



บริษัท เอ็นเอฟซี จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107538000495
Registration No. 0107538000495

เลขที่ 88 อาคาร เอสซี กรุ๊ป ชั้น 3 ถนนเดอะพาร์คแลนด์ แขวงบางนา เขตบางนา กรุงเทพฯ 10260
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NFC 018/2018

February 20, 2018

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the year ended December 31, 2017.

Attention: Director and Manager
The Stock Exchange of Thailand (“SET”)

Attachment: 1. Copy of the financial statements for the year ended December 31, 2017.
2. Management discussion and analysis for the the year ended December 31, 2017.

NFC Public Company Limited (“the Company”) would like to submit the financial statements for the year ended December 31, 2017, which had already audited from Auditor to SET, with opinion that the financial statements were accurate and sufficient for investors along with description Management Discussion and Analysis the year ended December 31, 2017.

We would like to summarize the operating results which had changed in Management discussion and analysis as Attachment no.2.

Please be informed accordingly,

Yours sincerely,

(Mrs. Bongkot Rungkornpaisarn)
Executive Vice President (Finance and Administration)
NFC Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

NFC PUBLIC COMPANY LIMITED

Year ended 31 December 2017

Financial Summary

Operating results of the Company and its subsidiary for the year ended 31st December 2017, net profit for the year is Baht 214.19 million, which allocated profit to portion of the Company's shareholder amounting to Baht 214.69 million and portion of non-controlling interests amounting to Baht (0.50) million. Considering the results of operations for the year 2017, the net profit to portion of the Company's shareholders decreasing by Baht 182.31 million or decreasing to 45.92% comparing with the net profit of the Company's shareholders for the year 2016 amounting to Baht 397.00 million. Since in the year 2016, the Company had the extraordinary transaction that was favorable from Other Income and Income from Deferred Tax amounting to Baht 299.59 million, while for the year 2017, the Company recognized Other Income and Income from Deferred Tax about Baht 125.52 million. We would like to summarize the operating results which have changed as follows:

Recent Development

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

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

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

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

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

During the 2nd Quarter of 2016, the Company entered into an agreement for the partial business transfer of Chemicals and Aromatics (Thailand) Co., Ltd. ("C&A") which Mr. Nuttaphob Ratanasuwanthawee (Company's shareholder and director/management) is major shareholder. Under the terms of the agreement, the Company received the ammonia and ammonium hydroxide distribution business and its related assets which consisted of ammonia gas bins with related equipment, customer and business contracts, and all licenses to conduct the distribution business from C&A. The total value of the acquisition of Baht 282.29 million was settled by the issuance the newly ordinary shares, and this acquisition was considered to be a business combination under common control. The difference between the cost of the acquisition and the net book value of the net assets transferred amounted to Baht 255.26 million, was recorded as "Share discount on business combination under common control" within equity. Therefore, the consolidated and separate statements of profit or loss and other comprehensive income for the year ended December 31, 2016 presented for the comparative period have been adjusted by including the effect from the business combination under common control transactions as though the combination occurred since the first presented.

Revenues

Revenue (MB)	4Q-2016	3Q-2017	4Q-2017	%4Qo3Q	%YoY	FY2016	FY2017	%YoY
Sales of Chemical Products	208.43	261.89	271.04	3.49%	30.04%	867.50	990.67	14.20%
Services	35.36	23.37	22.34	(4.41%)	(36.83%)	156.51	110.34	(29.50%)
Total Revenue	243.79	285.26	293.38	2.85%	20.34%	1,024.01	1,101.01	7.52%

Revenue from sales and services of the Company and its subsidiary for the year 2017 were Baht 1,101.01 million, increased Baht 77.00 million or equivalent to 7.52% from the year 2016, mainly resulted from the revenue from sales of chemical products increased by Baht 123.17 million or equivalent to 14.20%. In this year 2017, the sale of sulfuric acid was increased by Baht 140.16 Million or equivalent to 55.35% higher or 84,398 Tons when comparing to the year 2016.

The revenue from services decreased by Baht 46.17 million or 29.50% lower when comparing to the year 2016, due to the harbor service activities was declining starting from the end of 2nd quarter period of 2017.

Cost of Sales & Services

Cost of Sales & Services (MB)	4Q-2016	3Q-2017	4Q-2017	%4Qo3Q	%YoY	FY2016	FY2017	%YoY
Chemical Product Sold	159.32	215.93	207.54	(3.89%)	30.27%	712.79	788.88	10.67%
Services	9.22	4.97	5.06	1.93%	(45.08%)	41.78	24.63	(41.03%)
Total Cost of Sales & Services	168.53	220.90	212.60	(3.76%)	26.15%	754.57	813.51	7.81%
Gross Profit	75.26	64.36	80.78	25.52%	7.34%	269.44	287.50	6.70%
GP%	30.87%	22.56%	27.53%	33.52%	(12.68%)	26.31%	26.11%	(0.76%)

Cost of sales and services of the Company and its subsidiary was Baht 813.51 Million increasing Baht 58.94 Million or equivalent to 7.81% comparing to the year 2016. However, the Company's Total Gross Profit Amount derived in Baht 287.50 million increasing Baht 18.06 Million or equivalent to 6.70% resulting the Gross Profit Ratio of 26.11% when comparing to 26.31% in the same period of year 2016. The higher gross profit amount resulted from higher sales amount of chemical products especially in Ammonia Segment.

