Chairman of Audit Committee	2	2

Remarks:

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

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

² Mr. Sumit Petcharapiratch has resigned from Director of the Company effective on 7 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, approved the appointment of Mr. Virasak Sutantawibul to replace the resigned director in remaining terms.

³ Assoc. Prof. Dr. Seri Wongmonta has resigned from the Director of the Audit Committee but still be an Independent Director effective on 14 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, and approved the appointment of Mr. Virasak Sutantawibul to the Director of the Audit Committee.

Risk Management Committee

Item	Name - Surname	Position	Meeting (Jan. 1, 2019-Dec. 31, 2019)	
			Number of Meetings	Number of Attendances
1	Gen. Montree Sungkasap	Chairman of Risk Management Committee	4	4
2	Mr. Suppakit Duyapich	Risk management Committee	4	4
3	Mr. Yongyos Palanitisena	Risk management Committee	4	3
4	Dr. Sunee Sornchaitanasuk	Risk management Committee	4	3
5	Mr. Wiboon Rasmeepaisarn ¹	Risk management Committee	4	4

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

Management

As of December 31, 2019, 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 ¹	Executive Vice President (Finance and Corporate Affairs)
3	Mr. Nataphong Ratanasuwanthawee	Executive Vice President (Commercial and Operation)
4	Mr. Kijja Smunyahirun ²	Senior Vice President (Corporate Affairs)
5	Mrs. Sarinthip Kittiwongsophon ³	Senior Vice President (Finance and Office of Director)
6	Miss Dudduen Boonsue ⁴	Senior Vice President (Accounting and Information Technology)

Remarks: The Company issued an order on executives re-structuring, effective on 1 January 2020 as follows:

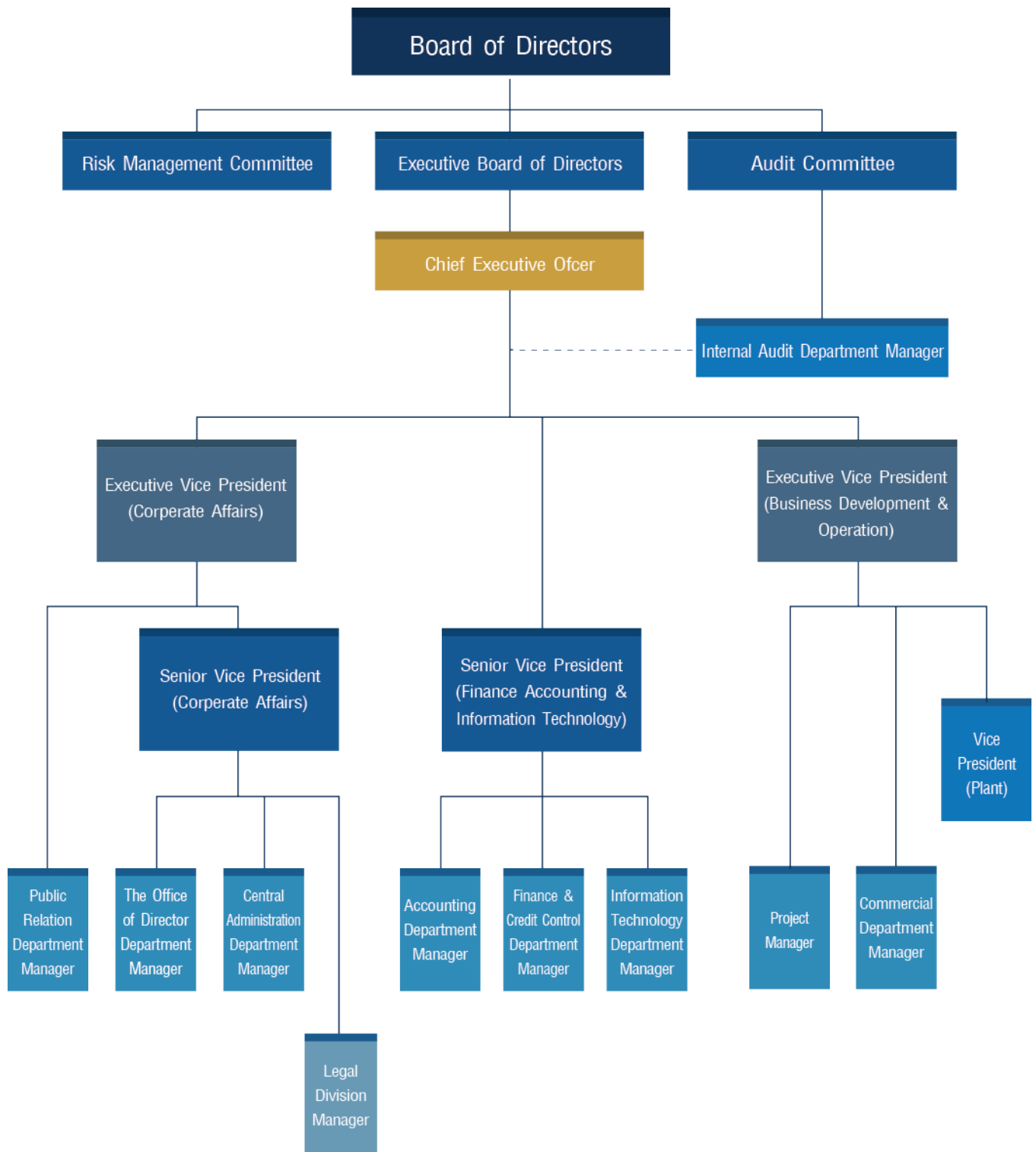
¹ Mrs. Bongkot Rungkornpaisarn Executive Vice President (Corporate Affairs)

² Mr. Kijja Smunyahirun has resigned from Senior Vice President (Corporate Affairs) due to retirement

³ Mrs. Sarinthip Kittiwongsophon Senior Vice President (Corporate Affairs)

⁴ Miss. Dudduen Boonsue Senior Vice President (Finance 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.

Remuneration for Directors and Executives

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

Remuneration for Directors from January to December 2019

(Unit: Baht)

Name's List	Board of Director	Executive Committee ³	Audit Committee ⁴	Risk Management Committee ⁴	Total
Gen. Montree Sungkasap	192,000	-	-	48,000	240,000
Mr. Nuttaphob Ratanasuwanthawee	156,000	192,000	-	-	348,000
Assoc. Prof. Dr. Seri Wongmonta ^{1 and 2}	120,000	-	70,000	-	190,000
Mr. Sumit Petcharapiratch ¹	50,000	-	-	-	50,000
Mrs. Aree Termwattanapakdee	120,000	-	70,000	-	190,000
Mr. Suppakit Duyapich	120,000	-	-	30,000	150,000
Mr. Yongyos Palanitisena	120,000	120,000	-	30,000	270,000
Dr. Sunee Sornchaitanasuk	120,000	-	-	30,000	150,000
Mr. Wiboon Rasmeepaisarn	120,000	-	-	40,000	160,000
Mrs. Bongkot Rungkornpaisarn	120,000	120,000	-	-	240,000
Mr. Kijja Smunyahirun	120,000	120,000	-	-	240,000
Mr. Nataphong Ratanasuwanthawee	120,000	120,000	-	-	240,000
Mr. Virasak Sutantawibul ^{1 and 2}	80,000	-	24,000	-	104,000
Total	1,558,000	672,000	164,000	178,000	2,572,000

Remark:

¹ Mr. Sumit Petcharapiratch has resigned from Director of the Company effective on 7 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, approved the appointment of Mr. Virasak Sutantawibul to replace the resigned director.

² Assoc. Prof. Dr. Seri Wongmonta has resigned from the Director of the Audit Committee but still be an Independent Director effective on 14 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, and approved the appointment of Mr. Virasak Sutantawibul to the Director of the Audit Committee.

³ Remuneration for sub-committee apart from the monthly compensation received as the director of the Company

⁴ Remuneration for sub-committee apart from the compensation received each time they attend the meeting as the director of the Company

⁵ The Board of Directors who did not receive any remuneration from being the director of the subsidiary company

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

Remuneration for Executives in 2019

In 2019, the Company paid remuneration for 6 executives as follows:

	2017		2018	
	Number (persons)	Amount (million Baht)	Number (persons)	Amount (million Baht)
Salary	7	22.18	6	21.96
Provident Fund		1.17		1.14
Once paid income		0.00		0.00
Other income		0.00		0.00
Compensation under the labor law (retirement)		2.20		0.00
Total		25.55		23.10

Remark: The Board of Directors who did not receive any remuneration from being the director of the subsidiary company

Personnel

From January 1, 2019 to December 31, 2019, the Company paid remuneration to employee total amount 90 employees (entering and leaving during a year included), totaling 65,835,501 Baht comprising of salary, shift wage, provident fund, allowances for working in up-country, accommodations, living expenses, annual leave pay, severance pay under labor law.

Number of employees: As of December 31, 2019

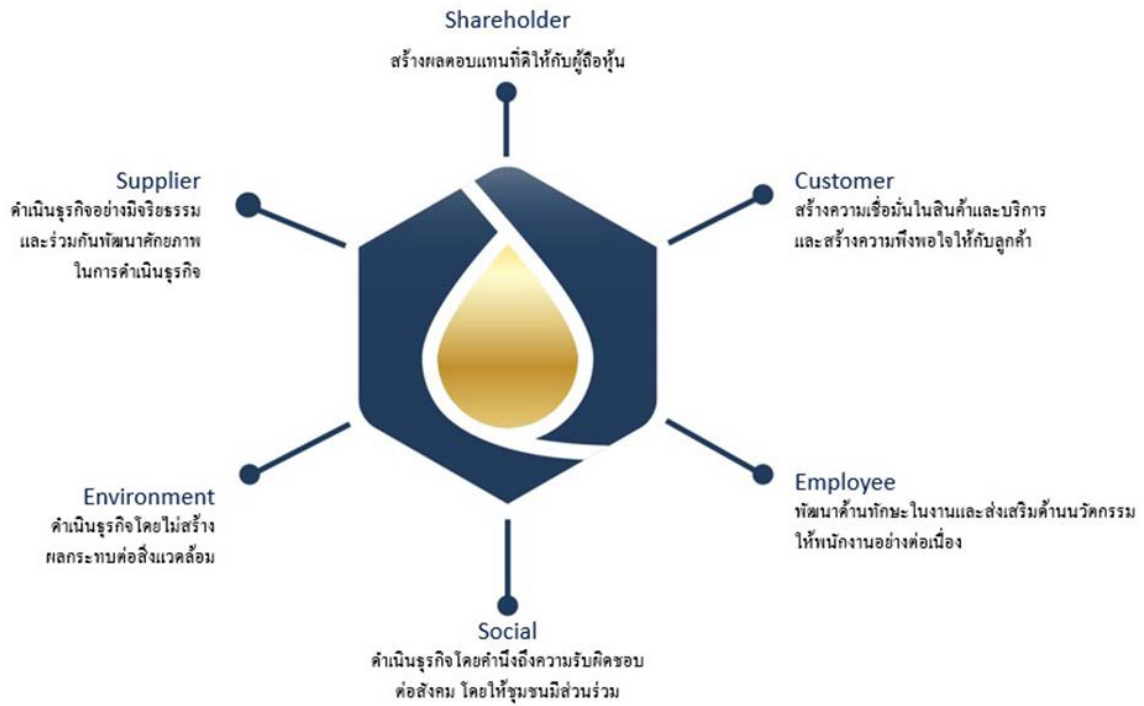
Item	Office	Number (persons)		
		Male	Female	Total
1	Bangkok	10	25	35
2	Map Ta Phut Factory, Rayong Province	33	14	47
3	Rangsit Factory, Pathum Thani Province	8	0	8
Total		51	39	90

So far, the Company did not have any labor or labor union dispute during these 3 years.

Policy on Employee Development

The Company has realized that the employees are a valuable resource of the Company. They are a starting point of responsibilities in the vision and mission of the organization. The Company, therefore, has the 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 the modern management system. Effective, and transparency is the basis of good governance.

The Company has provided training in the organization and delivered employees to be trained outside the organization consistently in both safety, enhancement of proficiency, professional skill, knowledgeability 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 equally, given appropriate and fair remuneration and welfares to persuade and keep them to work for the Company in the long run based on the Company's vision as this picture



[Good Governance]



Good Governance

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 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 a 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

iii. Policy and Treatment to Shareholders

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

- Perform their duty honestly and with good faith and decide for any matter with a 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 reports 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 supporting information, and logic.
- Prohibited for using any Company's information to seek for their benefit or any person's benefit which such information has not yet been disclosed to the public,
- Prohibited to proceed with any matter in the manner which may lead to a conflict of interest with the Company.

iv. Policy and Treatment to Employees

The Company realizes that an employee is a 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 the capacity to be in line with such policy, Company follows these guidelines.

- Fair remuneration to the employee.
- Regularly preserve the working environment to be safe for the employee's life and property.
- Provide personnel management system for appointing and moving including the 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 based on 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 based on the 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.

v. 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 the intention to always seek for an 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, the 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 be 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 dishonest methods.

vi. 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 a 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 a business relationship basis, as follows:

- Not ask for or receive any benefit which is dishonest from the business partners and/or creditors.
- If the Company have 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.

vii. Policy and Treatment to Business Competitors

The Company has the policy to treat business competitors in accordance with international principle within the framework of the laws concerning the 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 confidential information of business competitors by the dishonest or inappropriate way.
- Not destroy the business competitors' reputation by making defamation accusation.

viii. Occupational Safety, Health and Environment

The Company is committed to conducting business based on 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 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.

ix. Responsibility to Society and Public

The Company has the policy to operate the business for the benefit of the economy and society. The Company also gives the importance of preservation of local tradition where the 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 a contribution to society and also implant consciousness to all levels of the employees for them to have serious and continued responsibility to society in order to be always sustained as a good organizational culture.

- No action which will be affected with natural resources and the environmental damaging.
- Support the activity of 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 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 to achieve the targeted success, as indicated in Visions, Commitment and, Organization Culture. The Company has specified the requirements in this Business Ethic Manual to provide the clarity and convenience to directors, executives, and employees to be aware of the compliance standard expected by the Company, and to use as the guideline for work which has included the treatment to employees, shareholders, customers, business partners, business competitors, and public society as a whole.

Vision and Mission

- Vision
Being a leader of business integration in the production, sale and purchase, the chemical storage service provider in Thailand and Southeast Asia regions with sustainable profits.
- Mission
 - i. Continuous growth with stability and sustainable way in order to achieve the vision.
 - ii. Transparent business management with a 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 of creative 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 a shareholder in the business that competes with the business of the Company or any business which may create a conflict of interest with the Company, such must be informed to the Chairman of the Board in writing.
3. In the event directors, executives, employees are director, partner or consultant in other company or business organization, of the holding of such position shall not be against the Company's interest and the performance in the Company.
4. In the event of entering into the connected transaction under the announcement of The Stock Exchange of Thailand, the criteria, methods and disclosure of connected transaction information to the listed company shall be strictly complied with.
5. The connected transactions must be reviewed or approved by the Audit Committee and the Board of Directors of the Company, respectively. The case with the Audit Committee or any Director of the Company. Stakeholders in regard The Audit Committee or the Director shall not have taken part in the consideration of related it.

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

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

The first 2 businesses of the group of Mr. Nuttaphob are (1) Business of logistics services that are the product transportation both land and marine (2) Business of vessels and tug boats rental services are not the businesses compete to the Company's core

businesses, which absolutely would cause a conflict of interest with the Company in accordance with the rules in the Notification of the Capital Market Supervisory Board.

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

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

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

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

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

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

Remarks:

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

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

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

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.

The Company has improved its Codes of Conduct for the business to be consistent with the current situation. Furthermore, the development of this Codes of Conduct is aimed to be guidelines for the management and employees to act in honesty and faithful manners to all groups of stakeholders, public, and social. The latest version was revised in 2019 and announced to directors, executives, and employees to acknowledge and act strictly. This Codes of Conduct was effective since 7 November 2019.

Checks and Balances of Non-Executive Directors

The Board of Directors has 12 members, comprising:

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

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

Centralization or Separation of Position

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

Board of Directors' Meeting

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

Decisions at the meeting shall be made by majority vote.

