

**Information Memorandum concerning the Assets Acquisition Transaction
in respect of fuel tank farm project in Map Ta Phut Industrial Estate, Rayong Province
of NFC Public Company Limited**

The board of directors' meeting of NFC Public Company Limited ("**Company**" or "**NFC**") no. 5/2019, held on 22 April 2019, resolved to propose to the shareholder's meeting of the Company to consider and approve for NFCT Company Limited ("**NFCT**"), a subsidiary which the Company holds 100 percent shares, to invest in fuel tank farm 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. The value of the Project or value of acquired assets are Baht 2,569.99 million (consists of (1) construction costs of the Project of Baht 1,593.52 million (inclusive of the estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand during construction period, which lasts around 2 years 2 months, of Baht 42.06 million), (2) financial costs during construction of Baht 102.89 million, (3) estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand after the Project's construction period, which lasts around 27 years 10 months (after completion of construction), of Baht 5 9 2 . 9 8 million, and (4) consideration for the transfer of leasehold right over the Project's land of Baht 280.60 million).

In this regard, the Company would like to report the information memorandum concerning the entering into such transaction, the details of which are as follows.

1. Information Memorandum disclosed under Schedule (1)

1.1. Date of the Transaction

After obtaining approval from the extraordinary general meeting of shareholders no. 1/2019 of the Company which will be held on 21 June 2019, the Company expects to enter into the construction contract for the Project within the third quarter of 2019, after the initial environmental examination report (IEE) in respect of the Project has been approved by Industrial Estate Authority of Thailand, and the construction of the Project is expected to complete in the third quarter of 2021.

1.2. Parties Involved and Relationship with the Company

Contractor: NFCT Company Limited

Employer/Service Recipient: The Shell Company of Thailand Limited, which is leading foreign company incorporated outside of the Kingdom of Thailand, which has operated the business of oil products and chemical products distribution in the Kingdom of Thailand for more than century, and will be the sole service recipient of the Project under the 17-years contract term.

In addition, in order to construct the fuel tank farm, as well as all relevant machineries and equipment of the Project, the Company will engage the contractor as follows:

Employer: NFCT Company Limited

Contractor: One construction contractor company, as the contractor

NFCT will also enter into the land lease agreement for industrial purpose for the area of the Project for the period of 30 years, which is the land that NFCT will accept the transfer of leasehold right from the Company, with details as follows.

Lessee: NFCT Company Limited

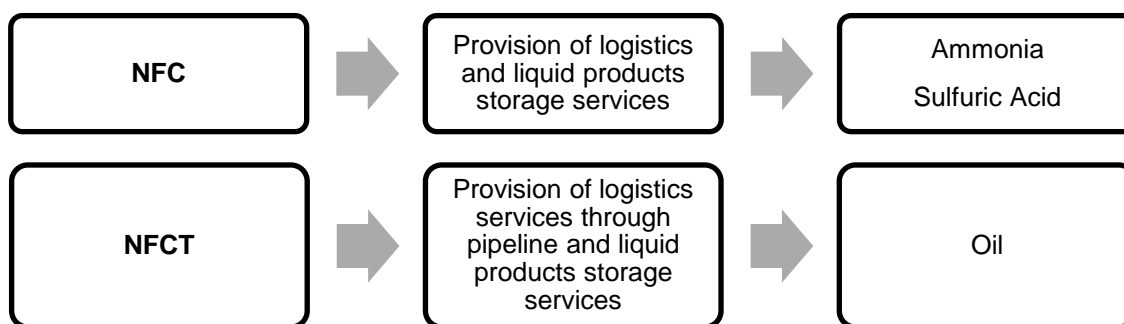
Lessor: Industrial Estate Authority of Thailand

Each of the aforementioned counterparties of NFCT has no relationship and is not the connected person of the Company and NFCT under the Notification of the Capital Market Supervisory Board No. Thor Jor. 21/2551 re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E. 2546.

1.3. General Details and Size of the Transaction

1.3.1 General Details of the Transaction

The Company would like NFCT, the subsidiary of the Company, to enter into one agreement for logistics services through pipeline and tank 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, in order to provide such services to the leading foreign company which has operated the business of oil products and chemical products distribution, which are similar to or supporting the existing business of the Company, i.e. provision of logistics and liquid products storage services for ammonia and sulfuric acid for customers. NFCT will provide liquid products storage services for new type of product, i.e. oil, and provide logistics services for the transportation of this new type product through pipeline, which will create an opportunity of generating income and profits to the group of the Company.



The Company will transfer its leasehold right over the partial land in Map Ta Phut Industrial Estate of approximately 43 rais (from the total area of approximately 541 rais) to NFCT for the operation of the Project. The transfer of such leasehold right has no effect on the Company's business operation as such part of land has no building and has been left unutilized for any business operation. NFCT will use the leasehold right over the land of approximately 43 rais for the construction of fuel tank farm, as well as equipment and facilities, where NFCT will lease the land directly from the Industrial Estate Authority of Thailand for the period of 30 years. The Company expects that NFCT will enter into such land lease agreement with the Industrial Estate Authority of Thailand within the second quarter of 2019.

In constructing the fuel tank farm in the Project, 6 tanks with capacity of 15 million liters each will be constructed, which will be accompanied by the pipeline system for oil transportation from ship to the tanks, and the pipeline system for oil transportation from such tank to Map Ta Phut pump station, Rayong Province, or to the smaller ship for shipment as per customer's demand.

1.3.2 Type and Size of the Transaction

The investment in such Project is considered as the assets acquisition transaction according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets BE 2547 (2004) ("**Notification on Acquisition or Disposition of Assets**"). The highest size of the Project, with reference to the Company's audited consolidated financial statements as of 31 December 2018, is 180.15 percent of total assets of the Company as of 31 December 2018, based on the total consideration value criteria. The size of the Project which equal to 100 percent or higher is, therefore, considered as Type 4 Transaction under the Notification on Acquisition or Disposition of Assets, the details of which are as follows.

Basis for Calculation	Calculation	Transaction Size
1. Net Tangible Assets (NTA)	$\frac{(\text{NTA of investment} \times \text{proportion of assets acquired}) \times 100}{\text{NTA of listed company}}$	N/A ^{1/}
2. Net Profits	$\frac{(\text{Net profits of investment} \times \text{acquisition ratio}) \times 100}{\text{Net profits of listed company}}$	N/A ^{1/}
3. Total Consideration Value	$\frac{\text{Total consideration value paid}^{2/} \times 100}{\text{Total assets of the Company}^{3/}}$	180.15% ^{4/}
4. Value of Issued Securities	$\frac{\text{Equity shares issued for the payment of assets} \times 100}{\text{Total paid-up shares of the Company}}$	N/A ^{5/}

Remarks

1/ Not applicable as this is the subsidiary which the Company holds 100 percent shares.

2/ Total value of consideration paid equal to Project value of Baht 2,569.99 million, consists of:

construction costs of the Project (inclusive of the estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand during construction period, which lasts around 2 years 2 months, of Baht 42.06 million)	Baht 1,593.52 million
financial costs during construction period	Baht 102.89 million
estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand (after completion of construction), which lasts around 27 years 10 months	Baht 592.98 million
consideration for the transfer of leasehold right over the Project's land	Baht 280.60 million

Total **Baht 2,569.99 million**

Land rentals with the Industrial Estate Authority of Thailand throughout construction period of 2 years 2 months and 27 years 10 months after completion of construction are estimated by the rate of land rental of Baht 292,000 per rai per year and, the rate of land rental will be increased by 3 percent each year (reference is made to the Notification of the Industrial Estate Authority of Thailand no. SorNorPor. 010/2559 re: Determination of the land rental in General Industrial Zone, Map Ta Phut Industrial Estate).

3/ Total assets of the Company based on the audited consolidated financial statements as of 31 December 2018 equal to Baht 1,426.58 million.

4/ The highest size of the Project, with reference to the Company's reviewed consolidated financial statements as of 31 March 2019, is 164.92 percent of total assets of the Company.

5/ There is no shares issued for payment of assets.