Cost of sales of chemical products increased Baht 76.09 million or equivalent to 10.67% due to the higher sale volume of chemical products as Sulfuric Acid and Ammonia. The Gross Profit Ratio of chemical products sale were showing the increasing trend when comparing 20.37% in the year 2017 vs. 17.83% in the year 2016.

The cost of services decreased about Baht 17.15 million or equivalent to 41.03% when comparing to last year resulting from the lower service revenue, however the Gross Profit Ratio of service business were showing the increasing trend when comparing 77.68% vs. 73.31% in the year 2016.

Other Income

The Company and its subsidiary's other revenues Baht 27.73 million, showing the other income decreased by Baht 265.57 million or equivalent to 90.55% when comparing to last year. Since there was reversal of allowance for impairment of assets Baht 244.23 million, reversal of allowance for doubtful account of Baht 24.90 Million and a gain from debt restructuring of Baht 18.54 Million during the year 2016.

However, in the 4th Quarter of 2017, the Company received revenue from Gypsum in Bulk of Baht 14.04 Million (net of related expenses and reversal of its provisions). During the year 2017, the Company also has reversal of allowance for doubtful account of Baht 6.92 Million and Gain from Sales of Fixed Assets Baht 3.68 Million

Total Expenses

The Company and its subsidiary's total expenses was Baht 197.96 million which increased Baht 37.28 million or equivalent to 23.21% comparing to last year, meanwhile, the Selling and Administrative Expenses (net of depreciation from under-utilized fixed assets) ratio when compared to Revenue is better than of the year 2016 i.e. 11.88% vs. 12.14%.

In addition, in the year 2017, the Company had used the basis of depreciation cost allocation for the under-utilized assets in order to present the cost and expenses in relation to the existing & being used assets suitably.

EBITDA and Net Profit

The Company and its subsidiary's EBITDA (before other items) was Baht 226.88 million which decreased 52.03%, resulting from the decrease of overall average gross profit margin. Since during the year 2017, the Company had the higher proportion from Chemical Products Sale to total Revenue. In addition, the Company also had the net difference of other income amounting to Baht 266.57 Million, of which during the year 2016, the reversal of allowance for impairment of assets Baht 244.23 million, reversal of allowance for doubtful account of Baht 24.90 Million and a gain from debt restructuring of Baht 18.54 Million which shown as favorable impact to last year performance, while in the year 2017, the Company had the net Other Income of Baht 27.73 Million.

In the year 2017, the Company and its subsidiary's Net profit portion of the Company's shareholder was Baht 214.69 Million which decreased 45.92% in addition from the net changes of the extraordinary items as above, in the year 2017, the Company also had Depreciation, Depletion and Amortization amounting higher than the year 2016 by Baht 38.72 million while having recognized the Income from Deferred Tax of Baht 91.50 Million higher from the year 2016.

Balance Sheet and Key Financial Information

งบแสดงฐานะทางการเงิน (ล้านบาท)	FY2559	FY2560	%YoY
เงินสดและรายการเทียบเท่าเงินสด	83.95	310.37	269.71%
สินทรัพย์หมุนเวียนอื่น	277.20	260.08	(6.18%)
ที่ดินอาคารและอุปกรณ์(สุทธิ)	603.84	492.57	(18.43%)
สินทรัพย์ไม่หมุนเวียนอื่น	59.62	96.44	61.76%
รวมสินทรัพย์	1,024.61	1,159.46	13.16%
หนี้สินหมุนเวียน	152.46	147.98	(2.94%)
หนี้สินไม่หมุนเวียน	121.40	52.53	(56.73%)
รวมหนี้สิน	273.86	200.51	(26.78%)
ส่วนของผู้ถือหุ้น	750.75	958.95	27.73%
รวมหนี้สินและส่วนของผู้ถือหุ้น	1,024.61	1,159.46	13.16%
ราคาตามบัญชี (บาทต่อหุ้น)	0.69	0.88	27.73%

At the end of year 2017, the Company and its subsidiary's total assets amounted to Baht 1,159.46 million, increasing from Baht 1,024.61 million or 13.16% from the end of year 2016 because of incremental of current assets, cash and cash equivalent together with temporary investments amounted to Baht 310.37 million, compared with Baht 83.95 million at end of year 2016 increased by Baht 226.42 million, mainly benefited from Operating cash flow about Baht 228.85 million, mainly comprised of Net Profit from Operation of Baht 116.40 Million and Depreciation & Amortization of Baht 109.60 Million.