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

2. The Board of Directors shall hold meetings at least every 3 months at located of the corporate head office, branches office or any other place as the Board of Directors shall determine. However, the Board of Directors could participate the meeting through electronic devices according to the announcement of the National Council for Peace and Order No. 74/2014, Ministry of Information and Communication Technology, and laws related to the following meeting which might have any additional adjustment. Directors shall attend all Board of Director Meeting and Shareholder meeting, except if there is any necessary issue.
3. The Chairman of the Board of Directors or the person in charge shall send 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. The exception may occur if there is an urgent issue which will protect the benefits of the

Company, the appointment of the meeting could be noticed by an alternative way and the meeting date would be brought forward.

4. While there is a vote for the resolution in the Board of Director meeting, there should be at least 2 out of 3 of all directors who attend the meeting.
5. The Company Secretary shall take and prepare the minutes of a meeting and keep the minutes and supporting documents.

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 2019, there were 11 Board of Directors meetings in total, each of these meetings took 2-4 hours. The record of each meeting's conduct was made in the form of minutes presented to the Board of Directors for approval and was kept with concerned persons 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 an appropriate policy to adhere 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 efficient internal control system to reasonably ensure that such accounting information has been recorded accurately, completely and sufficiently to keep the assets and to know weak points in order to prevent from corruption or significant misconduct. All this, the Board of Directors has appointed the Audit Committee comprising of non-executive directors to oversee the quality of such financial report and internal control system and the Audit Committee has also given its opinion in the Board of Directors' meeting.

Investor Relations

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

Sub-Committee

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

Board of Directors

Item	Name - Surname		Position
1	Gen. Montree	Sungkasap	Chairman of the Board of Directors
2	Mr. Nuttaphob	Ratanasuwanthawee ¹	Vice Chairman of the Board of Directors
3	Mr. Suppakit	Duyapich	Director

Item	Name - Surname		Position
4	Mr. Yongyos	Palanitisena	Director
5	Dr. Sunee	Sornchaitanasuk	Director
6	Mr. Wiboon	Rasmeepaisarn ¹	Director
7	Mrs. Bongkot	Rungkornpaisarn ¹	Director
8	Mr. Kijja	Smunyahirun	Director
9	Mr. Nataphong	Ratanasuwanthawee	Director
10	Assoc. Prof. Dr. Seri	Wongmonta ^{1 and 3}	Independent Director
11	Mrs. Aree	Termwattanapakde	Independent Director
12	Mr. Sumit	Petcharapirat ²	Independent Director
13	Mrs. Aree	Termwattanapakde ^{2 and 3}	Independent Director

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

² Mr. Sumit Petcharapirat has resigned from Director of the Company effective on 7 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, approved the appointment of Mr. Virasak Sutantawibul to replace the resigned director in the remaining terms.

³ Assoc. Prof. Dr. Seri Wongmonta has resigned from the Director of the Audit Committee but still be an Independent Director effective on 14 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, and approved the appointment of Mr. Virasak Sutantawibul to the Director of the Audit Committee.

Duties and Responsibilities of the Board of Directors

1. To oversee the Corporate Governance with an 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 the 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 the 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 the 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 the 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 the 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 people to manage the operations of the Company under the control of the Board or authorize the person to have power for the period of time, 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 comply 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 comply 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 sufficient profits to do so and to report such payment to the following shareholders' meeting. The Board of Directors shall elect a Director to be the Chairman. If it is deemed appropriate, the Board of Directors may consider electing one or many directors to be Vice Chairman, who shall be assigned by the Chairman to perform duties to conduct the Company's business according to the Articles of Association. The Board of Directors shall meet at least once every three months.
13. To perform with responsibility, caution, and faithfulness and conduct the Company's business according to the laws, Company's objectives, Articles of Association, and resolutions of the shareholders' meeting, except for matters required by law to be approved at shareholders' meetings, entering into connected transactions, and any purchase or sale of material assets under 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 is 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 respond on behalf of the Company or the Board of Directors in regard to the registration committee, the notice of the 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 a 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 teamwork under an 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. Must have a self-evaluation annually in order to be a guideline to examine the performance of the Board of Directors
23. 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 ¹	Chairman of the Executive Committee
2	Mr. Yongyos	Palanitisena	Executive Committee
3	Mrs. Bongkot	Rungkornpaisarn ¹	Executive Committee
4	Mr. Kijja	Smunyahirun	Executive Committee
5	Mr. Nataphong	Ratanasuwanthawee	Executive Committee

Remark:

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

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 the 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 the 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 the 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 the 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 activities as assigned by the Board of Directors.

Audit Committee

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

Remarks:

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

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

² Mr. Sumit Petcharapirat has resigned from Director of the Company effective on 7 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, approved the appointment of Mr. Virasak Sutantawibul to replace the resigned director in the remaining terms.

³ Assoc. Prof. Dr. Seri Wongmonta has resigned from the Director of the Audit Committee but still be an Independent Director effective on 14 May 2019 by the resolution of the Board of Directors meeting No. 6/2019, on 13 May 2019, and approved the appointment of Mr. Virasak Sutantawibul to the Director of the Audit Committee.

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

Risk Management Committee

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

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2019 on 29 April 2019.

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 appropriately and effectively 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 activities as assigned by the Company's Board of Directors, with the approval of the Risk Management Committee.

Recruitment and appointment of Director and Executive Management

Recruitment 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 a 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 the spouse of a child, executive, major shareholder, controlling person, or person to be nominated as an 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, the 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 the 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 one year prior to the date on which the business relationship with the person commences.

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 the major shareholder;
8. Not undertaking any business in the same nature and 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 a 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 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 concerning 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 resigns shall tender the resignation letter to the Company, and this resignation will be effective from the date on which the resignation is delivered to the Company. The director who resigns under the first paragraph may also notify the registrar.
6. In the case of a director is vacated otherwise than by rotation, the Board of Directors may elect a person, who is qualified and is not of the forbidden nature under the law, to replace such director at the following meeting of the Board of Directors unless the remaining tenure of the director is less than two (2) months.
- The person who is as elected as the new director shall retain the position during such period only as the vacating director was entitled to retain the same.
- The resolution of the Board must be as specified in the first paragraph above and shall consist of votes of not less than three-fourths of the remaining directors.
7. A meeting of shareholders may pass a resolution retiring any director before the time of his retirement by rotation by a vote of not less than three-fourths (3/4) of the number of the shareholders present and entitled to vote and having shares in the aggregate not less than one half of the number of shares held by the shareholders present and entitled to vote.

Executive Management

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

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

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

Qualifications of the Chief Financial Officer and Accountant Supervisor

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

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

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

Since 1 January 2020, the Company appointed the new person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO) which is Miss Dudduen Boonsue, graduated Bachelor Degree in Accounting and Master's Degree Master of Information Technology works as Senior Vice President (Accounting and Information Technology) of the Company. She has experiences in accounting and finance not less than 3 years in the last 5 years and passed the CFO's Orientation course and training courses regarding accounting not less than 6 hours per calendar year.

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

From 1 January 2020, the Company assigned the new Company's Accountant Supervisor namely Miss Banchuen Wannarat, graduated Bachelor Degree in Accounting and works as Budgeting and Project Management Division Manager since 2018. She has experiences in accounting and finance not less than 3 years in the last 5 years and passed the training courses regards to accounting not less than 6 hours per calendar year.

Supervision of Internal Information Use

NFC Public Company Limited is the Company which registered in Securities and Exchange of Thailand. The Company has an essential policy to manage and proceed for equity and justice to all shareholders. Therefore, internal information or substantial data regarding the variation of securities price which has not disclosed to the public, it shall be deemed as internal

information for engaging of business and confidential of the Company. In the event that aforesaid internal information to be disclosed to the public, it will impact the 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 a business competitor, even though director, executive and personnel will no longer be a director, an executive and personnel of the Company. The Company has the policy to prevent taking internal information of the Company for exploitation as follows:

1. To inform the director and executive to understand duties and obligations of the report of Company's securities held by themselves, couple and children below legal age including the 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 access to internal information. Only director, executive, personnel or concerned person as necessary and stipulate authorization of a person who has the 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 the public and within 24 hours after disclose aforesaid information to director, executive including concerned person (couple and children below the 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 the legal age of director or executive) to declare to the board of director of the Company or designated person regarding sale within 3 days after trading.
5. To keep confidential information of the Company and prevent confidential document or data of the Company to not disclose or expose to an 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 2019 has approved the Company's Auditor remuneration for the year 2019 in the amount of 1,250,000 Baht.

Non-Audit Fee

- None -

Applying the Good Corporate Governance Code for Listed Company 2017 (CG Code)

The Company has applied the code for the good corporate governance for listed company 2017, from the Securities and Exchange Commission, and business ethics to its activities appropriately. Besides, the Company also explains the reason why some of the code could not have complied.

Good Corporate Governance Code for Listed Company	Explanation from the Directors
<p>The board should set up the policy that the Independent Director should not be held in the position continuously more than 9 years from their first assigned into this position. If there will be the extension, the Board must reasonably consider according to their needs.</p>	<p>Since the Independent Directors, who held the position continuously more than 9 years, are knowledgeable, skillful, and experienced on management, marketing, as well as creating the firm's image. They also know the information about the Company and be able to provide advice on communication with the investors. Moreover, they could shape the Company's image and create reliability to the shareholders. So the Company would be supported by stakeholders and allowed to trade its shares in the SET again. Therefore, the Board agreed to continue proposing them as the Directors and Independent Directors. Furthermore, the election has already been approved in the shareholder meeting.</p>
<p>The Board should consider hiring an external consultant to help in setting up a guideline and giving advice on performance evaluation of the Board, at least every 3 years. This should also be disclosed in the annual report.</p>	<p>The Board and the Sub-committee have a performance evaluation at least once per year. So they can consider the work results and problems, in order to solve those issues and improve their work. Therefore, in the Company's view, the existing evaluation process is already sufficient.</p>

[Corporate Social Responsibility]



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 a business operation with the principal of Good Governance and community and social responsibilities as well.

CSR in process

The Company has focused for performing the work in accordance with the principles, policies and operational directions as specified by the Board of Directors in transparency, good governance, and, taking into account of the 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 an invaluable resource of the Company as a starting point of responsibilities in the 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 equally, 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 with 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 with 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 of the Company's tank and equipment 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 request.
- Providing communication or complaint system in case of having the poor quality of goods and services. Referred from Zero Complaint Policy.

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

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

CSR after process

The Company operates its business, at the same time, implement the policy continuously on the corporate social responsibility and environment. This leads to an essential target which is the sustainable development in 3D; comprises of economic, social, and environment, in the local communities around the Company's location.

The Company has coordinated and supported activities of communities and government agencies regularly and continuously. In 2019, 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 a past year.

Environmental: The Company participated in the beach recovering project at Rayong Province which was affected by Pabuk tropical storm. It was done by planting Yellow Star and Mahogany. Besides, the Company also planted mangrove forest on the road along Sangchan Beach and Suchada Beach. Planting trees increase the green area to Wat Ta Kuan Khong Kharam. Moreover, the Company also participated in the project which released the aquatic life, in order to promote Eco-tourism.



Educational: The Company supports Children and Youth Training Center, named Baan Pranee, by providing them books to cultivate reading habits. We also help the school on repairing their sign near the establishment and Children's day activities.



Social:

The Company joined several activities, including social, religious, and culture, with the communities located around the organization to create a good relationship, for example, pouring water on the hands of revered elders and ask for the blessing, offering Kathina clothes to various temples, supporting medical devices and donating cloth bags to hospitals. The Company also helped to build up knowledge and understanding of fishing so the Ta Kuan small fishing boat group; at the community boat engine maintenance center, could develop their career. These would be the source of learning and skills, as well as, creating jobs and income to the community.

**Anti-Corruption**

The Company has communicated all level of director, management and employees by specifying that all process of operations will comply 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. In 2020, the Company has officially announced the policy and guideline in protecting and anti-corruption.

[Internal Control and Risk management]



Internal Control and Risk management

In the Board of Directors' meeting no. 1/2019 on February 27, 2020 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 adequate authority for internal control.

In the year 2019, 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 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. Furthermore, the business ethics and code of conduct has been revised in 2019 and was announced on 7 November 2019.
- The Company has set a yearly budget for 2019, which covers revenue forecasting for each product and service revenue and estimated the expenses, funding of investment for purpose of business planning with the Corporate KPIs and the KPIs are used to measure the performance of each business department.
- The Company provides job descriptions covering all job positions that identify the basic responsibilities of employees and identified the position responsibility, qualifications of the position, training programs, performance indicators, and the chain of command that consist with the current organizational structure.
- The Company has a policy for succession plan which has been approved by Chief Executive Officer and announced on February 29, 2016 and revised on July 25, 2016, the Company set the policy of succession plan for management comply with the human resource development policy by developing management and employees under the same corporate culture to prepare personnel for capacity and The rate is right to rotate the vacancies with the Company's growth plan.

2. Risk Assessment

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

3. Control Activities

- The Company has documented the power of action to set the authority and the approval process for important business transactions such as Organization Management, Investment Management, Human Resources Management, Accounting, Finance and Credit and procurement presented to the Board of Directors and approved at the Board of Directors' Meeting on March 24, 2016.
- The Company has established policies, guidelines and important operating manuals in writing, sales, procurement, finance and accounting and human resources.
- The Company has issued power of attorney to conduct financial transactions with financial institutions. The Company and the management of the Company Is the authority in the transaction. The power of attorney was approved at the Board of Directors' meeting on 9 August 2018.
- To maintain the fixed assets of the Company requires that each department has the responsibility 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 a 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 the 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 a 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 the case of the director, executive or employee is a partner or an advisor in a company or other business organization. The position will not be contrary to the interests of the Company and direct duties in the Company.
 - In the case of the transaction is a related transaction according to the requirements of the Corporate Governance must comply with the rules, procedures and disclosure strictly.
 - Related transactions must be reviewed or consideration from the Audit Committee and the Board of Directors, respectively. In case of any Audit Committees or Directors have a stake in the related transaction, the Audit Committee or Director of the Company must be no consideration in such related transaction.
 - The Company monitors the operation of subsidiaries by appointing the Company's employee to be the Board of Directors and Executives in the subsidiary and Management of the Company's subsidiaries who the Company

assigned must communicate the Company policy to the subsidiary and monitors the operation of the subsidiary (currently Rayong Bulk Terminal Co., Ltd. that is the Company in the process of being secured. The authority to supervise the assets of the subsidiary. It is the official receiver.

4. Information and Communication

- The Company provides executives management meetings on a monthly basis to provide each section with a report on the performance, problems, obstacles and plans of the Company to the meeting. Senior Executive Vice President of Finance and Administration is a Chairman of the meeting and is a meeting Secretary and executives management from department manager level up to attend the meeting.
- The Company pays attention to safety in information technology and electronic data storage. The policy is established an information security policy which is reviewed and approved by Executive Vice President of Accounting and Information Technology and announcement on August 1, 2018, by the Information Department, who made Back up tape a daily, weekly, monthly and annual backup keep in bank safe with performing 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 to 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 reports directly to management. The management has evaluated whether the outcome based on the policy and the Company's plans are effective and efficient or not. The findings from the follow-up evaluation, the Audit Committee and the executive management paid 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 regular 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 the Internal Audit department and Head of Compliance department of the Company

Head of the 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 from 2002 to 2005 (4 years) and also attended training courses related to internal audit work such as "How the Internal Audit Training courses 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. She had performed this duty until December 2019 because of the retirement. Therefore, this position is still in a recruiting process in order to seek for the qualified person as the Internal Audit Manager. The Audit Committee has assigned the Internal Audit Division Manager acting as an interim Internal Audit Manager while the recruiting process is in progress.

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 the compliance section to supervise the compliance with the regulations of government or others according to the Company business. Since 1st January 2020, the Company has assigned Mr. Chaiyuth Promkird, the Office of Directors Department Manager, to perform the duties instead of Mr. Kwanchai Apayatham.