In entering into this transaction, the transaction size is 180.15 percent, which result in the transaction be considered as Type 4 assets acquisition transaction or backdoor listing. Therefore, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET"), appoint an independent financial advisor to render an opinion on the assets acquisition transaction to the Company's shareholders, deliver the invitation letter to the shareholders' meeting to shareholders with the minimum information required set out in the Notification on Acquisition or Disposition of Assets for at least 14 days before the meeting, and obtain the shareholders' approval for entering into the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity. The Company will hold the extraordinary general meeting of shareholders no. 1/2019 of the Company on 21 June 2019, at 9.30 hours, at Ratchaphruek Room, Bangna Pride Hotel & Residence (Bangna Tower), No. 2/4 Moo 14, Bangna-Trad Road KM6.5, Bang Kaew Sub-district, Bang Phli District, Samuth Prakarn Province as the board of directors resolved in the board of directors' meeting no. 5/2019 on 22 April 2019.

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

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

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

Currently, NFC operates the business of providing logistics and liquid products storage services for ammonia and sulfuric acid. NFCT will also operate the business of providing logistics and liquid products storage services for liquid product in category of fuel oil, which is similar to or supporting the existing business of the Company, and NFC will be able to bring its experience, expertise and staffs in providing logistics and liquid products storage services at present in order to adapt with the business of NFCT. In addition, the business operation of NFCT will increase the transportation of liquid products, i.e. fuel oil, through the Company's port in Map Ta Phut Industrial Estate, which increase income of port services of the Company.

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

Core business of the Company will remain the same as the business of providing logistics and liquid products storage services.

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

The investment by NFCT in such fuel tank farm business will increase income of the Company in the future, while the Company will still be qualified and appropriate as the listed company in accordance with the requirement of the SET.

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

NFCT is the subsidiary of the Company whose 100 percent shares are held by the Company. There is no equity shares of the Company issued for payment of assets in the investment by NFCT in fuel tank farm business, and there is no change to the shareholding structure, the board of directors and the controlling power of the group of Company or the controlling shareholders. After the investment in the Project, the Company will not change members of its board of directors, save for those directors who will be retired by rotation, and there will be no change to the structure of major shareholders.

Even though the entering into this transaction of the Company falls under the exception in clause 24 of the Notification on Acquisition or Disposition of Assets in all aspects, and the Company is, therefore, not required to file a new listing application (relisting) with the SET, the Company is still required to disclose an information memorandum on the assets acquisition transaction to the SET, appoint an independent financial advisor to render an opinion on the assets acquisition transaction to the Company's shareholders, and hold the shareholders' meeting to approve the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity.

1.4. Details of Acquired Assets

Fuel tank farm project, as well as all relevant machineries and equipment, 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 under the leasehold right of NFCT, with the Project area of approximately 43 rai 67.90 square wah, including the right to provide logistics services through pipeline and tank to the leading foreign company which has operated the business of oil products and chemical products distribution under the 17-year contract term.

1.5. Total Value of Consideration and Basis of Determining the Value of Consideration

1.5.1 Total Value of Consideration

The value of the Project or value of acquired assets are Baht 2,569.99 million, consists of (1) construction costs of the Project of Baht 1,593.52 million (inclusive of estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand during construction period, which lasts around 2 years 2 months, of Baht 42.06 million), (2) financial costs during construction of Baht 102.89 million, (3) estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand after the Project's construction period, which lasts around 27 years 10 months (after completion of construction), of Baht 592.98 million. NFCT will use the profits from its operation to pay such rental to the Industrial Estate Authority of Thailand, and (4) consideration for the transfer of leasehold right over the Project's land of Baht 280.60 million.

The construction costs of Baht 1,593.52 million will be the investment costs for construction of the Project, which will come from loan from the financial institution where NFCT has secured the facility for the Project from one Thai commercial bank, with the facility amount for the construction of the Project of Baht 1,400 million, and NFCT will use its equity which will be injected via capital increase by the Company and loan from the Company to gradually repay the remaining construction costs of the Project over the period of around 2 years 2 months, with details as follows.

Project Construction Costs*	Approximate Amount (Baht million)
Third quarter of 2019	50.03
Fourth quarter of 2019	158.13
First quarter of 2020	109.82
Second quarter of 2020	192.97
Third quarter of 2020	274.93
Fourth quarter of 2020	256.24
First quarter of 2021	286.33
Second quarter of 2021	174.06
Third quarter of 2021	73.58
Fourth quarter of 2021	17.43
Total	1,593.52

** Inclusive of estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand during construction period, which lasts around 2 years 2 months, of Baht 42.06 million.*

The financial costs during construction of Baht 102.89 million consist of interest on loan during construction, which will be repaid to the lending financial institution by NFCT's equity which will be injected via capital increase by the Company and loan from the Company, while the consideration for the transfer of leasehold right over the Project's land of Baht 280.60 million will come from NFCT's equity which will be injected via capital increase by the Company.

1.5.2 Basis of Determining the Value of Consideration

Basis of determining the value of consideration for the investment in the Project has been determined based on the overall estimated investment in the Project, as well as based on the feasibility study and internal rate of return of the Project (Project IRR) at approximately 10 percent for the period of 17 years, without taking in account the scrap value of the assets. After the period of such 17 years, NFCT has the option to negotiate with the service recipient to continue using such fuel tank farm, or to secure another service recipient to use such fuel tank farm. The Company views that there is a low risk that NFCT will be unable to secure other service recipients as fuel oil is essential commodity and such fuel tank farm is necessary for fuel oil business.

In addition, the Company has considered other supporting reasons in approving the investment of NFCT as follows.

- The Project is located on empty land which has been left unutilized for the Company's business operation.
- The internal rate of return of the Project throughout the period of the Project is appropriate, i.e. at the rate of 9.58 percent per year.
- The Project has net present value of Baht 454.57 million, and the payback period of the Project are 9.63 years (inclusive of construction period of 2 years 2 months).
- The return rate of the Project is certain throughout the 17-year period of the Project as there is minimum guarantee income throughout the 17-year period of the Project, and the company will have the option to negotiate with the service recipient to continue using such fuel tank farm, or to secure another service recipient to use such fuel tank farm.
- The Company uses low investment costs comparing to the total value of investment in the Project.
- The Project has been financed for its construction entirely from loan, which has repayment conditions in accordance with minimum guarantee income, and has loan repayment schedule in accordance with the period of the Project.

1.6. Value of Acquired Assets

The Project of NFCT has total project value of approximately Baht 2,569.99 million. There will be construction of fuel tank farm project, as well as all relevant machineries and equipment on land under the leasehold right of NFCT.

1.7. Source of Fund for the Transaction

The value of the Project or value of acquired assets are Baht 2,569.99 million, consists of (1) construction costs of the Project of Baht 1,593.52 million, (2) financial costs during construction of Baht 102.89 million, (3) estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand after the Project's construction period, which lasts around 27 years 10 months (after completion of construction), of Baht 592.98 million, and (4) consideration for the transfer of leasehold right over the Project's land of Baht 280.60 million. The construction costs of Baht 1,593.52 million and the financial costs during construction of Baht 102.89 million consist of interest on loan during construction, which will be repaid to the lending financial institution, will be secured the source of fund from loan from the financial institution where NFCT is the borrower of Baht 1,400 million, while the remaining Baht 296.41 million will come from NFCT's equity which will be injected via capital increase by the Company in the amount of Baht 44.40 million and lent by the Company in the amount of Baht 252.01 million, using the Company's cash flows which are sufficient.

The loan agreement which NFCT has secured the facility for the Project from Thai commercial bank has no condition which would affect the rights of the Company's shareholders, and has no restriction or condition on dividend payment of the Company. However, such loan agreement of NFCT has conditions that NFCT will be able to pay dividend only after NFCT has repaid all short-term loans and has reserved minimum fund for payment of long-term loan. NFCT expects to repay all short-term loans and reserve minimum fund for payment of long-term loan in the 5th year after the operation commencement. In the year that dividend will be paid, if NFCT still has outstanding long-term loan, NFCT will have to make a prepayment of such long-term loan in the same amount of dividend which will be paid in such year. In this regard, NFCT will repay the principal for the long-term loan within 13 years after the first drawdown, with semi-annual instalments totaling of 21 instalments, and the interest payment will be due and payable every 6 months as well.