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

Related transactions arising among the Company and its subsidiary company and those who may conflict for the year ended December 31, 2019 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	2018	2019
SC Carrier Company Limited	■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee and Mr. Nataphong Ratanasuwanthawee	Revenue from Warehouse services	1.04	1.04	1.05
		Revenue from Sale of assets	0.07	-	-
	■ jointly executives are: Mr. Nuttaphob Ratanasuwanthawee	Ammonia transportation fee	49.48	55.94	48.55
		Rental and services, Office building	2.40	1.92	-
		Expense of repairing equipment, Storage and storage of Ammonia	1.21	1.55	2.07
		Land rental with a warehouse building at Surat Thani	0.72	0.36	-
		Electricity and water supply, office building	0.40	0.26	-
		Others Expenses	0.08	0.06	0.01
		Trade Account Receivable and Other Accounts Receivable	0.22	0.19	0.19
		Trade Account Payable and Other Accounts Payable	10.11	8.39	2.14
		Deposits	0.50	-	-
		Advance Payment	-	-	10.45
SC Management Company Limited	■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.35% shares Mr. Nataphong Ratanasuwanthawee of 0.65% shares Mrs. Bongkot Rungpornpaisarn of 1 share	Revenue from Port services	9.13	5.59	7.08
		Revenue from Warehouse services	1.63	1.23	2.10
		Revenue from Sale of assets	0.02	0.60	-
		รายได้ดอกเบี้ยรับ	-	-	0.34
	■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungpornpaisarn and	Land rental with warehouse building, Rangsit warehouse	1.08	1.08	1.08
		Employee transportation fee	0.22	0.97	1.20
		Maintenance expenses	0.30	0.22	0.04
		Others expenses	-	-	0.04

Company name	Nature of relationship	Related transaction	Amount (Million baht)		
			2017	2018	2019
	■ jointly executives are: Mr. Nuttaphob Ratanasuwanthawee	Purchase of computer	0.03	0.02	-
		Trade Account Receivable and Other Accounts Receivable	1.46	0.87	2.68
		Trade Account Payable and Other Accounts Payable	7.27	7.34	7.34
NP Marine Company Limited	■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 98.33% shares Mr. Nataphong Ratanasuwanthawee of 1.67% shares Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share	Revenue from Warehouse services	3.84	3.82	0.97
		Land rental with warehouse building, Surat Thani warehouse	-	0.36	0.72
		Electricity and water supply at Surat Thani warehouse	0.05	0.06	0.05
	■ jointly executive is: General Montree Sungkasap	Ammonia Truck Weighing Service fee	0.03	0.03	0.03
		Trade Account Receivable and Other Accounts Receivable	0.68	0.68	0.05
		Trade Account Payable and Other Accounts Payable	0.02	0.08	0.08
SCG Logistics Company Limited	■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.86% shares Mr. Nataphong Ratanasuwanthawee of 0.14% shares Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share	Revenue from Warehouse services	0.89	0.60	0.22
		Revenue from Port services	0.06	-	-
		Revenue from Sale of Assets	-	0.01	-
		Trade Account Receivable and Other Accounts Receivable	0.21	0.06	0.03
	■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee ● jointly executive is: Mr. Nuttaphob Ratanasuwanthawee				
SC Offshore Service Company Limited	■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 97.67% shares Mr. Nataphong Ratanasuwanthawee	Revenue from Port services	3.83	0.02	0.61
		Revenue from Warehouse service	-	-	0.03
		Others Expenses	-	0.03	0.01

Company name	Nature of relationship	Related transaction	Amount (Million baht)		
			2017	2018	2019
	<ul style="list-style-type: none"> of 2.33% shares jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 	Trade Account Receivable and Other Account Receivable Trade account Payable and Other Accounts Payable	-	-	0.01
SCENA Offshore Company Limited	<ul style="list-style-type: none"> jointly shareholders are: 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	-	-
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 jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 	Service income-Fender	2.04	-	-
SC Auto Logistics Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 85.33% shares and Mr. Nataphong Ratanasuwanthawee of 6.04% shares jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and 	Revenue from Sale of assets	-	0.04	-

Company name	Nature of relationship	Related transaction	Amount (Million baht)		
			2017	2018	2019
	<ul style="list-style-type: none"> Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 				
Chemicals and Aromatics (Thailand) Company Limited	<ul style="list-style-type: none"> jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 	Purchase of assets Trade account Payable and Other Accounts Payable	- 4.71	0.08 4.79	1.60 4.71
N Holding Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.99% share and Mr. Nataphong Ratanasuwanthawee of 1 share Mrs. Bongkot Rungkornpaisarn of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn Mr. Nataphong Ratanasuwanthawee Mrs. Sarinthip Kittiwongsophon Miss Dudduen Boonsue 	Rental and services, Office building Electricity and water supply, office building Advertising and Public Relations Expenses Others Expenses Trade account Payable and Other Accounts Payable Deposits	- - - - - -	1.92 0.27 - - 0.42 0.96	3.84 0.23 0.18 0.06 0.51 0.96
Strategic Port Link Co., Ltd.	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 90.00% share and Mr. Nataphong Ratanasuwanthawee of 10.00% share Mrs. Bongkot Rungkornpaisarn of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee 	Purchase of assets	-	-	0.03

Company name	Nature of relationship	Related transaction	Amount (Million baht)		
			2017	2018	2019
	<ul style="list-style-type: none"> jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 				

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, Mueang District, Surat Thani, the 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 Sub-district, Thanyaburi District, Pathum Thani Province, the total area of 2,509 square meters to continue business from acquisition a part 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 the normal business and the purpose is not interchanged in benefits.
3. The Company had the transaction with N holdings Co., Ltd. for the purpose of renting and servicing for the head office building, 3rd floor, SC Group Building, 88, Bangna Nuea Sub-district, Bangna District, Bangkok, the total area of 800 square meters for the purpose of office used. This is normal business. The prices and conditions are stated at market price and with normal commercial terms. This is the normal business and the purpose is not interchanged in benefits.
4. The Company had the transaction with SC Carrier Co., Ltd., NP Marine Co., Ltd., SCG Logistics Co., Ltd., SC Offshore Services Co., Ltd., SCENA Offshore Co., Ltd., Thai International Dockyard Co., Ltd., SC Auto Logistics Co., Ltd., Chemicals and Aromatics (Thailand) Co., Ltd. and N holdings Co., Ltd. such as Service income, Revenue from Sale of Property, Assets purchase, and Rental and services fee. The price and conditions are as market prices as transactions with third parties and the purpose is not interchanged in benefits.

Audit Committee opinion

The Audit Committee of the Company considers 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 complies 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 a 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 a 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]



Management Discussion and Analysis

An overview of business operations and significant changes.

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

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

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

Warrants

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

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

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

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

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

Operating Results of the Company and its subsidiaries

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

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

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

Revenues from sales and services

- In 2019, the Company and its subsidiaries had total revenues from sales and services of 1,181.65 million Baht, an increase of 1.66 million Baht or 0.14%, compared to the year 2017 with revenues from sales and services of 1,179.99 million Baht, revenue from sales of chemical products was 1,080.75 million Baht, increased by 5.17 million Baht or 0.48%. Sale of Sulfuric acid increased by 146.22 million Baht or 29.31% due to the sulfuric acid price increased because supply in the global market is scarce. Sales volume decreased by 17,053 tons or 5.59%. Sales of Ammonia decreased by 156.98 million Baht or 27.76% from sale volume decreased by 7,140 tons or 26.66% because the key customer bought less due to their changes in the production process so the average sale price per ton is declined. Sales of Ammonium Hydroxide decreased by 5.59 million Baht or 26.04% due to lower average sale price per ton, while the higher sale volume of 1,569 Tons or 44.63%. Total service income was 100.90 million Baht, increased by 6.83 million Baht or 7.26% compared to last year due to. Revenue from warehouse service increased by 5.81 million Baht or 17.83% due to expansion of service area and the number of customers increased. Revenue from Logistic & Liquid warehouse service decreased by 0.80 million Baht or 0.15%. Revenue from Port Service increased by 1.10 million Baht or 12.13% due to the rise of the Company's terminal revenue.

- In 2018, the Company and its subsidiaries had total revenues from sales and services of 1,179.99 million Baht, an increase of 78.98 million Baht or an increase of 7.17%, compared to the year 2017 with revenues from sales and services of 1,101.01 million Baht, revenue from sales of chemical products was 1,085.92 million Baht, increased by 95.25 million Baht or 9.61%. Sale of Sulfuric acid increased by 105.44 million Baht or 26.80% due to the sulfuric acid price increased because supply in the global market is scarce. Sales volume decreased by 43,307 tons or 12.43%. Sales of Ammonia decreased by 8.96 million Baht or 1.56% from sale volume decreased by 775 tons or 2.81%, while the average sale price per ton is slightly higher. Sales of Ammonium Hydroxide decreased by 1.23 million Baht or 5.42% due to lower average sale price per ton, while the higher sale volume of 217 tons or 6.58%. Total service income was 94.07 million Baht, decreased by 16.27 million Baht or 14.75% compared to last year due to. Revenue from warehouse service increased by 17.73 million Baht or 119.39% due to expansion of service area and the number of customers increased. Revenue from Logistic & Liquid warehouse service decreased by 0.30 million Baht or 0.54% due to contract price adjustment with the customer. Revenue from Port Service decreased by 33.70 million Baht or 78.79% due to the declining of the Company's terminal revenue.

Cost of sales and services

- In the year 2019, the Company and its subsidiaries had the cost of sales and services of 994.19 million Baht, an increase of 46.09 million Baht or an increase of 4.86% from the previous year. Cost of chemical products increased by 44.70 million Baht or 4.81% because the costs of Sulfuric acid rose by 162.09 million Baht or 31.85% from the cost of the chemical production increased according to the world market prices. While the costs of Ammonia dropped 121.72 million Baht or 30.24% from 7,178 tons or 26.81% decline of sales, costs of Ammonium Hydroxide rose 4.33 million Baht or 23.24% from 1,569 tons or 44.63% growth of sales. As a result, the gross margin of chemical products decreased by 49.87 million Baht or 31.98% affecting to gross margin ratio dropped to 9.81% from the prior year at 14.36% due to the surge of the chemical product costs in the world market trend. Cost of services also increased by 1.39 million Baht or 7.68% compared to the previous year.
- In the year 2018, the Company and its subsidiaries had the cost of sales and services of 948.10 million Baht, an increase of 127.78 million Baht or an increase of 15.58% from the previous year. Cost of chemical products increased by 134.30 million Baht or 16.88% from the cost of the chemical production increased according to the world market prices. As a result, the gross margin of chemical products decreased of 39.09 million Baht or 20.03% affecting to gross margin ratio dropped to 14.36% from the last year at 19.68% due to the higher cost of chemical products in the world market trend. Cost of services decreased by 6.52 million Baht or 26.47% compared to last year due to the declining of the Company's terminal revenue.

Other income

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

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

Total cost

- In the year 2019, the Company and its subsidiaries had total expenses of 197.18 million Baht, a decrease of 6.09 million Baht or 3.00% from the previous year. Selling expenses decreased by 5.28 million Baht or 10.90%, due to the dropped of transportation cost affected by the decline of Ammonia production. Administrative expenses decreased by 0.81 million Baht or 0.52% resulted from lower employee expenses (reversal of accrued bonuses for 2018) comparing to the previous year.
- In the year 2018, the Company and its subsidiary had total expenses of 203.27 million Baht, an increase of 12.13 million Baht or an increase of 6.35% from the previous year. Selling expenses increased of 1.48 million Baht or 3.15%, due to higher cost of transportation affected by oil price increased. Administrative expenses increased by 11.65 million Baht or 7.39% resulted from employee expenses from increasing in the number of employees in order to have a suitable management structure for the business operation.

Deferred income tax

- In the year 2019, the Company and its subsidiaries had deferred income tax of 36.13 million Baht, thus, net loss for the year was 34.95 million Baht or equivalent to 0.0317 Baht per share.
- In the year 2018, the Company and its subsidiary had deferred income tax of 10.85 million Baht, thus, net profit for the year was 50.92 million Baht or equivalent to 0.0472 Baht per share.

Profitability

- In the year 2019, the Company and its subsidiaries had a gross profit margin of 15.86% the gross profit margin decreased from the previous year due to the profitability of the chemical products. Especially in the Ammonia business.
- In the year 2018, the Company and its subsidiary had a gross profit margin of 19.65% the gross profit margin decreased from the previous year due to the profitability of the chemical products. Especially in the ammonia business.

Asset Management

- In the year 2019, the Company and its subsidiary had an account receivable turnover ratio of 5.47 times and average collection period of 66 days, while the inventory Account receivable turnover ratio was 9.93 times and average selling period was 36 days, return on assets of 1.34%.
- In the year 2018, the Company and its subsidiary had an account receivable turnover ratio of 5.79 times and average collection period of 62 days, while the inventory Account receivable turnover ratio was 9.78 times and average selling period was 37 days, return on assets of 3.32%.

Liquidity and adequacy of capital

- In the year 2019, the Company and its subsidiary had a liquidity ratio of 1.65 times, decreased by approximately 0.89 times compared to 2018, with an average collection period of 66 days, sales period of 36 days and the repayment period of 54 Days, resulting in a 48 days cash cycle. In the year 2019, the Company had an operating loss and net cash from operating activities of 240.43 million Baht. In addition, the Company and its subsidiary had a debt to equity ratio of 0.29 times, a decrease of 0.12 times compared with 2018 and the interest coverage ratio is (15.85) times.
- In the year 2018, the Company and its subsidiary had a liquidity ratio of 2.57 times, decreased by approximately 1.28 times compared to 2017, with an average collection period of 62 days, sales period of 37 days and the repayment period of 40 Days, resulting in a 59 days cash cycle. In the year 2018, the Company had an operating profit and net cash from operating activities of 80.21 million Baht. In addition, the Company and its subsidiary had a debt to equity ratio of 0.41 times, an increase of 0.20 times compared with 2017 and the interest coverage ratio is 33.17 times.

Financial position of the Company and its subsidiary company

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

- In 2019, the total asset decreased by 224.11 million Baht or 15.71% compared to the end of the year 2018. The current asset decreased by 537 million Baht or 57.98%. Cash and short-term investments of 87.5 million Baht, decreased by 498.71 million Baht or 85.07% from the operating cash flow because a temporary investment has been made to invest project in a subsidiary. Trade accounts receivable and other current account receivables were 201.44 million Baht, increased by 50.95 million Baht or 33.86% from the increase on Other Receivable Revenue Department, Advance Payment to Suppliers. Inventories were 78.49 million Baht, decreased by 39.35 million Baht or 33.39% from Ammonia decreased 38.61 million Baht, and Supplies and others decreased by 0.44 million Baht due to sold during the year. Others current asset of 21.87 million Baht, decreased by 50.08 million Baht or 69.60% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions decreased. Property, plant and equipment (PPE) of 385.91 million Baht, decreased by 17.07 million Baht or 4.24% due to the depreciation of building and building improvements, machinery and office supplies Land improvements and vehicles increased by 105.55 million Baht, and Purchase of PPE during the year of 89.43 million Baht, which consists of the purchase of assets and equipment of NFC 4.93 million Baht, and invest project of NFCT about 84.50 million Baht Other non-current assets of 413.62 million Baht, increased 367.23 million Baht or 791.61% due to advance payment for the construction project of a subsidiary.
- In the year 2018, total assets increased by 267.12 million Baht or 23.04% from 2017. The increase in assets was classified as current assets of 367.11 million Baht or 64.36% contain with Cash and cash equivalents increased of 275.84 million Baht or 88.87% from the operating cash flow. Trade accounts receivable decreased of 26.05 million Baht or 14.67% from the decrease in trade receivables of Ammonia sales. Inventories increased of 45.46 million Baht or 62.81% from Ammonia of 57.68 million Baht. Other current asset increased of 71.86 million Baht or 644.48% from the Deposit as

collateral for Trade Credit Facilities with Financial Institutions. Property, plant and equipment (PPE) decreased of 89.36 million Baht or 18.15% due to the depreciation of building and building improvements, machinery and office supplies. Land improvements and vehicles increased of 106.30 million Baht, Disposal of PPE during the year of 4.36 million Baht and Purchase of PPE during the year of 21.30 million Baht. During the year 2018, the Company invested in the new ERP system in order to integrate database management system and internal process for further improvement resulting Software Cost as Intangible assets of 2.64 million Baht increased of 2.41 million Baht. Other non-current asset decreased of 23.57 million Baht or 40.02% since the Company received the cash deposit as a contract guarantee with IEAT by a replacement with Bank Guarantee instead.

- In 2019, the Company had total liabilities of 268.72 million Baht, decreased by 146.77 million Baht, or 35.32% compared to the end of the year 2018. The liabilities could be divided into 236.00 million Baht of current liabilities and 32.72 million Baht of non-current liabilities. The short-term loan from the financial institution of 83.08 million Baht, decreased by 133.38 million Baht or 61.62% from decremental usage credit facilities (LC/TR) with financial institutions. Trade accounts payable and other current accounts payable of 152.92 million Baht, increased by 5.02 million baht or 3.39% this was mainly due to Trade accounts payable increased by 0.97 million Baht while other accounts payable increased by 4.05 million Baht from an increase of customer's advance payment for goods increased by 4.32 million Baht, while liability payable to IEAT decreased by 4.05 million Baht accrued bonus increased 3.41 million Baht and other accounts payable increased by 0.37 million Baht
- In the year 2018, the Company and its subsidiary had total liabilities of 415.49 million Baht, divided into current liabilities of 364.95 million Baht and non-current liabilities of 50.54 million Baht, which increased of 214.98 million Baht or 107.22%, compared to 2017. During the year 2018, the Company started to use trade credit facilities from banks resulting in an increase in short-term loan from banks of 216.46 million Baht. Trade accounts payable and other current accounts payable increased of 1.77 million Baht or 1.21% this was mainly due to Trade accounts payable decreased of 10.76 million Baht while other current accounts payable increased of 12.53 million Baht from an increase from customer's advance payment for goods increased of 9.67 million Baht, other accrued expenses increased of 4.42 million Baht, while liability payable to IEAT decreased of 1.56 million Baht.
- In the year 2019, the Company and its subsidiaries had shareholders' equity of 933.75 million Baht, decreased by 77.34 million Baht or 7.65% compared to 2018 due to the Company's operating results had a net loss of 30.11 million Baht, had non-controlling interests loss of 0.46 million Baht, and paid the dividend of 46.78 million Baht in 2nd Quarter/2019. At present, the Company has a paid-up capital of 815.88 million Baht or ordinary shares 1,087.83 million shares at par value 0.75 Baht.
- In the year 2018, the Company and its subsidiary had shareholders' equity of 1,012.31 million Baht, increased by 52.63 million Baht or 5.48% compared to 2017 due to the Company's operating results of 51.40 million Baht. At present, the Company has a paid-up capital of 815.88 million Baht or ordinary shares 1,087.83 million shares at par value 0.75 Baht.

Factors which may impact the operations in future

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

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

[Significant Financial Information]



Significant Financial Information

Financial Statement

Auditors

The auditors of NFC Public Company Limited for the year 2017 – 2019, Mr. Jadesada Hungsapruet, Certified Public Accountant No. 3759, from Karin Audit Company Limited.

Summary of Auditor's Report

■ Accounting Period 1 January - 31 December 2019

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

Key audit matters to investigate were 1) Valuation of buildings and equipment, as well as, assets acquired through a business combination with a fair value estimated by an independent appraiser which is 385.91 million Baht or 32% of the SC Group's total assets. 2) Deferred income tax assets which have not been recorded at the amount of 280.93 million Baht because the recognition of deferred income tax assets needed to be based on opportunities for implementation at the discretion of the management. The expectation to make good use of the following asset depends on several factors, including the appropriateness of temporary tax differences and the adequacy of future taxable profits, to support the recognition.

■ Accounting Period 1 January - 31 December 2018

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

The key audit matters included a 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 402.98 million Baht, representing 28% of total assets of the Group.

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary of financial position	For year ended		For year ended		For year ended	
	December 31, 2017		December 31, 2018		December 31, 2019	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	112,418	9.70	288,083	20.19	87,500	7.28
Temporary investments in available - for - sale	197,947	17.07	298,132	20.90	0.00	0.00
Trade and other current receivables	176,543	15.23	150,492	10.55	201,439	16.75
Inventories	72,385	6.24	117,835	8.26	78,485	6.53
Other current assets	11,152	0.96	71,954	5.05	21,874	1.81
Total Current Assets	570,445	49.20	926,496	64.95	389,298	32.37
NON - CURRENT ASSETS						
Investment in subsidiary	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term investments	3,007	0.26	2,679	0.19	2,679	0.22
Property, plant and equipment	492,339	42.46	402,980	28.25	385,913	32.09
Intangible assets	227	0.02	2,643	0.18	2,133	0.18
Deferred tax asset	34,544	2.98	45,397	3.18	8,825	0.73
Other non - current assets	58,898	5.08	46,386	3.25	413,622	34.41
Total Non - Current Assets	589,015	50.80	500,085	35.05	813,172	67.63
TOTAL ASSETS	1,159,460	100.00	1,426,581	100.00	1,202,470	100.00

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary of financial position	For year ended		For year ended		For year ended	
	December 31, 2017		December 31, 2018		December 31, 2019	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Bank overdraft and short-term loan from financial institution	0.00	0.00	216,460	15.17	83,080	6.91
Trade and other current payables	146,129	12.60	147,901	10.37	152,918	12.72
Current provisions for employee benefit	1,853	0.16	588	0.04	0.00	0.00
Other current liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	147,982	12.76	364,949	25.58	235,998	19.63
NON - CURRENT LIABILITIES						
Deferred tax liabilities	38,232	3.29	35,793	2.51	18,427	1.53
Non - current provisions for employee benefit	10,628	0.92	11,326	0.79	10,876	0.90
Other non - current provisions	3,670	0.32	3,420	0.24	3,420	0.29
Total Non - Current Liabilities	52,530	4.53	50,539	3.54	32,723	2.72
TOTAL LIABILITIES	200,512	17.29	415,488	29.12	268,721	22.35
SHAREHOLDERS' EQUITY						
Share capital - ordinary share						
Authorized share capital	815,875	70.37	897,462	62.91	897,462	74.63
Issued and paid share capital	815,875	70.37	815,875	57.19	815,875	67.85
Surplus (Deficit) from business combination under the common control	(255,264)	(22.02)	(255,264)	(17.89)	(255,264)	(21.23)
Retained earnings						
Legal reserve	6,700	0.58	9,350	0.66	22,550	1.88
Unappropriated	199,783	17.23	292,379	20.50	235,287	19.57
Other components of shareholder's equity	192,592	16.61	149,969	10.51	116,979	9.72
Total equity attributable to owners of the company	959,686	82.77	1,012,309	70.96	935,427	77.79
Non-controlling interests of subsidiary	(738)	(0.06)	(1,216)	(0.08)	(1,678)	(0.14)
TOTAL SHAREHOLDERS' EQUITY	958,948	82.71	1,011,093	70.88	933,749	77.65
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,159,460	100.00	1,426,581	100.00	1,202,470	100.00

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary of Operating Results	For year ended		For year ended		For year ended	
	December 31, 2017		December 31, 2018		December 31, 2019	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
REVENUES						
Revenue from sales of chemical products	990,664	89.98	1,085,919	92.03	1,080,746	91.46
Revenue from services	110,343	10.02	94,074	7.97	100,907	8.54
Total Revenues from Sales and Services	1,101,007	100.00	1,179,993	100.00	1,181,653	100.00
COSTS OF SALES AND SERVICES						
Cost of chemical products sold	795,687	72.27	929,993	78.82	974,691	82.49
Cost of services	24,634	2.24	18,111	1.53	19,498	1.65
Total Costs of Sales and Services	820,321	74.51	948,104	80.35	994,189	84.14
Gross profit	280,686	25.49	231,889	19.65	187,464	15.86
Other income	27,732	2.52	14,283	1.21	27,309	2.32
Profit Before Expenses	308,418	28.01	246,172	20.86	214,773	18.18
Selling expenses	46,960	4.26	48,435	4.10	43,152	3.65
Administrative expenses	144,186	13.10	154,840	13.12	154,031	13.04
Financial costs	879	0.08	2,831	0.24	16,410	1.39
Total expenses	192,025	17.44	206,106	17.47	213,593	18.08
Profit (Loss) Before income Tax expense	116,393	10.57	40,066	3.40	1,180	0.10
Income (Expense) Tax	97,793	8.88	10,852	0.92	(36,127)	(3.06)
NET PROFIT (LOSS) FOR THE YEAR	214,186	19.45	50,918	4.32	(34,947)	(2.96)

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary Statement of Cash Flows	Ended December 31		
	2017	2018	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Net Cash provided from (Used in) Operating Activities	228,856	77,764	(240,425)
Net Cash provided from (Used in) Investing Activities	(199,507)	(118,560)	219,999
Net Cash provided from (Used in) Financing Activities	(879)	216,461	(180,157)
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	28,470	175,665	(200,583)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	83,948	112,418	288,083
CASH AND CASH EQUIVALENTS AT END OF PERIOD	112,418	288,083	87,500

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Statement of Cash Flows	Ended December 31		
	2017	2018	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Cash Flows from Operating Activities			
Profit (Loss) before income Tax expense	116,393	40,066	1,179
Portion of the Company before business combination under common control	0	0	0
Profit (Loss) Before income Tax expense - Net	116,393	40,066	1,179
Adjustments to reconcile profit (Loss) to net cash provided from (used in)			
Adjustment on financial costs	879	2,831	16,410
Adjustment on Trade and other receivable (Increase) Decrease	(42,269)	25,139	(50,896)
Adjustment on Inventories (Increase) Decrease	49,515	(44,779)	55,294
Adjustment on Other assets (Increase) Decrease	(1,518)	(48,291)	(317,942)
Adjustment on Trade and other payable Increase (Decrease)	(5,347)	1,892	4,834
Adjustment on Other Liabilities Increase (Decrease)	(2,759)	(250)	0
Depreciation Depletion and Amortization charge	109,606	108,368	106,179
Adjustment on Impairment loss (Reverse)	345	(703)	(5,517)
Adjustment on Provisions liabilities (Reverse)	(3,429)	(874)	(15,613)
Adjustment on Unrealized (Gain) loss on exchange rate	(726)	(122)	117
Adjustment on Doubtful debt (Reverse)	7,392	1,042	(52)
Adjustment on loss from inventories devaluation (Reversal)	1,379	(671)	(10,427)
Adjustment on loss from Write-off pier lease right	0	0	97
Adjustment on loss (gain) on disposal of non-current assets	(2,604)	693	379
Adjustment other on cash from investment or borrowings	(1,591)	(4,128)	(8,543)
Net Cash provided from (Used in) Operating Activities	59,684	228,856	80,213
	(879)	(2,449)	(15,924)
	227,977	77,764	(240,425)
Cash Flows from Investing Activities			
Proceeds from disposal of Equity Instruments or debt Instruments from other parties	50,786	0	305,899
Cash paid for equity Instruments or debt	(252,561)	(98,957)	0

Instruments from other parties			
Cash paid for acquisitions of property, plan and equipment	(22,760)	(21,301)	(89,430)
Proceeds from disposal of property, plan and equipment	23,436	725	475
Cash paid for purchase of intangible assets	0	(511)	(124)
Other Proceeds (cash paid) from Operating Activities-Provision for employee benefit	0	(2,513)	(984)
Proceeds from Interest received	1,592	3,997	4,163
Net Cash provided from (Used in) Investing Activities	(199,507)	(118,560)	219,999
Cash Flows from Financing Activities			
Proceeds from the issuance of the share capital	0	1	0
Proceeds from loans	0	216,460	0
Cash paid for interest	0	0	(133,380)
Dividends paid	0	0	(46,777)
Net Cash provided from (Used in) Financing Activities	0	216,461	(180,157)
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	29,470	175,665	(200,583)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	83,948	112,418	288,083
CASH AND CASH EQUIVALENTS AT END OF PERIOD	112,418	288,083	87,500

Financial Ratios

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

	For the Year Ended December 31		
	2017	2018	2019
(LIQUIDITY RATIOS)			
■ Current Ratio (Times)	3.85	2.54	1.65
■ Quick ratio (times)	3.29	2.02	1.22
■ Cash Ratio (Times)	1.52	0.31	(0.80)
■ Account Receivable Turnover (Times)	5.42	5.79	5.47
■ Average collection period (days)	66.44	62.17	65.82
■ Inventory turnover (times)	8.13	9.78	9.93
■ Receivable conversion period (days)	44.26	36.82	36.26
■ Account Payable Turnover (Times)	15.15	8.98	6.61
■ Payable convention period (days)	23.76	40.10	54.46
■ Cash Cycle (Days)	86.94	58.88	47.61
(PROFITABILITY RATIOS)			
■ Gross Profit Margin (%)	25.49%	19.65%	15.86%
■ Operating Profit Margin (%)	17.19%	3.64%	(4.87) %
■ Cash to Profit Ratio (%)	120.91%	186.74%	417.40%
■ Net Profit Margin (%)	19.50%	4.36%	(2.92) %
■ Return on Equity (%)	25.10%	5.21%	(3.54) %
(EFFICIENCY RATIOS)			
■ Return on Assets (%)	10.74%	3.32%	1.34%
■ Return on Fixed Assets (%)	41.39%	33.78%	31.38%
■ Total Assets Turnover (Time)	1.01	0.91	0.90
(FINANCIAL POLICY RATIOS)			
■ Debt to Equity Ratio (Time)	0.21	0.41	0.29
■ Interest Coverage Ratio (Time)	372.61	33.17	(15.85)
■ Obligation coverage Ratio (cash basis) (Time)	9.68	3.32	(2.27)
■ Dividend Payout Ratio (%)	0.00	0.00	0.00

Summary of financial position and operating Performance of subsidiary

(Unit: Million Baht)

Item	Rayong Bulk Terminal Co., Ltd.			NFCT Co. Ltd. *		NFCW Co. Ltd.*	
	2017	2018	2019	2018	2019	2018	2019
Total Assets	59.37	57.41	55.42	4.59	832.99	0.99	0.98
Total Liabilities	63.77	64.67	65.44	3.60	507.56	0.02	0.02
Total Shareholders' Equity	(4.40)	(7.26)	(10.02)	0.99	325.43	0.98	0.96
Net Income	0.70	0.42	0.26	0.01	0.21	0.00	0.00
Net Profit	(2.97)	(2.85)	(2.76)	(0.01)	(0.56)	(0.02)	(0.02)
Book value per share (Baht)	(0.06)	(0.10)	(0.13)	98.75	99.83	97.80	96.09

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

Others

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

[Auditor's Report and Financial Statement]



Auditor's Report and Financial Statement for the year ended on December 31, 2019**INDEPENDENT AUDITOR'S REPORT**

To The Shareholders of NFC Public Company Limited

Opinion

I have audited the financial statements of NFC Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of NFC Public Company Limited and its subsidiaries as at December 31, 2019, 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 informing my opinion thereon, and I do not provide a separate opinion on these matters.

Revaluation of plant and equipment**Risk**

As discussed in Note 13 to the financial statements, The Group values its plant and equipment, including those assets acquired in a business combination, at fair value which is determined by an independent appraiser. The valuation process requires judgement and significant estimates to be made by management. As of December 31, 2019, Plant and Equipment of The Group the amount of 385.91 million Baht represents 32 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 the company to ensure that accounting records of the asset are correct.

Deferred Tax Assets

Risk

As discussed in Note 16 to the financial statements, The Group has not yet recorded deferred tax asset amount 280.93 million Baht, because recognition of deferred tax assets needs to be based on the probability of utilization which is subject to management's judgment. The expectation of such assets utilization is depended on many factors, including appropriateness of temporary difference, and sufficiency of future taxable profit.