The consideration for the transfer of leasehold right over the Project's land of Baht 280.60 million will come from NFCT's equity which will be injected via capital increase by the Company in the amount of Baht 280.60 million (with the capital increase for construction costs of the Project, the total capital increase in NFCT will be Baht 325 million), using the Company's cash flows which are sufficient.

1.8. Expected Benefits from the Transaction

The Company has a policy to invest in business with potential to support its current core business and maximize utilization of the Company's existing main assets, as well as facilitate business expansion in order to enhance competitiveness and to create an opportunity of long-term growth of the Company. The Company, therefore, considers an investment in fuel tank farm business, which will enable the Company and NFCT to receive the benefits as follows:

- 1) As the Company holds 100 percent shares in NFCT, the company which owns the Project with the satisfied internal rate of return at approximately 10 percent for the consecutive long-term period of at least 17 years, the Company will be, therefore, able to immediately recognize revenue from logistics and liquid products storage services of NFCT once NFCT starts generating income. The Company's consolidated financial statements shall reflect an increased revenue, cash flows, and liquidity, which will support the Company's investment plan to develop other projects in the future.
- 2) The transfer of leasehold right over partial land from the Company to NFCT has no effect on the Company, as such part of land has been left unutilized for the Company's business operation. Also, as the Company will surrender leasehold right over the land of approximately 43 rai to the Industrial Estate Authority of Thailand so that NFCT can enter into the land lease agreement directly with the Industrial Estate Authority of Thailand for the period of 30 years, the Company can reduce its burden in respect of rental and maintenance costs.
- 3) The group of the Company is able to maximize utilization of the Company's port and to increase income of port services from the increase of amount of ships and amount of liquid products through such port as a result of this Project, as there will be additional income for provision of port services to customers of NFCT for each time that the liquid products pass through such port.
- 4) To create stability of long-term business and enhance financial strength of the Company.
- 5) To diversify business risks as after the entering into this transaction, the group of the Company will receive additional revenue from providing services which enables the Company to achieve higher operating profits, enhanced operating cash flows and liquidity. Such investment also enables the Company to diversify its business risk in the event that chemical trading business turns unfavorable in the future, the Company will still have another source of income from providing logistics and liquid products storage services.

1.9. Conditions for the Transaction

The transaction for NFCT to invest in fuel tank farm project is considered as the assets acquisition transaction according to the Notification on Acquisition or Disposition of Asset. The Company is, therefore, required to appoint independent financial advisor, disclose the information memorandum in respect of the transaction to the SET, as well as seek prior approval from the shareholders' meeting with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity. The Company will circulate the invitation to the shareholder' meeting, and the independent financial advisor opinion to the shareholders at least 14 days in advance of the date of shareholders' meeting. In this regard, the board of directors' meeting resolved to propose such matter to the extraordinary general meeting of shareholders no. 1/2019 of the Company, which will be held on 21 June 2019, for further consideration and approval.

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

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

In addition, prior to construction or any undertaking in respect of such Project, the Company is required to amend the environmental examination report in respect of the Company's port project to cover the business of fuel oil transportation, from port, fuel tank farm and pipeline, and such environmental examination report (amended version) has been approved by the Office of Natural Resources and Environmental Policy and Planning (ONEP), Ministry of Natural Resources and Environment. NFCT shall also adopt environmental impact preventive and mitigation measures and environmental quality monitoring measures in respect of the operation of fuel tank farm business in such environmental examination report (amended version), prior to the utilization of land of the Industrial Estate Authority of Thailand for the operation of fuel tank farm business.

1.10. Opinion of the Board of Directors on the Transaction

The board of directors' meeting of the Company no. 5/2019, held on 22 April 2019, rendered opinion on such transaction that it is in the best interest of the Company as follows.

- (1) To generate value added to the group of the Company in the part of complete logistics and liquid products storage services which are able to reinforce the business competitiveness and the Company's value, including creating opportunity of expanding customer base to other chemicals trading business in the future.
- (2) To increase income and sustainable return to the group of the Company in order to create stability of long-term business and enhance the financial strength of the Company.
- (3) After the period of 17-years contract term, NFCT has the option to negotiate with the service recipient to continue using such fuel tank farm, or to secure another service recipient to use such fuel tank farm. The Company views that there is low risk that NFCT will be unable to secure other service recipients as fuel oil is essential commodity and such fuel tank farm is necessary for fuel oil business.

The board of directors viewed that such transaction is deemed to be reasonable and appropriate, therefore, passed a resolution to approve NFCT, a subsidiary which the Company holds 100 percent shares, to invest in fuel tank farm project, and propose to the shareholders' meeting for further consideration and approval.

1.11. Opinion of the Company's Audit Committee and/or Board of Directors which is different from the Opinion of the Board of Directors of the Company

The Audit Committee has the same opinion as the board of directors, and there is no director of the Company who has different opinion from the opinion of the board of directors.

2. Responsibility of the Board of Directors of the Company with respect to the Information in Documents sent to the Shareholders

The board of directors has carefully reviewed and verified the information contained in this information memorandum and hereby certifies that the information in this information memorandum sent to the shareholders is correct, complete, does not contain any false statement, concealment of material facts that are required to be disclosed, nor statement that may cause material misunderstanding.

3. Report of the Independent Expert and Qualifications of the Independent Expert

The Company has appointed Jay Capital Advisory Limited, an enlisted financial adviser approved by the Office of Securities and Exchange Commission, to be the independent financial adviser to provide opinions on the investment in the fuel tank farm project of NFCT, which is the acquisition of assets.

Jay Capital Advisory Limited does not own any shares in the Company and does not have any relationship with the Company. Jay Capital Advisory Limited also gives the permission to disclose the opinions of the independent financial advisor on the acquisition of assets regarding investment in the fuel tank farm project dated 22 May 2019 which details are appeared in the opinions of the independent financial advisor in Enclosure 2 of the invitation letter to the Extraordinary General Meeting of Shareholders no. 1/2019 of the Company.

4. Total Amount of Current Debts and Indebtedness of the Company and Potential Debts and Indebtedness to be incurred in the Future

4.1. Total Amount of Debt Instruments of the Company

As of 31 March 2019, the Company does not have any debt instruments.

4.2. Total Amount of Loans with Specified Repayment Period of the Company, including the Liability to place Assets as Collateral

As of 31 March 2019, the Company has the total amount of loans and the liability to place assets as collateral, with details as follow.

No.	Type	Amount	Outstanding Amount as of 31 March 2019 (Baht million)	Collaterals
1.	Amount of overdraft from bank	Baht 2.00 million	0.00	No. 1: Saving account for 40 percent of facility amount; No. 2: Saving account for 30 percent of the facility amount utilised; No. 3: Saving account for 25 percent of the facility amount utilised; and No. 1-4: Mr. Nataphong Ratanasuwanthawee as a guarantor.
2.	Amount of trust receipt	USD 10.00 million	311.66	
3.	Amount of letter of guarantee	Baht 38.00 million	37.41	
4.	Amount of forward foreign exchange	USD 10.00 million	59.40	
Total			408.47	

4.3. Total Value of Debts in other Categories of the Company, including Overdrafts, indicating the Liability to place Assets as Collateral

As of 31 March 2019, the Company has the total value of debts in other categories, including overdrafts, indicating the liability to place assets as collateral, with details as follow.

No.	Type of Debt	Outstanding Amount as of 31 March 2019 (Baht million)	Collaterals
1.	Overdraft and short-term loans from the financial institution	311.66	Saving account and Mr. Nataphong Ratanasuwanthawee as a guarantor
2.	Account payables and other current creditors	195.45	-
3.	Estimated current liabilities for employees' benefits	0.81	-
4.	Estimated non-current liabilities for employees' benefits	11.56	-
5.	Estimated other non-current liabilities	18.41	-
6.	Other non-current liabilities	3.42	-
Total		541.31	

4.4. Indebtedness to be incurred in the Future

As of 31 March 2019, the Company is bound to make a payment in the future as follows:

- (1) the Company is bound to pay the land rental and compensation to the IEAT under the land lease agreement and the joint development of port area agreement based on the remaining period of approximately Baht 315 million; and
- (2) the Company is bound to pay the rental and service fee to the relevant company under the operating lease agreement of Baht 8.22 million.