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. The evaluation focused on the reasonableness of future cash flow projection and preparation process of cash flow projection.
- Tested reliability of calculation and compared with the latest annual budget approved by the Company's board of directors.
- Enquired the Company's management regarding a key assumption, long term growth rate, and compared with historical performance, economic conditions, and industrial trend.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Karin Audit Company Limited
 Bangkok, Thailand.
 February 27, 2020

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED		SEPARATE	
	Notes	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	87,500,475	288,082,749	84,288,675	286,092,398
Temporary investments in available - for - sale investments	7	-	298,131,990	-	298,131,990
Trade and other current receivables	8,9	201,438,574	150,491,860	131,528,893	143,384,527
Short-term loan	9	-	-	484,000,000	-
Inventories	10	78,485,291	117,835,324	78,484,102	117,835,324
Other current assets	11	21,873,677	71,953,596	21,873,677	71,953,596
Total Current Assets		389,298,017	926,495,519	800,175,347	917,397,835
NON - CURRENT ASSETS					
Investment in subsidiaries	12	-	-	326,999,400	1,999,400
Other long-term investments		2,678,537	2,678,537	2,678,537	2,678,537
Property, plant and equipment	13	385,913,108	402,980,348	297,995,796	399,557,290
Intangible assets	14	2,133,280	2,642,699	2,048,959	2,642,699
Deferred tax asset	15	8,824,742	45,396,669	8,824,742	45,396,669
Other non - current assets	16	413,622,792	46,387,000	11,300,751	11,675,141
Total Non - Current Assets		813,172,459	500,085,253	649,848,185	463,949,736
TOTAL ASSETS		1,202,470,476	1,426,580,772	1,450,023,532	1,381,347,571
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loan from financial institution	17	83,079,597	216,459,853	83,079,597	216,459,853
Trade and other current payables	9,18	152,918,123	147,900,716	171,422,727	172,495,657
Current provisions for employee benefits	19	-	587,688	-	587,688
Total Current Liabilities		235,997,720	364,948,257	254,502,324	389,543,198
NON - CURRENT LIABILITIES					
Non - current provisions for employee benefits	19	10,876,232	11,326,295	10,863,050	11,326,295
Other non - current provisions		18,427,183	35,793,060	18,427,183	35,793,060
Other non - current liabilities		3,420,000	3,420,000	3,420,000	3,420,000
Total Non - Current Liabilities		32,723,415	50,539,355	32,710,233	50,539,355
TOTAL LIABILITIES		268,721,135	415,487,612	287,212,557	440,082,553

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED		SEPARATE	
	Notes	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - ordinary share					
- Authorized share capital					
1,196,616,362 shares of Baht 0.75 each	20	897,462,271	897,462,271	897,462,271	897,462,271
Issued and paid share capital					
- Authorized share capital 1,087,833,056 shares					
of Baht 0.75 each	20	815,874,792	815,874,792	815,874,792	815,874,792
Surplus (Deficit) from business combination under					
the common control		(255,263,602)	(255,263,602)	(255,263,602)	(255,263,602)
Retained earnings					
Legal reserve		22,550,000	9,350,000	22,550,000	9,350,000
Unappropriated		235,287,323	292,378,678	462,671,086	221,334,700
Other components of shareholder's equity		116,978,699	149,969,128	116,978,699	149,969,128
Total equity attributable to owners of the company		935,427,212	1,012,308,996	1,162,810,975	941,265,018
Non-controlling interests of subsidiaries		(1,677,871)	(1,215,836)	-	-
TOTAL SHAREHOLDERS' EQUITY		933,749,341	1,011,093,160	1,162,810,975	941,265,018
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,202,470,476	1,426,580,772	1,450,023,532	1,381,347,571

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

(Unit : Baht)

		CONSOLIDATED		SEPARATE	
	Notes	2019	2018	2019	2018
REVENUES					
Revenue from sales of chemical products		1,080,746,084	1,085,919,053	1,080,746,084	1,085,919,053
Revenue from services		100,906,974	94,074,310	103,526,974	96,694,310
Total Revenues from Sales and Services	9,27	1,181,653,058	1,179,993,363	1,184,273,058	1,182,613,363
COSTS OF SALES AND SERVICES					
Cost of chemical products sold		974,691,073	929,993,265	974,691,073	929,993,265
Cost of services		19,498,408	18,110,842	19,750,835	18,525,572
Total Costs of Sales and Services	9,27	994,189,481	948,104,107	994,441,908	948,518,837
Gross profit		187,463,577	231,889,256	189,831,150	234,094,526
Other income	9,27	27,308,687	14,282,977	323,493,449	14,258,598
Profit Before Expenses		214,772,264	246,172,233	513,324,599	248,353,124
Selling expenses	27	43,151,566	48,434,897	43,151,566	48,434,897
Administrative expenses	27	154,031,637	154,840,079	153,747,217	154,989,179
Financial costs	27	16,410,058	2,831,337	16,357,037	2,830,677
Total expenses		213,593,261	206,106,313	213,255,820	206,254,753
Profit (Loss) Before income Tax expense		1,179,003	40,065,920	300,068,779	42,098,371
Tax income		(36,126,759)	10,852,306	(36,126,759)	10,852,306
NET PROFIT (LOSS) FOR THE YEAR		(34,947,756)	50,918,226	263,942,020	52,950,677
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		2,599,836	1,228,003	2,599,836	1,228,003
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on remeasurements of defined benefits		1,780,670	-	1,780,670	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(30,567,250)	52,146,229	268,322,526	54,178,680
ALLOCATION OF INCOME (LOSS)					
Portion of the Company's Shareholders		(34,485,721)	51,396,208	263,942,020	52,950,677
Portion of non-controlling interests in subsidiaries		(462,035)	(477,982)	-	-
		(34,947,756)	50,918,226	263,942,020	52,950,677
ALLOCATION OF COMPREHENSIVE INCOME (LOSS)					
Portion of the Company's shareholders		(30,105,215)	52,624,211	268,322,526	54,178,680
Portion of non-controlling interests in subsidiaries		(462,035)	(477,982)	-	-
		(30,567,250)	52,146,229	268,322,526	54,178,680
Basic Earnings (Loss) per Share					
Profit (Loss) (Baht per share)	21	(0.0317)	0.0472	0.2426	0.0487
Weight average number of common shares (Shares)		1,087,833,056	1,087,833,056	1,087,833,056	1,087,833,056

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

	Equity attributable to the Company's shareholders										(Unit : Baht)	
	Paid-up share capital	Surplus (Deficit) from business combination under common control	Legal reserve	Retained earnings	Other components of equity				Total shareholders' equity of the Company	Non controlling interests of Subsidiaries		Total
					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, 2018	815,874,792	(255,263,602)	6,700,000	199,781,543	(3,827,839)	203,379,337	(6,959,446)	192,592,052	959,684,785	(738,454)	958,946,331	
Increase (Decrease) ordinary share	-	-	-	-	-	-	-	-	-	600	600	
Total comprehensive income (Loss) for the year	-	-	-	51,396,208	1,228,003	-	-	1,228,003	52,624,211	(477,982)	52,146,229	
Transfer to retained earnings (Loss)	-	-	-	43,850,927	-	(43,850,927)	-	(43,850,927)	-	-	-	
Other - Legal reserve	-	-	2,650,000	(2,650,000)	-	-	-	-	-	-	-	
Balance as at December 31, 2018	815,874,792	(255,263,602)	9,350,000	292,378,678	(2,599,836)	159,528,410	(6,959,446)	149,969,128	1,012,308,996	(1,215,836)	1,011,093,160	
Increase (Decrease) ordinary share	-	-	-	(46,776,569)	-	-	-	-	(46,776,569)	-	(46,776,569)	
Total comprehensive income (Loss) for the year	-	-	-	(34,485,721)	2,599,836	-	1,780,670	4,380,506	(30,105,215)	(462,035)	(30,567,250)	
Transfer to retained earnings (Loss)	-	-	-	37,370,935	-	(42,549,711)	5,178,776	(37,370,935)	-	-	-	
Other - Legal reserve	-	-	13,200,000	(13,200,000)	-	-	-	-	-	-	-	
Balance as at December 31, 2019	815,874,792	(255,263,602)	22,550,000	235,287,323	-	116,978,699	-	116,978,699	935,427,212	(1,677,871)	933,749,341	

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

	Paid-up share capital	Surplus (Deficit) from business combination under common control	Other components of equity						Total	
			Legal reserve	Retained earnings	Available-for-sale investments	Surplus on assets revaluation	Gains (losses) on remeasurements of defined benefits	Total other components shareholders' equity		
SEPARATE										
Balance as at January 1, 2018										
Total comprehensive income (Loss) for the year	815,874,792	(255,263,602)	6,700,000	127,183,096	(3,827,839)	203,379,337	(6,959,446)	192,592,052	887,086,338	
Transfer to retained earnings (Loss)	-	-	-	52,950,677	1,228,003	-	-	1,228,003	54,178,680	
Other - Legal reserve	-	-	-	43,850,927	-	(43,850,927)	-	(43,850,927)	-	
	-	-	2,650,000	(2,650,000)	-	-	-	-	-	
Balance as at December 31, 2018	815,874,792	(255,263,602)	9,350,000	221,334,700	(2,599,836)	159,528,410	(6,959,446)	149,969,128	941,265,018	
Dividends paid	-	-	-	(46,776,569)	-	-	-	-	(46,776,569)	
Total comprehensive income (Loss) for the year	-	-	-	263,942,020	2,599,836	-	1,780,670	4,380,506	268,322,526	
Transfer to retained earnings (Loss)	-	-	-	37,370,935	-	(42,549,711)	5,178,776	(37,370,935)	-	
Other - Legal reserve	-	-	13,200,000	(13,200,000)	-	-	-	-	-	
Balance as at December 31, 2019	815,874,792	(255,263,602)	22,550,000	462,671,086	-	116,978,699	-	116,978,699	1,162,810,975	

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31

(Unit : Baht)

	CONSOLIDATED		SEPARATE	
	2019	2018	2019	2018
Cash Flows from Operating Activities				
Profit (Loss) before income Tax expense	1,179,003	40,065,920	300,068,779	42,098,371
Adjustments to reconcile profit (Loss) to net cash provided from (used in)				
Adjustment on financial costs	16,410,058	2,831,337	16,357,037	2,830,677
Adjustment on Trade receivable (Increase) Decrease	30,114,050	42,308,911	29,265,374	41,453,936
Adjustment on Trade other receivable (Increase) Decrease	(81,008,764)	(17,169,348)	(18,206,416)	(17,029,605)
Adjustment on Inventories (Increase) Decrease	55,293,618	(44,779,427)	55,294,807	(44,779,427)
Adjustment on Other assets (Increase) Decrease	(317,941,832)	(48,291,176)	49,668,350	(48,206,358)
Adjustment on Trade payable Increase (Decrease)	5,654,796	(7,789,312)	3,555,676	(11,389,487)
Adjustment on Trade other payable Increase (Decrease)	(821,090)	9,681,748	(4,768,659)	7,602,166
Adjustment on Other liabilities Increase (Decrease)	-	(250,000)	-	(250,000)
Depreciation Depletion and Amortisation charge	106,178,780	108,368,468	106,164,417	108,368,468
Adjustment on Impairment loss (Reverse)	(5,517,066)	(702,765)	(5,517,066)	(702,765)
Adjustment on Provisions liabilities (Reverse)	(15,613,382)	(874,627)	(15,626,564)	(874,627)
Adjustment on Unrealized (Gain) loss on exchange rate	117,026	(122,288)	73,377	(109,398)
Adjustment on Bad debt and allowance for doubtful accounts (Reverse)	(52,000)	1,042,369	796,676	1,897,345
Adjustment on loss from inventories devaluation (Reverse)	(10,426,519)	(671,228)	(10,426,519)	(671,228)
Adjustment other on non-cash items - write off assets	97,051	-	97,051	-
Adjustment on loss (Gain) on disposal of non current assets	379,114	692,869	379,114	692,869
Adjustment other on cash from investment or borrowings	(8,543,488)	(4,128,196)	(8,427,614)	(4,118,958)
Net Cash provided from (Used in) Operating	(224,500,645)	80,213,255	498,747,820	76,811,979
Interest expense	(15,923,791)	(2,449,319)	(15,870,770)	(2,448,659)
Net Cash provided from (Used in) Operating Activities	(240,424,436)	77,763,936	482,877,050	74,363,320
Cash Flows from Investing Activities				
Cash paid for investment in Subsidiaries Increase	-	-	(325,000,000)	(1,999,400)
Cash paid for debt Instruments from other parties	-	(98,956,891)	-	(98,956,891)
Cash paid for acquisitions of property, plant and equipment	(89,429,601)	(21,301,001)	(4,930,163)	(17,877,943)
Cash paid for purchase of intangible assets	(123,550)	(511,559)	(30,050)	(511,559)
Proceeds from disposal of property, plant and equipment	474,865	725,176	474,865	725,176
Proceeds from sales of debt Instruments from other parties	305,899,126	-	305,899,126	-
Increase in short-term loans to related parties	(28,500,000)	-	(512,500,000)	-
Decrease in short-term loans to related parties	28,500,000	-	28,500,000	-
Proceeds from Interest received	4,162,147	3,997,204	4,046,274	3,987,965
Other Proceeds (cash paid) from Operating Activities - Provision for employee benefit	(984,000)	(2,512,800)	(984,000)	(2,512,800)
Net Cash provided from (Used in) Investing Activities	219,998,987	(118,559,871)	(504,523,948)	(117,145,452)

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

(Unit : Baht)

	CONSOLIDATED		SEPARATE	
	2019	2018	2019	2018
Cash Flows from Financing Activities				
Proceeds from the issuance of the share capital	-	600	-	-
Proceeds from loans	-	216,459,853	-	216,459,853
Cash payment from loans	(133,380,256)	-	(133,380,256)	-
Dividends paid	(46,776,569)	-	(46,776,569)	-
Net Cash provided from (Used in) Financing Activities	(180,156,825)	216,460,453	(180,156,825)	216,459,853
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	(200,582,274)	175,664,518	(201,803,723)	173,677,721
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (NOTE 6)	288,082,749	112,418,231	286,092,398	112,414,677
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 6)	87,500,475	288,082,749	84,288,675	286,092,398

Supplement cash flows information

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

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

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

Factory and Warehouse : No. 2, I-2 Road, Map Ta Phut Industrial Estate, Tambol Map Ta Phut, Muang District, Rayong, Thailand. Currently not in fertilizer manufacturing operations, but still run production of ammonium hydroxide.

: No. 9/25 Moo 4, Bueng Yitho District, Amphur Thanyaburi, Pathum Thani, Thailand.

: No. 105/10 Moo 2, Surat – Pak Nam Road., Bangkung District, Amphur Muang, Surat Thani, Thailand.

Office : 88 SC Group Building 3rd Floor, The Park Land Road (Bangna-Trad Km.5), Bangna Nuea Sub -District, Bangna District, Bangkok, Thailand. (Old “88 SC Group Building 4th Floor, The Park Land Road, Bangna Sub-District, Bangna District, Bangkok”)

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

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

The Company has a 100% investment in “NFCT Co., Ltd” and has 99.97% investment in “NFCW Co., Ltd” which both conducting liquid warehouse services and warehouse and yard services business respectively.

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

Status of the subsidiary

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

Subsequently, the Company and subsidiary have withdrawn the various claims and disputes against IEAT, and all parties have agreed in principle to commence the operation of the pier area to the subsidiary to earn income. In addition, the subsidiary has proposed a debt repayment schedule at the Creditors' meeting on October 7, 2015, which is still under their consideration. The Creditors' meeting on March 26, 2020.

3. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

3.1 Basis of financial statement preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

The financial statements in the English language have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or interpretation in two different languages, the Thai version of the financial statements shall main.

3.2 New financial reporting standards

3.2.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting

standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

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

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

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

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

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19

Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at January 1, 2020 to be to increase the Group's assets by approximately Baht 316.11 million and the Company only approximately Baht 61.80 million, and the Group's liabilities by approximately Baht 316.11 million and the Company only approximately Baht 61.80 million.

3.3 Principles of consolidation

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

Company's Name	Nature of business	Percentage of holding (%)	
		December 31, 2019	December 31, 2018
Rayong Bulk Terminal Co., Ltd.	Provide wharf frontage services and warehouse services	83.25	83.25
NFCT Co., Ltd.	Liquid warehouse services business	100.00	99.97
NFCW Co., Ltd.	Warehouse and yard services business.	99.97	99.97

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

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

3.4 The percentage of subsidiary's assets and revenues included in the consolidated financial statements as at December 31, 2019 and 2018 are summarized below:

The total assets of subsidiaries as at December 31, 2019 and 2018 and total revenues of subsidiaries For the years ended December 31, 2019 and 2018, as included in the consolidated financial statements presented in term of percentages are as follow :

	Percentage of subsidiaries'		Percentage of subsidiaries'	
	total assets		total revenues	
	to consolidated total assets		to consolidated total revenues	
	December 31,	December 31,	For the years ended December 31,	
	2019	2018	2019	2018
Rayong Bulk Terminal Co., Ltd.	4.61	4.02	0.02	0.04
NFCT Co., Ltd.	69.27	0.33	0.02	-
NFCW Co., Ltd.	0.08	0.07	-	-

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue and expenditure recognition

Revenue from sales

Sales of goods are recognised at the point in time when control of the asset is transferred to the customer. Sales are the invoiced value, excluding value-added tax, of goods supplied after deducting discounts and allowances.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

Revenue from service

Service income is recognized when the company and its subsidiaries have provided the service. By considering the ratio of work completed. Which is calculated in accordance with the total cost of service incurred to the total estimated cost that will be used in providing the service under the contract.

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

Cost of service is recognized principally based on services rendered.

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

4.2 Cash and cash equivalents

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

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

4.3 Other investments

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

- (1) Trading investments are investments that are held with the purpose to be sold within one year, such investments are valued at fair value. Changes in the fair value of securities are recorded as gains or losses in the statement of comprehensive income.
- (2) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (3) Investments in non-marketable equity securities are classified as general investments.

Investments are initially recognised at capital Price, which is equal to the fair value of the 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, an 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 of part is determined by the weighted average carrying amount of the total holding of the investment.

4.4 Trade accounts receivable

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

4.5 Related companies

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

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

4.6 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the 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 the 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 subsidiaries

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

Other investment

Equity securities which are not marketable are stated at cost net of impairment losses.

4.9 Property, plant and equipment

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

- | | | |
|----|--|--|
| a) | Building and factory, Building improvement, Port building, berth, Warehouse and conveying system, machinery and equipment, Fertilizer packing equipment, Moving equipment Electricity, water supply, wastewater treatment other utilities and vehicles | - at an appraised value determined by an independent appraiser |
| b) | Other fixed assets | - at cost |

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

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

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

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

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

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

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

4.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.11 Intangible assets

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

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

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

Computer software 5 years

Amortization is included in the calculation of performance.

4.12 Right to use the pier

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

4.13 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.

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

Leases of equipment where the Company and subsidiaries 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 the expiry date of the lease period, any payment required to be made to lessors by way of penalty is recognized as an expense in the period in which termination takes place.

4.15 Long - term leases - where the Company and subsidiaries are the lessors

Assets leased out under operating leases are recorded as assets under “equipment” in the statement of financial position. The Company calculates the 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.

4.16 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 the revalued 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.

4.17 Foreign currency translation

The Company and subsidiaries translated foreign currency transactions into Thai Baht for bookkeeping purposes at the exchange rates prevailing at the dates of the transactions. Balances of monetary assets and liabilities, denominated in foreign currency, at the closing date are translated into Baht at the exchange rates at that date. Gains and losses resulting from the settlement of such transactions and 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.

4.18 Employee benefits

Current employment benefits

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

Post-employment benefits

Defined contribution plan

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

Defined benefit plan

The Company and subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under the labour law. The Company and subsidiaries 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).

4.19 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 the 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.

4.20 Earnings (loss) per shareBasic earnings (loss) per share

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

Diluted earnings (loss) per share

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

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

4.21 Financial instruments

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

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

4.22 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.

4.23 Use of accounting estimates

When preparing the financial statements, management undertakes 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.

4.24 Provisions for liabilities and expenses, and contingent assets

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

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

MANAGEMENT

5.1 Critical accounting estimates, assumption and judgments

5.1.1 Impairment of receivables

The Company and subsidiaries set up an 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 coupled 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 subsidiaries' plant and equipment and intangible assets and will revise the depreciation where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if they are no longer in use.

5.1.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

5.1.6 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment regarding whether significant risk and rewards of ownership of the leased

asset has been transferred to the Company and subsidiaries, taking into consideration terms and conditions of the arrangement.

5.1.7 Impairment of assets

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

5.1.8 Post-employment benefits under defined benefit plans

The obligation under the 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 subsidiaries have 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, 2019 and 2018 are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Cash on hand	70,009	119,925	59,549	115,508
Cash deposit with financial institutions	87,430,466	287,962,824	84,229,126	285,976,890
Total	87,500,475	288,082,749	84,288,675	286,092,398

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

7. TEMPORARY INVESTMENTS IN AVAILABLE - FOR - SALE INVESTMENTS

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Fixed deposits due within 12 months	-	-	-	-
Available-for-sale fixed income fund	-	298,131,990	-	298,131,990
Total	-	298,131,990	-	298,131,990

Board of Directors' Meeting of NFC Public Company Limited (the "Company") no. 7/2019 on June 21, 2019, resolved to approve the sale of temporary investment as per book value of Baht 301,517,785.50, the result of gain from the sale of investment Baht 4,381,340.44. which will be recorded in the statement of profit or loss.

8. TRADE AND OTHER CURRENT RECEIVABLES

Balances of trade and other receivables as at December 31, 2019 and 2018 are as follows:

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Trade receivables				
Related companies	2,951,981	1,802,164	28,305,406	26,306,913
Others	96,562,577	127,826,444	91,978,460	123,242,327
Total	99,514,558	129,628,608	120,283,866	149,549,240
<u>Less</u> Allowance for doubtful accounts	(40,063,956)	(40,115,956)	(60,833,264)	(60,036,588)
Trade receivable - net	59,450,602	89,512,652	59,450,602	89,512,652
Other current receivables				
Other receivables - Related companies	-	-	15,802,670	380
Other receivables	143,310,341	62,301,577	57,597,990	55,193,864
<u>Less</u> Allowance for doubtful accounts	(1,322,369)	(1,322,369)	(1,322,369)	(1,322,369)
Trade receivables and other current receivables - Net	201,438,574	150,491,860	131,528,893	143,384,527

Aging analysis of trade receivable and are as follows:

(Unit: Baht)				
	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Not yet due	47,207,071	84,866,539	47,870,471	85,529,939
Over due :				
Not over 3 months	12,243,531	4,072,249	12,267,781	4,115,899
3 months to 6 months	-	-	72,239	55,290
6 months to 12 months	-	573,864	752,187	1,337,626
Over 12 months	40,063,956	40,115,956	59,321,188	58,510,486
Total	99,514,558	129,628,608	120,283,866	149,549,240
<u>Less</u> Allowance for doubtful accounts	(40,063,956)	(40,115,956)	(60,833,264)	(60,036,588)
Net	59,450,602	89,512,652	59,450,602	89,512,652

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

(Unit: Baht)				
	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Beginning balance	(41,438,325)	(40,395,956)	(61,358,957)	(59,461,612)
Increase	-	(1,322,369)	(848,676)	(2,177,345)
Decrease	52,000	280,000	52,000	280,000
Ending balance	(41,386,325)	(41,438,325)	(62,155,633)	(61,358,957)

During the year 2019, the company has a reverse allowance in value of Baht 0.05 million. (Separate: Baht 0.05 million) because they were received from account receivable.

During the year 2018, the company has a reverse allowance in value of Baht 0.28 million. (Separate: Baht 0.28 million) because they were received from account receivable.

9. RELATED PARTIES TRANSACTIONS

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

Company's Name	Type of Business	Relationship
Rayong Bulk Terminal Co., Ltd.	Wharf frontage services and warehouse services	Subsidiary company and shareholders/ co- directors/ co-management team
NFCT Co., Ltd.	Liquid warehouse services	Subsidiary company and shareholders/ co- directors/ co-management team
NFCW Co., Ltd.	Warehouse and Yard services	Subsidiary company and shareholders/ co- directors/ co-management team
SC Management Co., Ltd.	Marine Logistics	Co-shareholders and directors/ co-management team
Strategic Port Link Co., Ltd.	Land Logistics	Co-shareholders and directors/ co-management team
SCG Logistics Co., Ltd.	Land and Marine Logistics	Co-shareholders and directors/ co-management team
SC Offshore Services Co., Ltd.	Offshore services	Co-shareholders and directors/ co-management team
NP Marine Logistics Co., Ltd.	Land and Marine Logistics	Co-shareholders and directors/ co-management team
Thai International Dockyard Co., Ltd.	Shipyards and Offshore Engineering work	Co-shareholders and directors/ co-management team
N Holding Co., Ltd.	Office space rental service and facilities to use the office space	Co-shareholders and directors/ co-management team
SC Auto Logistics Co., Ltd.	Land Logistics	Co-shareholders and directors/ co-management team
SC Corporation Co., Ltd.	Liquid petroleum warehouse services	Co-shareholders and directors team
NP Marine Co., Ltd.	Wharf frontage services, warehouse services and Marine Logistics	Co-shareholders and directors team
SC Carrier Co., Ltd.	Land Logistics	Co-directors and co-management team
Chemicals and Aromatics (Thailand) Co., Ltd.	Distribution of chemicals	Co-directors and co-management team
SCENA Offshore Co., Ltd.	Marine Logistics	Co-directors and co-management team

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

Type of Transaction	Pricing Policies
Revenue from the sale of goods	Market price
Revenue from the rendering of services	Market price
Revenue from interest loan	
NFCT Co., Ltd.	Interest rate 6.87 percent per annum
SC Management Co., Ltd.	Interest rate 7.5 percent per annum
Purchase	Market price
Rental expense and services fee	Market price

Significant balances with related parties for the year ended December 31, 2019 and 2018 are as follows:

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	For the year ended December 31,			
	2019	2018	2019	2018
<u>Revenues from services and other income</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	2,620,000	2,620,000
NFCT Co., Ltd.	-	-	296,406,045	-
SC Management Co., Ltd.	9,521,143	7,419,559	9,521,143	7,419,559
NP Marine Co., Ltd.	968,312	3,820,416	968,312	3,820,416
SCG Logistics Co., Ltd.	228,933	606,115	228,933	606,115
SC Offshore Services Co., Ltd.	644,145	20,935	644,145	20,935
SC Carrier Co., Ltd.	1,054,779	1,043,052	1,054,779	1,043,052
SCENA Offshore Co., Ltd.	-	1,936	-	1,936
SC Auto Logistics Co., Ltd.	-	36,828	-	36,828
N Holding Co., Ltd.	1,200	-	1,200	-
Total	12,418,512	12,948,841	311,444,557	15,568,841
<u>Services fees</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	252,427	414,731
SC Carrier Co., Ltd.	50,635,618	60,094,878	50,635,618	60,094,878
SC Management Co., Ltd.	2,367,659	2,290,923	2,367,659	2,290,923
NP Marine Co., Ltd.	802,980	448,040	802,980	448,040
SC Offshore Services Co., Ltd.	9,600	31,300	9,600	31,300
N Holding Co., Ltd.	4,311,509	2,188,297	4,311,509	2,188,297
Total	58,127,366	65,053,438	58,379,793	65,468,169

Purchase of Assets

Chemicals and Aromatics (Thailand)

Co., Ltd.	1,600,000	75,900	1,600,000	75,900
Strategic Port Link Co., Ltd.	26,000	-	26,000	-
Total	1,626,000	75,900	1,626,000	75,900

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	For the year ended December 31,			
	2019	2018	2019	2018
<u>Key management personnel compensation</u>				
Current employee benefits	36,671,008	36,763,208	36,671,008	36,763,208
Post-employment benefits	1,315,232	1,386,730	1,315,232	1,386,730
Total	37,986,240	38,149,938	37,986,240	38,149,938

Balances with related parties as at December 31, 2019 and 2018 are as follows:

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
<u>Trade and other receivables</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	25,353,425	24,504,749
SC Management Co., Ltd.	2,677,299	867,600	2,677,299	867,600
NP Marine Co., Ltd.	49,220	681,307	49,220	681,307
SCG Logistics Co., Ltd.	31,928	63,404	31,928	63,404
SC Carrier Co., Ltd.	186,686	189,853	186,686	189,853
SC Offshore Services Co., Ltd.	6,848	-	6,848	-
NFCT Co., Ltd.	-	-	15,802,670	380
Total	2,951,981	1,802,164	44,108,076	26,307,293
<u>Less Allowance for doubtful accounts</u>	-	-	(25,353,425)	(24,504,749)
Net	2,951,981	1,802,164	18,754,651	1,802,544

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

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<u>Deposit</u>				
N Holding Co., Ltd.	960,000	960,000	960,000	960,000
Total	960,000	960,000	960,000	960,000
<u>Short-term loan</u>				
NFCT Co., Ltd.	-	-	484,000,000	-
Total	-	-	484,000,000	-
<u>Advance payments</u>				
SC Carrier Co., Ltd.	10,450,000	-	10,450,000	-
<u>Trade and other payables</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	56,342,719	56,382,880
SC Management Co., Ltd.	7,337,993	7,343,120	197,000	202,127
SC Carrier Co., Ltd.	2,139,690	8,392,731	1,946,170	8,199,211
Chemicals and Aromatics (Thailand) Co., Ltd.	4,709,398	4,790,611	-	81,213
NP Marine Co., Ltd.	76,446	76,168	76,446	76,168
N Holding Co., Ltd.	508,717	422,959	508,717	422,959
SC Offshore Services Co., Ltd.	856	29,211	856	29,211
Total	14,773,100	21,054,800	59,071,908	65,393,769
<u>Unearned revenue from service</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	10,000,000	12,000,000
<u>Employee benefits obligation</u>				
Key management personnel	8,800,248	8,095,871	8,800,248	8,095,871

Movements during the year, loans to related parties were as follows:

(Unit: Baht)

	CONSOLIDATED F/S			
	January 1,			December 31,
	2019	Increase	Decrease	2019
Shot-term loan to related parties				
Related party				
SC Management Co., Ltd.	-	28,500,000	(28,500,000)	-

The Company has a loan to related parties through a line of credit of Baht 28.50 million. The non-negotiable promissory note is an interest rate of 7.5% per annum. Maturity April 27, 2019.

(Unit: Baht)

	SEPARATE F/S			
	January 1,			December 31,
	2019	Increase	Decrease	2019
Shot-term loan to related parties				
Related parties				
NFCT Co., Ltd.	-	484,000,000	-	484,000,000
SC Management Co., Ltd.	-	28,500,000	(28,500,000)	-
Total	-	512,500,000	(28,500,000)	484,000,000

The Company has a loan to a related party through a line of credit of Baht 512.50 million. The non-negotiable promissory note the amount of Baht 28.50 million are interest rate 7.5% per annum maturity April 27, 2019, the amount of Baht 484.00 million are interest rate of 6.87% per annum with a maturity of call loan.

10. INVENTORIES

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Finished goods - Chemical products	61,830,892	100,224,697	61,830,892	100,224,697
Supplies and others	96,293,524	107,163,791	96,292,335	107,163,791
Goods in transit	32,652	545,132	32,652	545,132
Total	158,157,068	207,933,620	158,155,879	207,933,620
<u>Less</u> Allowance for declined value				
of inventories	(4,729)	(4,729)	(4,729)	(4,729)
Allowance for defective				
inventories	(79,667,048)	(90,093,567)	(79,667,048)	(90,093,567)
Net	78,485,291	117,835,324	78,484,102	117,835,324

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

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Beginning balance	(90,098,296)	(90,769,524)	(90,098,296)	(90,769,524)
Increase	(4,784)	(13,152)	(4,784)	(13,152)
Decrease	10,431,303	684,380	10,431,303	684,380
Ending balance	(79,671,777)	(90,098,296)	(79,671,777)	(90,098,296)

As of December 31, 2019 The Company has a reverse allowance of inventories amount of Baht 10.43 million because of the Company's disposal of Supplies and others. (As at December 31, 2018 the Company reversal of allowance for declining in inventories value because the Company's use of goods was Baht 0.68 million).

11. OTHER CURRENT ASSETS

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Guarantee obligation not over 1 year	19,528,000	71,094,000	19,528,000	71,094,000
Other	2,345,677	859,596	2,345,677	859,596
Total	21,873,677	71,953,596	21,873,677	71,953,596

12. INVESTMENT IN SUBSIDIARIES COMPANY

Investment in subsidiaries as at December 31, 2019 and 2018 are as follows:

	SEPARATE F/S							
	Percentage of		Baht					
	shareholding		Paid-up capital		At cost		Dividend income	
	Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,
	2019	2018	2019	2018	2019	2018	2019	2018
<u>Subsidiaries company</u>								
Rayong Bulk Terminal								
Co., Ltd.	83.25	83.25	764,000,000	764,000,000	636,000,000	636,000,000	-	-
NFCT Co., Ltd.	100.00	99.97	326,000,000	1,000,000	325,999,700	999,700	-	-
NFCW Co., Ltd.	99.97	99.97	1,000,000	1,000,000	999,700	999,700	-	-
<u>Less Impairment of</u>								
investment					(636,000,000)	(636,000,000)	-	-
Net					326,999,400	1,999,400	-	-

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

The Extraordinary General Meeting of Shareholders of NFCT Company Limited (“NFCT”) no. 1/2019, On June 10, 2019 resolved, to increase the registered capital from the original registered capital of Baht 1 million to the newly registered capital of Baht 326 million by issuing 3,250,000 new ordinary shares at a par value of Baht 100 per share and NFCT has registered capital increase, and amending the Memorandum of Association of Article 5 the Department of Business Development Ministry of Commerce Completed in July 23, 2019.