5. Summarised Material Information of the Company

5.1. Information relating to Nature of Business Operations and Business Trends of the Company, Subsidiaries and Associated Companies of the Company

5.1.1. Nature of Business Operations

(1) Chemical trading business

The Company is an importer and distributor of chemical products that are stored in the Company's liquid tanks in Map Ta Phut Industrial Estate to domestic customers. The Company's major chemical products are Ammonia, Ammonium hydroxide and Sulfuric acid.

- Ammonia: The Company imports Ammonia from Malaysia to sell to domestic customers in MSG production industry, latex production industry, refrigerant production industry, and other chemical production industry through wholesale traders and directly to the end users.
- Ammonium Hydroxide: The Company produces Ammonium Hydroxide at its factory in Pathum Thani Province. The Company sells Ammonium Hydroxide to its domestic customers such as power plants, gas separation plants, and customers in pollution control industry, rubber production industry, and rubber tappers through wholesale traders and directly to the end users.
- Sulfuric Acid: The Company imports Sulfuric acid from Switzerland, Korea, and Japan, and sell through domestic traders.

(2) Business of Providing Services

- Warehouse service: The Company provides warehouse service for customers to store raw materials and finished products such as plastic beads and silica, for importing, exporting, and distributing purposes. The Company has warehouse area of approximately 90,000 square meters and open yard for placing machineries and equipment, etc.
- Logistics and liquid storage service: The Company provides logistics and liquid storage service for Ammonia and Sulfuric acids, provide inventory management service to satisfy customer demand, and provide liquids transfer service to road tankers for transportation. At present, the Company liquid storage has a total capacity of 56,835 tons, divided into liquid storage for Ammonia and Sulfuric acid at 21,835 tons and 35,000 tons, respectively.
- Port terminal service: The Company has entered into an agreement dated 30 April 1996 with the Industrial Estate Authority of Thailand (“IEAT”), for the joint development of the berth in Map Ta Phut Industrial Port. The berth has a length of 265 meters to provide dedicated port terminal which is restricted to the business of the Company and other customers carrying liquid and bulk cargos in Map Ta Phut Industrial Estate who obtain permission from the IEAT. The Company’s port terminal can accommodate vessels up to 60,000 DWT. The Company’s port terminal facilitates the shipment of products such as cold rolled coils, hot rolled coil, structural steel, coal, gypsum, etc. The Company’s port terminal also provides mooring service and utility service for other vessels.

5.1.2. Industry and Competition

(1) Chemical trading business

- Ammonia: Ammonia market in Thailand is considered as a niche market with a low growth rate. As a result, it is not worth to invest in ammonia production factory in Thailand.

During 2016 – 2018, ammonia products were imported to Thailand totaling 429,115 tons, 426,896 tons, and 481,642 tons, respectively. Ammonia was imported from Malaysia, Indonesia, Australia, and Saudi Arabia. (source : www.customs.go.th). The volume of ammonia imported for the previous year had been increased. Most ammonia was imported by companies which use ammonia products in their own productions. In 2018, ammonia was imported to produce caprolactam, acrylonitrile, and methyl methacrylate, which represented 84 percent of total import volume. The remaining 12 percent were for distribution to other industries such as MSG industry, and latex industry. In this regard, ammonia was imported in 2018 for 41 percent of total ammonia sales volume.

Currently, there are 3 major ammonia importers which are Unique Gas and Petrochemical Plc., PTT Plc., and the Company. The Company’s market share is approximately 40 percent of total ammonia domestic sales market.

- Ammonium hydroxide: Ammonium hydroxide is produced from ammonias as main material and water. Ammonium hydroxide’s concentration depends on the proportion of ammonia and water mixed. Ammonium hydroxide is used in several industries such as textile, pharmaceutical, paper, rubber, detergent, gas separation plant, power plant, dyeing, cleaning, etc. Ammonium hydroxide used in Thailand is mainly produced by imported ammonia. There was a little amount of ammonium hydroxide imported. During 2016 – 2018, the import volume were approximately 474 tons, 445 tons, and 289 tons, respectively. Mostly were from China for approximately 80 percent (source: www.customs.go.th). It is shown that ammonium hydroxide import amount for the past 3 years had been declining due to an increase amount of ammonium hydroxide production in Thailand.

Currently, there are 3 major ammonium hydroxide manufactures which are Unique Gas and Petrochemical Plc., Brenntag Ingredients (Thailand) Plc., and the Company. Although the competition in the market is high due to a limited market and a low initial investment which favors new entrants, the Company imports ammonia which is main material of ammonia hydroxide which helps the Company to be able to produce ammonia hydroxide according to client's requirement. Therefore, the Company believe they can expand their customer based.

- Sulfuric acid: Sulfuric acid is main raw material used in several industries such as fertilizer, battery, textile, painting, pulp, alum, rubber, etc. Domestic sulfuric acid production is insufficient. Therefore, Thailand needs to import sulfuric acid from oversea.

Most of sulfuric acid used in Thailand of approximately 69 percent are imported from abroad. During 2016 – 2018, the import volume of sulfuric acid were 626,047 tons, 822,640 tons, and 790,735 tons, respectively. Mostly were from Japan, Korea, and Philippine (source: www. customs.go.th). It is shown that the import volume in the previous year had been slightly decreased. In 2018, 73 percent of total import volume was imported and sold to neighboring countries (the Company imported 53 percent of sulfuric acid for distribution). The remaining import volume were used to produce caprolactam, acrylonitrile, and methyl methacrylate.

Currently, there are 4 major sulfuric acid importers which are Mitsui & Co., (Thailand) Ltd., WitCorp Chemical Co., Ltd., Siam Olefins Plc. and the Company. The Company's market share is approximately 50 percent.

(2) Business of Providing Services

- Warehouse services: Currently, more than 95 percent of warehouse service in Thailand are traditional warehouses which mainly focus on renting warehouse space and providing utilities/facilities such as road, electricity, telephone, security system. However, some have adapted their traditional warehouses model into modern warehouse model which helps facilitate logistic system and implement new technology to improve the efficiency of warehouse management. Factors for customers to consider using warehouse services are location and other factors. The right selection of warehouse services can help customers to shorten their production time and/or delivery time and a decrease in cost due to shortened distance, time and a decrease in transportation expense which increase their efficiency and competitiveness.

Warehouse service is expected to be stable in the next 1 – 3 years. Although, demand will grow in accordance to industrial growth from investment government policy and a continued growth in domestic trading and service sectors, a new investment in warehouse service area can cause an excess demand which may limit an increase in service fee. In addition, the recovery of manufacture industry is concentrated in Eastern Economic Corridor (EEC) area as reported which shows an increase of investment approval. This helps a potential growth of warehouse business in this area in the future.

- Logistics, liquid storage and port services

Seaport services in Thailand which can accommodate large cargo vessels are:

1. Map Ta Phut Industrial Port, Rayong province. IEAT is an operator and supervised the East Coast Terminal in the Map Ta Phut industrial estate for totaling 12 ports which are major ports for port handling services of both raw materials and finished products to factories in Map Ta Phut Industrial Estate area and other industrial area nearby. These 12 ports can be separated into 2 groups as follows:

- 1.1. Public Terminal: There are 3 public terminal ports which are unlimited customers for berths. IEAT constructed basic facilities such as berths, warehouses, port areas, and facilities for 2 general cargo ports and 1 liquid cargo port.
- 1.2. Dedicated Terminal: There are 9 dedicated terminal ports (include the Company's port). Dedicated terminal port was built by private sector. Deviated ports has limited customer, and is restricted to such investor's business. However, these port operators may provide service to other customers by obtaining relevant permits from IEAT, when necessary.
2. Laem Chabang Deep Seaport, Chonburi province. This is a major port of Thailand as a gate to the Asia-Pacific region. The Port are mainly for container shipping, general cargo, bulk cargo, Ro-Ro docks, and dockyards.
3. Songkhla and Phuket Deep Seaport. These ports are used to be a fishing port. It is now for tourism boat and bulk cargo products. Currently, there is a little activity for cargo handling service.
4. Sattahip Commercial Port – Royal Thai Navy. This port is used for cargo shipping which is approved by the Navy for commercial tasks.

5.2. Summary of Financial Statements during the past 3 years and the Present Year until the Latest Quarter, as well as the Explanation and Analysis of Financial Condition and Operating Result in the Past Year and the Present Year until the Latest Quarter including Risk Factor which may affect the Profit of the Company

5.2.1. Summary of Financial Statements of the Company and Subsidiaries for the year ended 2016-2018 and 3 months of 2019

Financial Positions	31 December 2016		31 December 2017		31 December 2018		30 March 2019	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Assets								
Cash and cash equivalents	83.95	8.19	112.42	9.70	288.08	20.19	499.74	32.07
Available for sale investment	-	-	197.95	17.07	298.13	20.90	299.70	19.23
Trade and other receivables	141.67	13.83	176.54	15.23	150.49	10.55	143.28	9.19
Short-term loan	-	-	-	-	-	-	28.50	1.83
Inventories	123.28	12.03	72.38	6.24	117.84	8.26	87.39	5.61
Other current assets	12.25	1.20	11.15	0.96	83.01	5.82	29.20	1.88
Total current assets	361.15	35.25	570.44	49.20	937.55	65.72	1,087.81	69.81
Other long-term investment	3.35	0.33	3.01	0.26	2.68	0.19	2.68	0.17
Property, plant, and equipment	603.83	58.93	492.57	42.48	405.62	28.43	384.38	24.66
Deferred tax asset	-	-	34.54	2.98	45.40	3.18	48.10	3.09
Other non-current assets	56.28	5.49	58.90	5.08	35.33	2.48	35.33	2.27
Total non-current assets	663.46	64.75	589.02	50.80	489.03	34.28	470.49	30.19
Total assets	1,024.61	100.00	1,159.46	100.00	1,426.58	100.00	1,558.30	100.00
Liabilities								
Overdraft and short-term loans from financial institutions	-	-	-	-	216.46	15.17	311.66	20.00
Trade and other payables	152.20	14.85	146.13	12.60	147.90	10.37	195.45	12.55
Current provision of employee benefits	-	-	1.85	0.16	0.59	0.04	0.81	0.05

Financial Positions	31 December 2016		31 December 2017		31 December 2018		30 March 2019	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Other current liabilities	0.26	0.03	-	-	-	-	-	-
Total current liabilities	152.46	14.88	147.98	12.76	364.95	25.58	507.92	32.59
Deferred tax liabilities	63.25	6.17	-	-	-	-	-	-
Non-current provision for employee benefits	9.02	0.88	10.63	0.92	11.33	0.79	11.56	0.74
Other non-current liabilities	49.13	4.79	41.90	3.61	39.21	2.75	21.83	1.40
Total non-current liabilities	121.40	11.85	52.53	4.53	50.54	3.54	33.39	2.14
Total liabilities	273.86	26.73	200.51	17.29	415.49	29.12	541.31	34.73
Shareholders' equity								
Share capital	1,359.79	132.71	815.88	70.37	815.88	57.19	815.88	52.36
Surplus (deficit) from business combination under common control	(255.26)	(24.91)	(255.26)	(22.02)	(255.26)	(17.89)	(255.26)	(16.38)
Retained earnings	(601.73)	(58.73)	206.48	17.81	301.72	21.15	316.94	20.35
Other components of equity	248.19	24.22	192.59	16.61	149.97	10.51	140.73	9.03
Non-controlling interests	(0.24)	(0.02)	(0.74)	(0.06)	(1.22)	(0.09)	(1.30)	(0.08)
Total shareholders' equity	750.75	73.27	958.95	82.70	1,011.09	70.88	1,016.99	65.26
Total liabilities and shareholders' equity	1,024.61	100.00	1,159.46	100.00	1,426.58	100.00	1,558.30	100.00

Assets

The Company's total assets as of 31 December 2016 - 2018 and 31 March 2019 amounted to Baht 1,024.61 million, Baht 1,159.46 million, Baht 1,426.58 million, and Baht 1,558.30 million, respectively. The Company's primary assets as of 31 March 2019 were cash and cash equivalents, available-for-sale investment, and property plant, and equipment.

As of 31 December 2017 - 2018, the Company's total assets increased by Baht 134.85 million, and Baht 267.12 million, respectively, equivalent to an increase of 13.16 percent and 23.04 percent, respectively, and during the first 3 months of 2019, the total assets of the Company has increased by Baht 131.72 million, equivalent to an increase of 9.23 percent.

As of 31 December 2016 - 2018, and 31 March 2019, the Company's cash and cash equivalents amounted to Baht 83.95 million, Baht 112.42 million, Baht 288.08 million, and Baht 499.74 million, or equivalent to 8.19 percent, 9.70 percent, 20.19 percent, and 32.07 percent of the total assets, respectively, which are mostly savings in financial institutions.

As of 31 December 2017 - 2018, and 31 March 2019, the Company's available-for-sale investment amounted to Baht 197.95 million, Baht 298.13 million, and Baht 299.70 million, equivalent to 17.07 percent, 20.90 percent, and 19.23 percent of total assets, respectively. The Company's available-for-sale investment comprised of investment in debt securities and government bonds, which was increased from positive cash flows after receiving partial business transfer from Chemicals and Aromatic (Thailand) Company Limited which is the connected company in 2016.

As of 31 December 2016 - 2018 and 31 March 2019, the Company's property, plant and equipment amounted to Baht 603.83 million, Baht 492.57 million, Baht 405.62 million and Baht 384.38 million, equivalent to 58.93 percent, 42.48 percent, 28.43 percent, and 24.66 percent of total assets, respectively. The Company's property, plant and equipment has been decreased was as a result of depreciation and amortization.

Liabilities

As of 31 December 2016 – 2018, and 31 March 2019, the Company's total liabilities amounted to Baht 273.86 million, and Baht 200.51 million, Baht 415.49 million, and Baht 541.31 million, respectively. The Company's total liabilities as of 31 December 2017 decreased by Baht 73.35 million, equivalent to the decrease of 26.78 percent from the previous year which mainly resulted from a change in working capitals such as decreasing of trade and other payables, and deferred tax liabilities.

Nonetheless, as of 31 December 2018, the Company's liabilities increased by Baht 214.98 million, equivalent to the increase of 107.22 percent comparing to the previous year which mainly resulted from the Company increasing its amount of loans with the financial institutions for the purpose of creating the relationship with the financial institutions for any business expansion of the Company in the future. Whilst, as of 31 March 2019, the Company's liabilities increased by Baht 125.82 million, equivalent to the increase of 30.28 percent from the end of 2018 which mainly resulted from the change in the total liabilities as a result of the Company spending the amount of credit line with the financial institutions for the purpose of creating the relationship with the financial institutions.

Shareholders' equity

As of 31 December 2016 – 2018, and 31 March 2019, the Company's shareholders' equity amounted to Baht 750.75 million, Baht 958.95 million, Baht 1,011.09 million, and Baht 1,016.99 million, respectively. The Company's shareholders' equity as of 31 December 2017 and 2018, increased by Baht 208.20 million and Baht 52.14 million, equivalent to an increase of 27.73 percent and 5.44 percent from the previous year, respectively. As of 31 March 2019, the Company's shareholders equity decreased by Bath 84.10 million or 7.64 percent from the end of 2018. The increase of shareholders' equity as of 31 December 2017 mainly resulted from the Company's net operating profits and a decrease in tax expense from decreasing deferred tax assets. Whilst, the increase of equity as of 31 December 2017 were mainly due to the net operating profit, and the increase of equity as of 31 March 2019 were mainly due to the net operating profit.