Non-controlling interest

Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2019 and 2018, are as follows;

(Unit: Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)						
Rayong Bulk Terminal Co., Ltd.	16.75	16.75	(1,678,460)	(1,216,425)	(462,035)	(477,971)	-	-

13. PROPERTY, PLANT AND EQUIPMENT

Consisted of:

CONSOLIDATED F/S													(Unit : Baht)
	Land		Building and improvement		Machinery and equipment		Office equipment		Vehicles		Assets in progress	Spare part	Total
	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation			
Assets - cost													
As at December 31, 2018	70,548,069	-	185,681,801	218,200,193	332,555,714	118,681,017	12,299,706	2,398	4,512,619	-	4,222,001	54,700,900	1,001,404,418
Purchase	-	-	-	-	584,214	-	214,426	-	1,600,000	-	86,989,579	41,382	89,429,601
Disposal	-	-	-	-	-	-	-	-	-	-	-	(6,371,045)	(6,371,045)
Write off	-	-	-	-	-	-	(1,765)	-	-	-	-	-	(1,765)
Transfer in (Transfer out)	-	-	1,405,850	-	3,039,389	-	90,106	-	-	-	(2,786,325)	(1,846,071)	(97,051)
As at December 31, 2019	70,548,069	-	187,087,651	218,200,193	336,179,317	118,681,017	12,602,473	2,398	6,112,619	-	88,425,255	46,525,166	1,084,364,158
Accumulated depreciation													
As at December 31, 2018	36,720,614	-	75,595,810	93,991,538	131,789,563	43,480,569	8,370,137	1,027	913,070	-	-	-	390,862,328
Depreciation for the year	1,575,211	-	31,004,084	37,603,632	17,563,729	15,583,107	1,103,159	400	1,112,489	-	-	-	105,545,811
Depreciation for write off	-	-	-	-	-	-	(1,765)	-	-	-	-	-	(1,765)
Depreciation Increase*	-	-	-	-	1,476,857	-	-	-	-	-	-	-	1,476,857
As at December 31, 2019	38,295,825	-	106,599,894	131,595,170	150,830,149	59,063,676	9,471,531	1,427	2,025,559	-	-	-	497,883,231
Allowance for impairment of assets													
As at December 31, 2018	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	48,452,754	207,561,742
Decrease - disposal	-	-	-	-	-	-	-	-	-	-	-	(5,517,066)	(5,517,066)
Transfer in (Transfer out)	-	-	-	-	1,476,857	-	-	-	-	-	-	(1,476,857)	-
Decrease*	-	-	-	-	(1,476,857)	-	-	-	-	-	-	-	(1,476,857)
As at December 31, 2019	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	41,458,831	200,567,819
Net book value of assets													
As at December 31, 2019	3,911,346	-	80,487,757	86,605,023	54,615,102	59,617,341	3,099,980	971	4,083,998	-	88,425,255	5,066,335	385,913,108

* The effect of reversal of impairment must not exceed the book value that should be

(Unit : Baht)

CONSOLIDATED F/S

	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, 2017	70,548,069	-	219,047,912	246,028,034	268,600,848	36,253,320	21,104,827	53,448,225	6,397,181	1,203,279	5,841,441	1,203,279	55,990,034	984,463,170
Purchase	-	-	-	-	4,190,095	-	819,159	-	3,355,140	-	12,936,607	-	-	21,301,001
Disposal	-	-	-	-	(143,232)	(49,250)	(113,967)	-	(517,026)	-	-	-	(1,289,134)	(2,112,609)
Transfer in (Transfer out)	-	-	(33,366,111)	(27,827,841)	59,908,003	82,476,947	(9,510,313)	(53,445,827)	(4,722,676)	(1,203,279)	(14,556,047)	-	-	(2,247,144)
As at December 31, 2018	70,548,069	-	185,681,801	218,200,193	332,555,714	118,681,017	12,299,706	2,398	4,512,619	-	4,222,001	-	54,700,900	1,001,404,418
Accumulated depreciation														
As at December 31, 2017	35,145,403	-	56,116,176	63,344,862	99,598,280	10,562,700	8,244,686	8,497,844	1,718,207	303,282	-	-	-	283,531,440
Depreciation for the year	1,575,211	-	30,480,845	37,603,632	19,441,492	17,180,049	1,033,053	400	710,770	-	-	-	-	108,025,452
Depreciation for disposal	-	-	-	-	(51,445)	(19,634)	(106,460)	-	(517,025)	-	-	-	-	(694,564)
Depreciation for transfer out	-	-	(11,001,211)	(6,956,956)	12,801,236	15,757,454	(801,142)	(8,497,217)	(998,882)	(303,282)	-	-	-	-
As at December 31, 2018	36,720,614	-	75,259,510	93,991,538	131,789,563	43,480,569	8,370,137	1,027	913,070	-	-	-	-	390,862,328
Allowance for impairment of assets														
As at December 31, 2017	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	-	49,484,063	208,593,051
Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-	-	-	(1,031,309)	(1,031,309)
As at December 31, 2018	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	-	48,452,754	207,561,742
Net book value of assets														
As at December 31, 2018	5,486,557	-	110,085,991	124,208,655	70,032,085	75,200,448	3,898,607	1,371	3,596,487	-	4,222,001	-	6,248,146	402,980,348

Unit: Baht)

SEPARATE F/S

	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, 2018	70,548,069	-	185,681,801	218,200,193	332,555,714	118,681,017	12,299,706	2,398	4,512,619	-	798,943	-	54,700,900	997,981,360
Purchase	-	-	-	-	584,214	-	151,277	-	1,600,000	-	2,553,290	-	41,382	4,930,163
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	(6,371,045)	(6,371,045)
Write off	-	-	-	-	-	-	(1,765)	-	-	-	-	-	-	(1,765)
Transfer in (Transfer out)	-	-	1,405,850	-	3,039,389	-	90,106	-	-	-	(2,786,325)	-	(1,846,071)	(97,051)
As at December 31, 2019	70,548,069	-	187,087,651	218,200,193	336,179,317	118,681,017	12,539,324	2,398	6,112,619	-	565,908	-	46,525,166	996,441,662
Accumulated depreciation														
As at December 31, 2018	36,720,614	-	75,595,810	93,991,538	131,789,563	43,480,569	8,370,137	1,027	913,070	-	-	-	-	390,862,328
Depreciation for the year	1,575,211	-	31,004,084	37,603,632	17,563,729	15,583,107	1,097,975	400	1,112,489	-	-	-	-	105,540,627
Depreciation for write off	-	-	-	-	-	-	(1,765)	-	-	-	-	-	-	(1,765)
Depreciation Increase*	-	-	-	-	1,476,857	-	-	-	-	-	-	-	-	1,476,857
As at December 31, 2019	38,295,825	-	106,519,894	131,595,170	150,830,149	59,063,676	9,466,347	1,427	2,025,559	-	-	-	-	497,878,047
Allowance for impairment of assets														
As at December 31, 2018	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	-	48,452,754	207,561,742
Decrease - disposal	-	-	-	-	-	-	-	-	-	-	-	-	(5,517,066)	(5,517,066)
Transfer in (Transfer out)	-	-	-	-	1,476,857	-	-	-	-	-	-	-	(1,476,857)	-
Decrease*	-	-	-	-	(1,476,857)	-	-	-	-	-	-	-	-	(1,476,857)
As at December 31, 2019	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	-	41,458,831	200,567,819
Net book value of assets														
As at December 31, 2019	3,911,346	-	80,487,757	86,605,023	54,615,102	59,617,341	3,042,015	971	4,083,998	-	565,908	-	5,066,335	297,995,796

* The effect of reversal of impairment must not exceed the book value that should be

(Unit : Baht)

SEPARATE F/S

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

As at December 31, 2019 the assets of the company were distributed to unrelated parties in the amount of Baht 853.98 Thousand and loss on the sale of an asset in the amount of Baht 379.11 Thousand. The value of assets and loss were already recorded in the statement of Profit or Loss and Other Comprehensive Income.

As at December 31, 2018 the assets of the company were distributed to both unrelated parties and related parties in the amount of Baht 91.43 Thousand and Baht 0.05 Thousand correspondingly. The company has a loss on the sale of an asset for unrelated parties in the amount of Baht 1,333.66 Thousand and gain on sale of assets for related parties in the amount of Baht 640.79 Thousand. The value of assets and gain/loss were already recorded in the statement of Profit or Loss and Other Comprehensive Income.

As at December 31, 2019 and 2018, the assets and equipment of the Company and subsidiary have been fully amortized of depreciation, but it is still using. The cost before amortizing depreciation has the amount of Bath 244 million and Bath 221 million, respectively (For the Company: Bath 244 million and Bath 221 million, respectively).

As at December 31, 2019 and 2018, the fair value of the land according to the report of the appraisal assessed using the market approach method, which they adjust book value by comparing with price of land located nearby its. The fair value is in the second level of the hierarchy of fair value (Note 5).

As at December 31, 2019 and 2018, the fair value of the Building and Machinery by the report of the appraisal assessed using the Cost method. The fair value is in the second level of the hierarchy of fair value (Note 5).

14. INTANGIBLE ASSET

(Unit: Baht)

CONSOLIDATED F/S					
	January 1, 2019	Additions	Disposol	Tranfer in / Tranfer out	December 1, 2019
Computer software	3,039,003	123,550	-	-	3,162,553
Less : Accumulated Amortization	(396,304)	(632,969)	-	-	(1,029,273)
Net	2,642,699	(509,419)	-	-	2,133,280

(Unit: Baht)

SEPARATE F/S					
	January 1, 2019	Additions	Disposol	Tranfer in / Tranfer out	December 1, 2019
Computer software	3,039,003	30,050	-	-	3,069,053
Less : Accumulated Amortization	(396,304)	(623,790)	-	-	(1,020,094)
Net	2,642,699	(593,740)	-	-	2,048,959

15. DEFERRED TAX ASSET AND LIABILITIES

Deferred tax asset and liabilities are as follows :

	(Unit: Baht)	
	CONSOLIDATED F/S AND SEPARATE F/S	
	December 31, 2019	December 31, 2018
Deferred tax asset	38,069,417	85,278,771
Deferred tax liability	(29,244,675)	(39,882,102)
Deferred tax asset (liabilities) - net	8,824,742	45,396,669

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

	(Unit: Baht)			
	CONSOLIDATED F/S AND SEPARATE F/S			
	Recognised as income (expense)			
	January 1, 2019	Statement of income	Shareholders' equity	December 31, 2019
Deferred tax asset (liabilities) :				
Allowance for doubtful accounts - Account				
Receivables	88,600	12,078,053	-	12,166,653
Impairment of investments	468,493	-	-	468,493
Provisions for employee benefits	2,382,797	234,981	(445,168)	2,172,610
Allowance for impairment on Gypsum	7,158,612	(3,473,175)	-	3,685,437
Tax losses carried forwarded 5 years	75,180,269	(55,604,046)	-	19,576,223
Surplus on asset revaluation	(39,882,102)	10,637,428	-	(29,244,674)
Net	45,396,669	(36,126,759)	(445,168)	8,824,742

(Unit: Baht)

CONSOLIDATED F/S AND SEPARATE F/S

	Recognised as income (expense)		
	January 1, 2018	Statement of income	Shareholders' equity
			December 31, 2018
Deferred tax asset (liabilities) :			
Allowance for doubtful accounts - Account			
Receivables	23,523	65,077	-
Impairment of investments	402,784	65,709	-
Provisions for employee benefits	2,496,186	(113,389)	-
Allowance for impairment on Gypsum	7,646,304	(487,692)	-
Tax losses carried forwarded 5 years	74,820,400	359,869	-
Surplus on asset revaluation	(50,844,834)	10,962,732	-
Net	34,544,363	10,852,306	-

Income tax expenses for the years ended December 31, 2019 and 2018 are as follows :

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2019	2018
The amount of deferred income tax expense		
relating to the initial and reversal of		
temporary differences	(36,126,759)	10,852,306
Income tax expense	(36,126,759)	10,852,306

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

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Deductible temporary differences				
Impairment of defective inventories – supplies	15,934,355	18,019,659	15,934,355	18,019,659
Impairment of investment in subsidiary company	127,200,000	127,200,000	127,200,000	127,200,000
Depreciation expense and Impairment of assets	40,113,564	41,512,349	40,113,564	41,512,349
Balance of Tax losses carried forwarded 5 years	98,919,279	148,149,445	42,093,007	66,314,112
Total	282,167,198	334,881,453	225,340,926	253,046,120

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

16. OTHER NON - CURRENT LIABILITIES

As at December 31, 2019 and 2018, the Company has other non-current liabilities consisting of deposits that have guarantee obligation over 1 year, amount of Baht 10.24 million and Baht 10.61 million respectively.

As at December 31, 2019 the subsidiary has restricted deposit with financial institutions amounting to Baht 5.49 million and with Legal Execution Department amounting to Baht 5.57 million. The subsidiary is allowed to withdraw the restricted deposit with the Legal Execution Department by the approval from the meeting of the creditors or the Official Receiver meeting.

As at December 31, 2019 the subsidiary has to Advance payment of construction costs Amounting of Baht 355.00 million to a company which is the Engineering, Procurement and Construction of Storage facilities (EPC) contractors for the Fuel Tank Farm project.

As at December 31, 2019 the subsidiary has to Advance payment as collateral for the land lease agreement with the IEAT of Baht 12.61 million.

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

Bank overdrafts and short-term borrowings from financial institutions as at December 31, 2019 and 2018 comprise the following:

Type	CONSOLIDATED F/S AND SEPARATE F/S				
	2019		2018		
	Currency	Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within
Bank overdrafts	THB	-	-	5.50	-
Trust receipts	USD	2,739,857	83,079,597	5.00 - 5.38	March - May 2020
Total			83,079,597		6.25
					5.50
					March - May 2019
					216,459,853
					216,459,853

Under the term of the agreements covering the Company's liabilities under trust receipts, raw materials have been released to the Company in the trust for the bank. The Company is accountable to the bank for the trusted raw materials or their sales proceeds. As at December 31, 2019 and 2018, borrowing facilities are as follows:

CONSOLIDATED F/S AND SEPARATE F/S				
	2019		2018	
	US Dollar	Baht	US Dollar	Baht
Bank overdrafts	-	5,000,000	-	5,000,000
Trust receipts	10,000,000	-	10,000,000	-
Foreign currency forward contracts	10,000,000	-	10,000,000	-

The credit facilities guaranteed by:

All guaranteed by Mr. Nataphong Ratanasuvanthawee

18. TRADE AND OTHER CURRENT PAYABLES

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Trade payables				
Related companies	13,990,081	20,550,628	1,946,170	8,506,717
Others	31,240,546	18,908,178	27,080,709	16,891,109
Trade payables - net	45,230,627	39,458,806	29,026,879	25,397,826
Other current payables				
Other payables - Related companies	783,019	504,172	57,125,738	56,887,052
Other payables - Other	21,719,328	23,017,865	17,632,887	20,822,111
Unearned revenue - Related companies	-	-	10,000,000	12,000,000
Advance received - Other	11,295,306	6,975,727	11,295,306	6,975,727
Accrued benefit expenses	73,889,843	77,944,146	46,341,917	50,412,941
Trade payables and other current payables - Net	152,918,123	147,900,716	171,422,727	172,495,657

As at December 31, 2019, 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, 2018: Baht 27.53 million).