5.2.2. Summary of Operating Result of the Company for the year ended 2016-2018 and 3 months of 2019

Financial performance	31 December 2016		31 December 2017		31 December 2018		31 March 2019	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Revenue from sales of chemical products	867.50	84.72	990.67	89.98	1,085.92	92.03	290.26	92.41
Revenue from services	156.51	15.28	110.34	10.02	94.07	7.97	23.85	7.59
Total revenues from sales and service	1,024.01	100.00	1,101.01	100.00	1,179.99	100.00	314.11	100.00
Cost of chemical products sold	712.79	69.61	795.69	72.27	929.99	78.82	261.10	83.12
Cost of services	41.78	4.08	24.63	2.24	18.11	1.53	4.70	1.50
Total cost of sales and services	754.57	73.69	820.32	74.51	948.10	80.35	265.80	84.62
Gross profit	269.44	26.31	280.69	25.49	231.89	19.65	48.31	15.38
Other income	293.30	28.64	27.73	2.52	15.14	1.28	19.45	6.19
Selling expenses	48.99	4.78	46.96	4.26	48.44	4.10	13.65	4.35
Administrative expenses	111.36	10.87	143.83	13.06	155.37	13.17	48.33	15.38
Other expenses	0.32	0.03	0.35	0.03	0.33	0.03	0.00	0.00
Financial costs	5.12	0.50	0.88	0.08	2.83	0.24	4.15	1.32
Total expenses	165.79	16.19	192.03	17.44	206.96	17.53	66.13	21.05

Financial performance	31 December 2016		31 December 2017		31 December 2018		31 March 2019	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Profit before income tax expenses	396.95	38.76	116.40	10.57	40.07	3.40	1.63	0.52
Income tax	6.29	0.62	97.79	8.88	10.85	0.92	2.70	0.86
Net profit for the period	403.24	39.38	214.19	19.45	50.92	4.32	4.33	1.38

Operating revenue

The Company's operating revenue were mainly from chemical trading business and revenue from providing services. In 2016 – 2018 and 3 months of 2019, the Company's operating revenue amounted to Baht 1,024.01 million, Baht 1,101.1 million, Baht 1,179.99 million, and Baht 314.11 million, respectively.

The Company's revenue from chemical trading business for the year ended 2016 – 2018 and 3 months of 2019 amounted to Baht 867.50 million, Baht 990.67 million, Baht 1,085.92 million and Baht 290.26 million, respectively. In 2017, revenue from chemical trading business was improved by Baht 125.17 million or 14.20 percent mainly due to an increase in sale volume. In 2018, revenue from chemical trading business increased by Baht 95.25 million or 9.61 percent from previous year, from an increase of the market price of chemicals especially for sulfuric acid due to shortage of supply in global market, even if the sale volume of chemicals was slightly decreased. The first 3 months of 2019, the revenue from chemical trading business increased by Baht 14.48 million or 5.25 percent from the same period of previous year which resulted from a slight increase of the market price of chemicals especially for sulfuric acid due to shortage of supply in global market, even if the sale volume of chemical was slightly decreased.

Cost of goods sold and gross profit margin

The Company's cost of chemical trading for the year ended 2016 – 2018 and 3 months of 2019 amounted to Baht 712.79 million, Baht 795.69 million, Baht 929.99 million, and Baht 261.10 million, representing gross profit margin of 17.83 percent, 19.68 percent, 14.36 percent, and 15.38 percent respectively. The Company's gross profit margin in each period were slightly changed because the selling price of chemical product is varied according to global market price.

Trading and operating expenses

The Company's operating expenses for the year ended 2016 – 2018 and 3 months of 2019 amounted to Baht 160.35 million, Baht 190.79 million, Baht 203.81 million, and Baht 61.98 million, respectively. In 2017, the Company's operating expenses increased by Baht 30.44 million or 18.98 percent from the previous year due to an increase in depreciation and amortization expenses. In 2018, the Company's trading and operating expenses increased by Baht 13.02 million or 6.82 percent from previous year which resulted from the delivering cost increased by cost of gasoline. The Company's expenses in relation to employees were also increased to support a business expansion in the future. As for the first 3 months of 2019, the Company's trading and operating expenses were increased from the same period of previous year by Baht 11.51 million or 22.81 percent which resulted from an increase of the Company's expenses in relation to employees to support the business expansion and project advisory fee.

Extraordinary revenues and expenses

In 2016, other income amounted to Baht 293.30 million mainly comprised of a reversal of allowance for asset impairment of Baht 244.23 million, a reversal of allowance for doubtful accounts of Baht 24.90 million and income from debt forgiveness of Baht 18.54 million.

In 2017, the Company had other income of Baht 27.73 million which decreased by Baht 265.57 million or 90.55 percent from the previous year due to in 2016, the Company had a reversal of allowance for asset impairment, a reversal of allowance for doubtful accounts, and profit from debt restructuring. In 2017, the Company recorded deferred tax assets from loss carried-forward which resulted in an increase in income tax of Baht 97.79 million.

In 2018, the Company had other income of Baht 15.14 million which decreased by Baht 12.59 million or 45.40 percent from the previous year due to the decrease of gypsum income, the decrease of profit from asset trading, the decrease of income from a reversal of allowance for doubtful accounts which resulted from a decrease of trade receivable.

For the first 3 months of 2019, the Company's other income increased from the same period of the previous year by Baht 11.08 million or 132.38 percent which resulted from an increase of the net income of gypsum from the relevant expenses.

Net profit

The Company's net profit for the year ended 2016 – 2018 and 3 months of 2019 amounted to Baht 403.24 million, Baht 214.19 million, Baht 50.92 million, and Baht 4.33 million, respectively, representing net profit margin of 39.38 percent, 19.45 percent, 4.32 percent, and 1.38 percent, respectively. The primary reason for a decrease in net profit in 2017 and 2018 was from an increase of the trading cost of finishing products according to the global market price. For the 3 months of 2019, the Company's net profit decreased from the same period of the previous year by Baht 21.78 million or 83.42 percent, due to an increase of the trading cost of finishing products according to the global market price.

5.2.3. Risk Factor which may affect the Profit of the Company

(1) Risk from limitation of long-term land lease agreement

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

(2) Risk from important raw materials and chemicals are variable price according to the selling price of the world's market

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

(3) Risk from depending on a major customer

The Company has two major customers, Thai-MC Co., Ltd., which is a customer of Ammonia representing 27.97 percent 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 37.36 percent of revenues from sales and services. Both customers have a good relationship with the company over 10 years. The Company has received the confidence and trust from customers. For

managing the supply chain from the stage of procurement, Inventory Management, and goods delivery to customers comply with the customer requirements. The company also provide delivery services to customers in urgent cases, and provide the maintenance section for additional installation services and help customers in case of equipment related to the delivery system fail. However, the major customer also has their own risk management policies, with no single supplier policy to prevent production disruptions due to raw material shortages. So, it is quite not possible for the company to lose such customers.

(4) 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 12 sources of production and importing hazardous substances, Sulfuric acid from 13 different sources, ready to be imported from vendors in the Company's Vendor list.

(5) Risk of new entrants

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

(6) Risk of Transportation for Ammonia and Sulfuric acid

(A) Sea transportation

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

(B) Land transportation

The Company has a policy to engage Ammonia transportation companies which must be a shipping company licensed to transport an Ammonia carrier from the Department of Industrial Works by Ammonia transport vehicles are licensed and regularly inspected by the Department of Land Transport and regularly 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 warehouse at Map Ta Phut Industrial Estate, Rayong. So, there is no risk of transporting Sulfuric acid by land. However, the Company has a policy to supervise the loading and unloading of goods at the point of collection in accordance with the company's safety policy.

(7) Risks of government policy

The Company has a port, warehouse and liquid storage located in Map Ta Phut Industrial Estate, which there is no pollution from Company business. However, the Company plans to expand the business that may cause air pollution and may be affected by air pollution control measures in Map Ta Phut Industrial Estate area. Unless investment to buy a quota of emission. The area of Map Ta Phut Industrial Estate. In addition, the policy on the development of the Eastern Special Economic Corridor (EEC) including Port improvement of Map Ta Phut Industrial Estate project, Double track railway project, Infrastructure development of public sector to increase the competitiveness and incentives for entrepreneurs to invest in the East. The government may consider taking more measures to reduce air pollution control in Map Ta Phut that make the Company enable to develop more projects in the Map Ta Phut area.

(8) Risk of environment

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

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

(9) Financial Risks

(A) 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 a 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 2018, the Company had an obligation to pay US dollars to foreign sellers amount of approximately USD 16 million, of which 92 percent of the such 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. The remaining 8 percent, the Company uses Spot Rate exchange rates.

(B) Risk from Credit

At the end of 2018, the Company had allowance for doubtful accounts amounting to Baht 40.12 million, representing 30.95 percent of total trade accounts receivable. The litigation debt generated by the chemical fertilizer business before the year 2006 was Baht 12.82 million. In the year 2018, the Company has reversed the allowance for doubtful accounts in the amount of Baht 0.28 million 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.

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

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

5.3. List of the Management and List of the First 10 Shareholders as at the Date of Close of Share Register Book

5.3.1. Management

As of 8 May 2019, the Company's management consists of 6 members as follows:

- | | | |
|----|---------------------------------|--|
| 1. | Mr. Nuttaphob Ratanasuwanthawee | Chief Executive Officer |
| 2. | Mrs. Bongkot Rungkornpaisarn | Executive Vice President
(Finance and Corporate Affairs) |
| 3. | Mr. Nataphong Ratanasuwanthawee | Executive Vice President
(Commercial and Operation) |
| 4. | Mr. Kijja Smunyahirun | Senior Vice President
(Corporate Affairs) |
| 5. | Mrs. Sarinthip Kittiwongsophon | Senior Vice President
(Finance and Office of Director) |
| 6. | Miss Dudduen Boonsue | Senior Vice President
(Accounting and Information Technology) |

5.3.2. Shareholders

List of shareholders according to the list of shareholders on 8 May 2019, the date in which the Company established its list of shareholders for the Extraordinary General Meeting of Shareholders no. 1/2019 (Record Date) is as follows.

Name	Number of Shares	Percent
1. Ratanasuwanthawee family	694,071,302	63.80
1.1. Mr. Nuttaphob Ratanasuwanthawee	690,329,994	63.46
1.2. Mr. Nataphong Ratanasuwanthawee	3,741,302	0.34
1.3. Miss Thanyanuch Ratanasuwanthawee	2	0.0000002
1.4. Mrs. Kulyarat Ratanasuwanthawee	2	0.0000002
1.5. Mr. Surajit Ratanasuwanthawee	2	0.0000002
2. Inter Spec Global Company Limited	176,000,000	16.18
3. Bentayga Holding Limited	86,000,000	7.91
4. Mr. Asia Phukhunanun	28,164,000	2.59
5. Mr. Praty Sermsuksakulchai	23,885,000	2.20
6. Mr. Visoot Kajchamaporn	9,600,000	0.88
7. CREDIT SUISSE AG, SINGAPORE BRANCH	9,000,000	0.83
8. Mr. Sitamon Ansathammarat	5,812,561	0.53
9. Other shareholders	55,300,193	5.08
Total	1,087,833,056	100.00

5.4. Other Information that may materially affect the Decision of Investors

- None -

6. Opinion of the Board of Directors of the Company relating to the Sufficiency of Cash Flow

The sources of funds of NFCT for the construction of the Project, which consist of the construction costs of the Project of Baht 1,593.52 million (inclusive of estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand during construction period, which lasts around 2 years 2 months, of Baht 42.06 million) and the financial costs during construction of Baht 102.89 million consist of interest on loan during construction, totaling of Baht 1,696.41 million will be secured from (1) loan from the financial institution where NFCT is the borrower of Baht 1,400 million, and (2) NFCT's equity of Baht 296.41 which will be injected via capital increase by the Company in the amount of Baht 44.40 million and lent by the Company in the amount of Baht 252.01 million, using the Company's cash flows which are sufficient.

As for the estimated land rental and facilities maintenance fees with the Industrial Estate Authority of Thailand after construction period of the Project, which lasts around 27 years 10 months (after completion of construction) of Baht 592.98 million, NFCT will use the profits from its operation to pay such rental to the IEAT, while the consideration for the transfer of leasehold right over the Project's land of Baht 280.60 million will come from NFCT's equity which will be injected via capital increase by the Company in the amount of Baht 280.60 million (with the capital increase for construction costs of the Project, the total capital increase in NFCT will be Baht 325 million), using the Company's cash flows which are sufficient.

Therefore, entering into this acquisition transaction will not affect the current sufficiency of cash flow of the Company.

7. Pending Material Lawsuits or Claims

As of 31 March 2019, the Company has material lawsuits and claims as follows:

- (1) The Central Bankruptcy Court has ordered Rayong Bulk Terminal Co., Ltd. ("**RBT**") a subsidiary of the Company to remain in custody. The Company, as a major shareholder holding 83.25 percent and a creditor of RBT, has filed an application for the repayment of debt of Baht 673.25 million. The first meeting of creditors has been postponed from April 2019 to July 2019.
- (2) The Company as a plaintiff has filed the case with Chachoengsao Provincial Court Platinum Emerald Co., Ltd. for the repayment of a wharf charge to Platinum Emerald Co., Ltd. According to a black case no. 1595/2559 and a red case no. 427/2560. The federal court has sentenced the defendant to pay Baht 26.84 million including an interest rate of 9 percent calculated from a principal amount of Baht 25.10 million and pay a court fee for the plaintiff. Subsequently, the defendant was sued for bankruptcy by another creditor at the Central Bankruptcy Court. On 24 July 2017, the defendant was in custody in a red case no. 3283/2560. The Company has filed an application for the repayment of debt of Baht 29.72 million with the official receiver on 10 October 2018. The official receiver has appointed to prove validity of such application on 30 May 2018. The first meeting with creditor has been postponed from September 2018 to January 2019. However, the first meeting of creditors on 24 January 2019, the debtor did not have properties to pay to all creditors, the official receiver shall then report such matter to the Central Bankruptcy Court to request for the Central Bankruptcy Court to issue an order for the debtor to remain being bankrupted.

8. Interests or Connected Transactions between the Company and Directors, Management and Shareholders directly or indirectly holding shares amounting to 10 percent to more

The Company's connected transaction with related person for the year ended 31 December 2018, and the three-month period ended 31 March 2019 are as follows.

Unit: Baht million

Person who may be conflict Nature of business/ Nature of relationship	Connected Transaction	2018	3 months of 2019
1. SC Carrier Company Limited <u>Nature of business</u> - Chemical products transportation service and lease of office building <u>Nature of relationship</u> - Common directors are Mr. Nuttaphob Ratanasuwanthawee and Mr. Nataphong Ratanasuwanthawee - Common management is Mr. Nuttaphob Ratanasuwanthawee	Revenue from warehouse services	1.04	0.27
	Revenue from sale of assets	-	-
	Ammonia transportation fee	55.94	16.01
	Rental and services, office building	1.92	-
	Expense of repairing equipment, storage and storage of Ammonia	1.55	0.17
	Land rental with warehouse building at Surat Thani	0.36	-
	Electricity and water supply, office building	0.26	-
	Others expenses	0.06	-
	Trade account receivable and other accounts receivable	0.19	0.19
	Trade account payable and other accounts payable	8.39	10.61
	Deposits	-	-
2. SC Management Company Limited <u>Nature of business</u> - Marine logistics service <u>Nature of relationship</u> - Common shareholders are Mr. Nuttaphob Ratanasuwanthawee of 99.35 percent of total shares, Mr. Nataphong Ratanasuwanthawee of 0.65 percent of total shares and Mrs. Bongkot Rungpornpaisarn of 1 share - Common directors are Mr. Nuttaphob Ratanasuwanthawee, Mr. Nataphong Ratanasuwanthawee and Mrs. Bongkot Rungpornpaisarn - Common management is Mr. Nuttaphob Ratanasuwanthawee	Revenue from port services	5.59	1.57
	Revenue from warehouse services	1.23	0.30
	Revenue from sale of assets	0.60	-
	Other incomes	-	0.19
	Land rental with warehouse building, Rangsit warehouse	1.08	0.27
	Employee transportation fee	0.97	0.33
	Maintenance expenses	0.22	0.05
	Purchase of computer	0.02	-
	Trade account receivable and other accounts receivable	0.87	1.50
	Trade account payable and other accounts payable	7.34	7.53