19. PROVISIONS FOR EMPLOYEE BENEFITS

- Employee benefits expense

Expenses recognised for employee benefits are analysed below:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2019	2018
Salaries and wages	58,291,727	60,463,603
Social security costs	796,328	860,783
Pensions - defined benefit plans	2,252,793	2,367,879
Total	61,340,848	63,692,265

- Movements in employee benefits obligation for the years ended December 31, 2019 and 2018 are as follows :

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Defined benefit obligation as at January 1,	11,913,983	12,480,931	11,913,983	12,480,931
Current service cost	1,752,224	1,563,834	1,739,314	1,563,834
Interest expense	419,863	382,018	419,591	382,018
Re-measurement - actuarial loss (gain) from				
- changes in financial assumptions	(2,225,838)	-	(2,225,838)	-
<u>Less Debt decreased from payment</u>	<u>(984,000)</u>	<u>(2,512,800)</u>	<u>(984,000)</u>	<u>(2,512,800)</u>
Defined benefit obligation as at December 31,	<u>10,876,232</u>	<u>11,913,983</u>	<u>10,863,050</u>	<u>11,913,983</u>
Wholly unfunded	<u>10,876,232</u>	<u>11,913,983</u>	<u>10,863,050</u>	<u>11,913,983</u>

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Provisions for employee benefits				
- changes in financial assumptions	-	587,688	-	587,688
- changes in financial assumptions	10,876,232	11,326,295	10,863,050	11,326,295
Provisions for employee benefits	<u>10,876,232</u>	<u>11,913,983</u>	<u>10,863,050</u>	<u>11,913,983</u>

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, 2019 and 2018 are as follows:

	CONSOLIDATED F/S	
	December 31, 2019	December 31, 2018
Discount rates (% per annum)	1.58-2.11	2.72
Salary growth rate (% per annum)	5.31	4.25
Turnover rate (% per annum)	13	6
Retirement age (Years)	60	60

SEPARATE F/S

	December 31, 2019	December 31, 2018
Discount rates (% per annum)	1.58	2.72
Salary growth rate (% per annum)	5.31	4.25
Turnover rate (% per annum)	13	6
Retirement age (Years)	60	60

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

- Defined benefit plan expenses

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

(Unit: Baht)

	CONSOLIDATED		SEPARATE F/S	
	2019	2018	2019	2018
Current service cost	1,752,224	1,563,834	1,739,314	1,563,834
Net interest expense	419,863	382,018	419,591	382,018
Total expenses recognised in profit or loss	2,172,087	1,945,852	2,158,905	1,945,852

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

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

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2019	2018
Actuarial loss (gain) from :		
- changes in financial assumptions	(2,225,838)	-
- experience adjustment	(984,000)	-
Total expense was recognised in other comprehensive income	(3,209,838)	-

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

- The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at December 31, 2019 were summarised as below:

(Unit: Baht)		
	Change of the present value of the employee benefit obligations increase (decrease)	
	CONSOLIDATED F/S	SEPARATE F/S
Discount rate		
Discount rate Increase 0.50%	(199,160)	(197,741)
Discount rate Decrease 0.50%	208,417	206,810
Salary increase rate		
Salary increase rate Increase 0.50%	195,290	193,743
Salary increase rate Decrease 0.50%	(188,621)	(187,236)
Turnover rate		
Turnover rate Increase 0.50%	(165,712)	(164,045)
Turnover rate Decrease 0.50%	175,380	173,400

As at December 31, 2019, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

(Unit: Baht)		
	CONSOLIDATED F/S	SEPARATE F/S
Within 1 year	-	-
Over 2 and up to 5 years	11,832,692	11,832,692
Over 6 and up to 10 years	1,457,467	1,457,467
Over 11 and up to 15 years	1,721,659	1,721,659
Total	15,011,818	15,011,818

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company and its subsidiaries recognized the effect of the change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss, of the period in which the law is effective of Baht 0.34 million and Baht 0.33 million, respectively.

20. SHARE CAPITAL AND WARRANTS

20 (A) Share capital

20.1 At the Extraordinary General Meeting of the Shareholders No.3/2019 held on April 3, 2019, the Company's shareholders have the significant approved as follows:

Rights Adjustment of Warrant to Purchase the Company's Ordinary Share No.1 Reference is made to the Board of Director Meeting No.3/2019 of NFC Public Company Limited, held on March 20, 2019, has resolved to propose to the Annual General Meeting for the year 2019 to consider the dividend payment for the operation result for the year 2018 at the rate 0.043 baht per share or equivalent to 92.99 percent of earning per share after deduct legal reserve. Therefore, the dividend payment falls within the criteria under clause 6.5 of the Terms and Conditions which the Company is required to make the right adjustment when the Company pay a dividend at a rate higher than 50 percent of the Net Profit of the Company financial statement (audited) after deducted by retained loss, legal reserve, minority interest and income tax on the operating performance in such accounting period throughout the terms of warrants.

	Before Adjustment	After Adjustment
Exercise Price	6.50 Baht/Share	6.48350 Baht/Share
Ratio	1 unit of warrant: 1 ordinary share	1 unit of warrant: 1.00255 ordinary shares

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

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

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

20 (B) Warrants

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

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

Warrants

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

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

Warrant trading symbol	: NFC-W1
Secondary market	: SET
Trading date	: January 8, 2019
Number of listed warrants (Unit: Warrants)	: 108,781,159
Exercise ratio (Warrant: Common stock)	: 1 : 1
Exercise price (Baht per share)	: 6.50
Term of warrants	: 3 years from the issuance date of the Warrant (December 14, 2018)
Warrant price (baht per unit)	: 0.00
First exercise date	: June 28, 2019
Last exercise date	: December 31, 2021

As at December 31, 2019, the outstanding balance of unexercised warrants to purchase an ordinary share is 108,781,159 unit.

21. EARNING PER SHARE

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

(Unit: Baht)

	CONSOLIDATED		SEPARATE	
	For the year ended December 31,			
	2019	2018	2019	2018
Profit (loss) attributable to equity				
holders of the Company	(34,485,721)	51,396,208	263,942,020	52,950,677
Effect of dilutive potential ordinary				
shares	1,087,833,056	1,087,833,056	1,087,833,056	1,087,833,056
Basic earnings (loss) per shares (Baht)	(0.0317)	0.0472	0.2426	0.0487

Diluted earnings (loss) per share Weighted average number of ordinary shares in issue during the year is adjusted by the number of dilutive potential ordinary shares, assuming that the dilutive potential ordinary shares are exercised. Converted to ordinary shares. The Company has diluted ordinary shares, are warranted to purchase ordinary shares. The Company calculates the equivalent of the discounted shares based on the fair value based on the par value of the share option price accompanying the warrants to purchase the ordinary shares. (The calculation is based on the weighted average number of ordinary shares in issue during the period.)

The calculation is based on the weighted average number of ordinary shares in issue during the period. However, the Company does not calculate diluted earnings per share for the years ended December 31, 2019 because the fair value of ordinary shares is less than the exercise price.

22. STATUTORY RESERVE

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

23. PROVIDENT FUND

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

During the years 2019 and 2018, the Company and its subsidiaries contributed Baht 2.27 million and Baht 2.37 million, respectively. (Separate: Baht 2.25 million and 2.37 million, respectively).

24. EXPENSES BY NATURE

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Change in inventories and work in process	(39,350,033)	45,450,655	(39,351,222)	45,450,655
Purchases of goods	935,341,040	975,443,920	935,339,851	975,443,920
Depreciation and amortization	106,178,780	108,368,468	106,164,417	108,368,468
Salaries, wages and employee compensation	73,448,281	82,964,679	73,436,004	82,964,679
Professional fees	19,956,392	8,307,413	19,733,592	8,062,913
Compensation paid to IEAT	64,375,556	61,915,363	64,375,556	61,915,363
Allowance for doubtful accounts (Reverse)	(52,000)	1,042,369	796,676	1,897,345
Allowance for impairment Inventory (Reverse)	(10,426,519)	(671,228)	(10,426,519)	(671,228)
Allowance for impairment (Reverse)	(5,517,066)	(702,765)	(5,517,066)	(702,765)

25. FINANCIAL INSTRUMENTS

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

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

Liquidity risk

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

Interest rate risk

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

Credit risk

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

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

Fair value of financial instruments

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

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

The book value of cash and cash equivalents, restricted deposits, trade accounts receivable and other receivable – are quite close to their fair values due to the relatively short-term maturity of these financial instruments.

Investment in subsidiaries and other long-term investment, for which there are 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.

26. DETERMINATION OF FAIR VALUES

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

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

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

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

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

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S							
	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial assets measured at fair value								
Available-for-sale investments								
Equity instruments	-	298,131,990	-	-	-	-	-	298,131,990
Financial assets for which fair value are disclosed								
Property ,Plant and equipment	-	-	146,223,335	199,410,474	-	-	146,223,335	199,410,474

27. SEGMENT REPORTING

The segment financial information of the Company and its subsidiaries company For the year ended December 31, 2019 and 2018 are as follows:

(Unit: Baht)

	CONSOLIDATED					
	For the year ended December 31,					
	2019			2018		
	Chemical	Port Service and Other	Total	Chemical	Port Service and Other	Total
Revenues from sales of chemical product - net	1,080,746,084	-	1,080,746,084	1,085,919,053	-	1,085,919,053
Revenues from the rendering of services	54,960,000	45,946,974	100,906,974	55,039,998	39,034,312	94,074,310
Cost of chemical product sold	(974,691,073)	-	(974,691,073)	(929,993,265)	-	(929,993,265)
Cost of services	(10,153,878)	(9,344,530)	(19,498,408)	(10,425,607)	(7,685,235)	(18,110,842)
Gross profit	150,861,133	36,602,444	187,463,577	200,540,179	31,349,077	231,889,256
Other income	8,763,579	157,958	8,921,537	7,159,763	102,612	7,262,375
Gypsum revenues net of related expenses	18,387,150	-	18,387,150	7,020,602	-	7,020,602
Selling expenses	(43,151,566)	-	(43,151,566)	(48,434,897)	-	(48,434,897)
Administrative expenses	(83,214,470)	(1,499,891)	(84,714,361)	(83,862,894)	(1,167,119)	(85,030,013)
Loss on impairment of other long - term investment	-	-	-	(324,033)	(4,510)	(328,543)
Expenses from under utilized fixed assets	-	(69,309,607)	(69,309,607)	-	(69,474,257)	(69,474,257)

(Unit: Baht)

CONSOLIDATED

	For the year ended December 31,					
	2019			2018		
	Chemical	Port Service and Other	Total	Chemical	Port Service and Other	Total
Expenses from temporary closed port	-	(7,669)	(7,669)	-	(7,266)	(7,266)
Profit (Loss) from operation before						
financial costs and income Tax	51,645,826	(34,056,765)	17,589,061	82,098,720	(39,201,463)	42,897,257
Financial costs	(16,119,513)	(290,545)	(16,410,058)	(2,792,474)	(38,863)	(2,831,337)
Tax income (Expense)	(35,487,125)	(639,634)	(36,126,759)	10,703,348	148,958	10,852,306
Net profit (Loss) for the years	39,188	(34,986,944)	(34,947,756)	90,009,594	(39,091,368)	50,918,226
Property, plant and equipment - net	130,563,022	255,350,086	385,913,108	168,685,702	234,294,646	402,980,348
Other assets	311,500,815	505,056,553	816,557,368	979,790,881	43,809,543	1,023,600,424
Total assets	442,063,837	760,406,639	1,202,470,476	1,148,476,583	278,104,189	1,426,580,772

(Unit: Baht)

SEPARATE

	For the year ended December 31,					
	2019			2018		
	Chemical	Port Service and Other	Total	Chemical	Port Service and Other	Total
Revenues from sales of chemical product - net	1,080,746,084	-	1,080,746,084	1,085,919,053	-	1,085,919,053
Revenues from the rendering of services	54,960,000	48,566,974	103,526,974	55,039,998	41,654,312	96,694,310
Cost of chemical product sold	(974,691,073)	-	(974,691,073)	(929,993,265)	-	(929,993,265)
Cost of services	(10,153,877)	(9,596,958)	(19,750,835)	(10,425,607)	(8,099,965)	(18,525,572)
Gross profit	150,861,134	38,970,016	189,831,150	200,540,179	33,554,347	234,094,526
Other income	304,635,268	471,031	305,106,299	7,125,139	112,857	7,237,996
Gypsum revenues net of related expenses	18,387,150	-	18,387,150	7,020,602	-	7,020,602
Selling expenses	(43,151,566)	-	(43,151,566)	(48,434,897)	-	(48,434,897)
Administrative expenses	(82,813,136)	(1,624,474)	(84,437,610)	(83,893,832)	(1,292,547)	(85,186,379)
Loss on impairment of other long - term investment	-	-	-	(323,558)	(4,985)	(328,543)
Expenses from under utilized fixed assets	-	(69,309,607)	(69,309,607)	-	(69,474,257)	(69,474,257)
Profit (Loss) from operation before						
financial costs and income Tax	347,918,850	(31,493,034)	316,425,816	82,033,633	(37,104,585)	44,929,048
Financial costs	(16,042,348)	(314,689)	(16,357,037)	(2,787,727)	(42,950)	(2,830,677)
Tax income (Expense)	(35,431,726)	(695,033)	(36,126,759)	10,687,642	164,664	10,852,306
Net profit (Loss) for the years	296,444,776	(32,502,756)	263,942,020	89,933,548	(36,982,871)	52,950,677
Property, plant and equipment - net	130,563,022	167,432,774	297,995,796	168,685,702	230,871,588	399,557,290

(Unit: Baht)

	SEPARATE					
	For the year ended December 31,					
	2019			2018		
	Port Service			Port Service		
	Chemical	and Other	Total	Chemical	and Other	Total
Other assets	1,152,027,736	-	1,152,027,736	981,790,281	-	981,790,281
Total assets	1,282,590,758	167,432,774	1,450,023,532	1,150,475,983	230,871,588	1,381,347,571

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

Major Customer

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

* Formerly is Thai-MC Co., Ltd.

28. LONG – TERM AGREEMENTS

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

	In Baht (Per year)
Year 1 - 10	22,295,480
Year 11 - 17	24,525,028
Year 18 - 20	20,428,453
Year 21 - 27	22,471,452
Year 28 - 30	20,679,779

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

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

28.3 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 the actual quantity of goods passing through. The said rate will be increased by 4% per annum from the rate of the previous year. From the year 2002, if the actual quantity of

goods passing through is less than 700,000 tonnes per annum, The Company will have to pay an amount equivalent to 700,000 tonnes per annum.

- 28.4 The Subsidiary has a land lease agreement for the Fuel Tank Farm project with the Industrial Estate Authority of Thailand (“IEAT”) for a period of 30 years starting from July 25, 2019 to July 24, 2049, and pay for rental fee as follows:

	In Baht (Per year)
Year 1 - 10	14,450,869
Year 11 - 20	19,420,761
Year 21 - 30	26,099,878

29. COMMITMENT

As at December 31, 2019,

- 29.1 The Company has committed to pay land rent and compensation to IEAT under the Land Lease Agreement and the Agreement for Joint Development of the Pier Area amounting to approximately Baht 263.32 million.
- 29.2 The Company has committed to pay land rent to IEAT under the Land Lease Agreement of the Fuel Tank Farm project amounting to approximately Baht 587.11 million.
- 29.3 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	5,940,000
Due over 1 year but not over 5 years	2,550,000
Total	8,490,000

- 29.4 Forward foreign currency exchange contracts

As at December 31, 2019 and 2018 the settlement date on open forward contracts ranged between 6 months to 12 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts as follows:

(Unit: Baht)

	Consolidated F/S and Separate F/S					
	Foreign currency contract amount		Contract rate			
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Foreign currency						
USD	1,801,290	441,018	30.15 - 30.32	32.53 - 32.70	54,198,251	14,355,197

Fair value

The net fair value of forward foreign exchange contracts as at December 31, 2019 and 2018 is unfavourable forward foreign exchange contracts are liabilities amount Baht 2,493.78 and Baht 51,443 respectively.

29.5 Foreign currency exchange risk

As at December 31, 2019, and 2018 the Company has trust receipt and accounts in foreign currency which was not hedged by forward exchange contracts or similar hedging instrument are as follow:

	Currency	December 31, 2019	December 31, 2018
Trust receipt	US Dollar	2,739,857	6,575,469

30. LAWSUIT

On November 25, 2019, the Company has the entering action in a court at Chonburi Provincial Court in order to insist on compensation in the amount of Baht 3.71 million including the interest rate at 15% per annum of the principal amount of Baht 2.78 million. And the prosecuted company made a defense to the court that they must spend considerable time for moving the products from carrier ship due to poor quality of products and they will also insist on compensation in the amount of Baht 2.78 million. The mediation will be held on March 4, 2020, notwithstanding the lawyer has an opinion that the company may not necessary for making a compensation payment to the prosecuted company because the Company has the point of fact and point of law.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of director on February 27, 2020.



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