Person who may be conflict Nature of business/ Nature of relationship	Connected Transaction	2018	3 months of 2019
3. NP Marine Company Limited <u>Nature of business</u> - Port and tugboat services at Surat Thani Province <u>Nature of relationship</u> - Common shareholders are Mr. Nuttaphob Ratanasuwanthawee of 98.33 percent of total shares, Mr. Nataphong Ratanasuwanthawee of 1.67 percent of total shares, Mrs. Bongkot Rungpornpaisarn of 1 share and Mr. Wiboon Rasmeepaisarn of 1 share - Common management is General Montree Sungkasap	Revenue from warehouse services	3.82	0.70
	Land rental with warehouse building, Surat Thani warehouse	0.36	0.18
	Electricity and water supply at Surat Thani warehouse	0.06	0.01
	Ammonia truck weighing service fee	0.03	0.01
	Trade account receivable and other accounts receivable	0.68	0.41
	Trade account payable and other accounts payable	0.08	0.08
4. SCG Logistics Company Limited <u>Nature of business</u> - Land and marine logistics and container services <u>Nature of relationship</u> - Common shareholders are Mr. Nuttaphob Ratanasuwanthawee of 99.86 percent of total shares, Mr. Nataphong Ratanasuwanthawee of 0.14 percent of total shares, Mrs. Bongkot Rungpornpaisarn of 1 share, and Mr. Wiboon Rasmeepaisarn of 1 share - Common directors are Mr. Nuttaphob Ratanasuwanthawee, Mr. Nataphong Ratanasuwanthawee and Mrs. Bongkot Rungpornpaisarn - Common management is Mr. Nuttaphob Ratanasuwanthawee	Revenue from warehouse services	0.60	0.08
	Revenue from port services	-	-
	Revenue from sale of assets	0.01	-
	Trade account receivable and other accounts receivable	0.06	0.05
5. SC Offshore Service Company Limited <u>Nature of business</u> - Marine and coastal logistics services <u>Nature of relationship</u> - jointly shareholders are Mr. Nuttaphob Ratanasuwanthawee of 97.67 percent of total shares, and Mr. Nataphong Ratanasuwanthawee of 2.33 percent of total shares - Common directors are Mr.	Revenue from port services	0.02	-
	Others expenses	0.03	-
	Trade account payable and other accounts payable	0.03	-

Person who may be conflict Nature of business/ Nature of relationship	Connected Transaction	2018	3 months of 2019
Nuttaphob Ratanasuwanthawee, Mr. Nataphong Ratanasuwanthawee and Mrs. Bongkot Rungpornpaisarn - Common management is Mr. Nuttaphob Ratanasuwanthawee			
6. SCENA Offshore Company Limited <u>Nature of business</u> - Transport boat, mechanical and tug boat, and cargo leasing services <u>Nature of relationship</u> - Common shareholders are Mr. Nuttaphob Ratanasuwanthawee of 30 percent of total shares, and Mrs. Bongkot Rungpornpaisarn of 1 share - Common directors are Mr. Nuttaphob Ratanasuwanthawee, Mr. Nataphong Ratanasuwanthawee and Mrs. Bongkot Rungpornpaisarn - Common management is Mr. Nuttaphob Ratanasuwanthawee	Revenue from port services	0.00	-
7. Thai International Dockyard Company Limited <u>Nature of business</u> - Ship building and repairing services <u>Nature of relationship</u> - Common shareholders are Mr. Nuttaphob Ratanasuwanthawee of 1 share, and Mr. Nataphong Ratanasuwanthawee of 1 share - Common directors are Mr. Nuttaphob Ratanasuwanthawee, Mr. Nataphong Ratanasuwanthawee and Mrs. Bongkot Rungpornpaisarn	Service income-Fender	-	-
8. SC Auto Logistics Company Limited <u>Nature of business</u> - Land and marine logistics services <u>Nature of relationship</u> - Common shareholders are Mr. Nuttaphob Ratanasuwanthawee of 85.33 percent of total shares, and Mr. Nataphong Ratanasuwanthawee of 6.04 percent of total shares - Common directors are Mr. Nuttaphob Ratanasuwanthawee, Mr.	Revenue from sale of assets	0.04	-

Person who may be conflict Nature of business/ Nature of relationship	Connected Transaction	2018	3 months of 2019
Nataphong Ratanasuwanthawee and Mrs. Bongkot Rungkornpaisarn			
9. Chemicals and Aromatics (Thailand) Company Limited <u>Nature of business</u> - Chemical products distribution <u>Nature of relationship</u> - Common shareholder is Mr. Wiboon Rasmeepaisarn of 1 share - Common directors are Mr. Nuttaphob Ratanasuwanthawee, and Mr. Nataphong Ratanasuwanthawee	Purchase of assets	0.08	-
	Trade account payable and other accounts payable	4.79	4.71
10.N Holding Company Limited <u>Nature of business</u> - Building area leasing and procurement of facility in using the area service <u>Nature of relationship</u> - Common shareholders are Mr. Nuttaphob Ratanasuwanthawee of 99.99 percent of total shares, Mr. Nataphong Ratanasuwanthawee of 1 share, and Mrs. Bongkot Rungkornpaisarn of 1 share - Common directors are Mr. Nuttaphob Ratanasuwanthawee, Mr. Nataphong Ratanasuwanthawee and Mrs. Bongkot Rungkornpaisarn - Common management is Mr. Nuttaphob Ratanasuwanthawee	Rental and services, office building	1.92	0.96
	Electricity and water supply, office building	0.27	0.06
	Trade account payable and other accounts payable	0.42	0.37
	Deposits	0.96	0.96

9. Summaries of Material Contracts during the past 2 years

As of 31 March 2019, the Company's key operating contracts are as follows:

(1) Ammonia purchasing contract

Vendor :	PCM (Thailand) Company Limited
Contract detail :	For purchasing Ammonia product through marine transport. The volume and price are subject to the global market price.
Contract period :	1 year ended 31 December 2019 In practical, the Company will negotiate terms and conditions for contract renewal at least 3 months in advance before its expiration.

(2) Sulfuric acid purchasing contract

Vendor :	Glencore International AG	Interacid Trading S.A.
Contract detail :	For purchasing sulfuric acid product. The volume and price are as stipulated in the agreement.	
Contract period :	1 year ended 31 December 2019	1 year ended 31 March 2020
	In practical, the Company will negotiate terms and conditions for contract renewal at least 3 months in advance before its expiration.	

(3) Sulfuric acid distribution contract

Vendor :	Saksri Industry Co., Ltd.	Sumitomo Corporation Thailand Ltd.
Contract detail :	For selling sulfuric acid products. The volume and price are as stipulated in the agreement.	
Contract period :	1 year ended 31 December 2019	1 year ended 31 March 2020
	In practical, the Company will negotiate terms and conditions for contract renewal at least 3 months in advance before its expiration.	

(4) Joint operating agreement for developing of port terminal

Party :	IEAT
Contract detail :	To construct dedicated port terminal and supporting facilities in the area of 60 rais in the general industrial zone, Map Ta Phut Industrial Estate, for storage and baggage area before delivery to factories as the special port for the Company's operation (Dedicated Berth).
Contract period :	30 years ended 29 April 2026 At least 1 year prior to the expiration, the Company has the right to request an extension of such contract with the IEAT. The Company and IEAT agree to establish terms and conditions of new contract later.

10. Proxy form with at least 1 name of a member of the Audit Committee being nominated as Shareholder's proxy

As appeared in the Proxy Form (Type B), Enclosure 5 of the invitation letter to the Extraordinary General Meeting of Shareholders no. 1/2019 of the Company.