

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Thai Central Chemical Public Company Limited and its subsidiaries and the separate statement of financial position of Thai Central Chemical Public Company Limited as at September 30, 2018, and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2018, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2018, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

BANGKOK
November 14, 2018

Manoon Manusook
Certified Public Accountant (Thailand)
Registration No. 4292
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2018	2017	2018	2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	5,095,877	4,679,930	4,938,969	4,476,263
Current investments	5	175,324	973,265	-	800,000
Trade and other current receivables	6.1	929,113	794,665	1,002,704	725,020
Inventories	14	2,507,292	2,042,056	2,308,828	1,935,605
Other current assets		250	588	183	516
Total Current Assets		<u>8,707,856</u>	<u>8,490,504</u>	<u>8,250,684</u>	<u>7,937,404</u>
NON-CURRENT ASSETS					
Investment in an associate	21.1.1	136,173	135,962	98,000	98,000
Investments in subsidiaries	21.1.2	-	-	552,855	552,855
Investment properties	7	25,810	25,810	25,810	25,810
Property, plant and equipment	8	1,858,739	1,866,233	1,582,091	1,606,460
Leasehold right	9	80,841	82,898	-	-
Intangible assets	10	547,445	547,565	545,901	545,901
Deferred tax assets	11	37,265	42,985	32,538	37,733
Other non-current assets		5,911	6,016	4,002	4,798
Total Non-current Assets		<u>2,692,184</u>	<u>2,707,469</u>	<u>2,841,197</u>	<u>2,871,557</u>
TOTAL ASSETS		<u><u>11,400,040</u></u>	<u><u>11,197,973</u></u>	<u><u>11,091,881</u></u>	<u><u>10,808,961</u></u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2018

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS’ EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	12	28,993	9,461	-	-
Trade and other current payables	13	1,128,606	898,215	1,078,273	820,827
Current portion of liabilities under					
finance lease agreements	15	6,002	7,074	3,022	4,186
Current income tax payable		105,830	218,914	104,777	214,487
Current provision for employee benefits	16	7,987	19,289	6,250	13,286
Other current liabilities		36,737	31,607	21,501	15,592
Total Current Liabilities		<u>1,314,155</u>	<u>1,184,560</u>	<u>1,213,823</u>	<u>1,068,378</u>
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements	15	5,307	8,570	1,890	3,944
Deferred tax liabilities	11	116,609	116,609	109,180	109,180
Non-current provision for employee benefits	16	114,825	111,679	93,867	92,694
Other non-current liabilities		20,372	15,845	15,835	15,545
Total Non-current Liabilities		<u>257,113</u>	<u>252,703</u>	<u>220,772</u>	<u>221,363</u>
TOTAL LIABILITIES		<u>1,571,268</u>	<u>1,437,263</u>	<u>1,434,595</u>	<u>1,289,741</u>

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2018

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS’ EQUITY					
(CONTINUED)					
SHAREHOLDERS’ EQUITY					
SHARE CAPITAL					
Authorized share capital					
584,716,118 ordinary shares of Baht 3 each,		1,754,148	1,754,148	1,754,148	1,754,148
Issued and paid-up share capital					
584,714,068 ordinary shares of Baht 3 each, fully paid		1,754,142	1,754,142	1,754,142	1,754,142
DISCOUNT ON ORDINARY SHARES	19	(43,570)	(43,570)	(43,570)	(43,570)
RETAINED EARNINGS					
Appropriated					
Legal reserve		175,415	175,415	175,415	175,415
Unappropriated					
		7,892,291	7,820,018	7,771,299	7,633,233
OTHER COMPONENTS OF SHAREHOLDERS’ EQUITY		(38,963)	(33,766)	-	-
TOTAL ATTRIBUTIONS TO OWNERS					
OF THE PARENT		9,739,315	9,672,239	9,657,286	9,519,220
NON-CONTROLLING INTERESTS		89,457	88,471	-	-
TOTAL SHAREHOLDERS’ EQUITY		9,828,772	9,760,710	9,657,286	9,519,220
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		11,400,040	11,197,973	11,091,881	10,808,961

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues from sales		3,344,427	3,938,244	3,234,105	3,836,373
Revenues from services		29,801	28,409	-	-
Cost of sales of goods		(2,654,115)	(2,894,571)	(2,563,669)	(2,814,986)
Cost of rendering of services		(12,388)	(13,324)	-	-
Gross profit		707,725	1,058,758	670,436	1,021,387
Other income	17	27,820	28,413	33,298	29,951
Profit before expenses		735,545	1,087,171	703,734	1,051,338
Selling expenses		(143,023)	(87,583)	(128,270)	(79,768)
Administrative expenses		(71,643)	(92,055)	(50,934)	(77,299)
Managements' remuneration	21.2.2	(8,553)	(14,275)	(8,535)	(14,257)
Total expenses		(223,219)	(193,913)	(187,739)	(171,324)
Profit before finance costs and income tax expense		512,326	893,258	515,995	880,014
Finance costs		(485)	(811)	(133)	(366)
Share of profit from investment in an associate		74	76	-	-
PROFIT BEFORE INCOME TAX EXPENSE		511,915	892,523	515,862	879,648
INCOME TAX EXPENSE		(105,687)	(178,422)	(103,661)	(175,381)
PROFIT FOR THE PERIOD		406,228	714,101	412,201	704,267

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2018	2017	2018	2017	
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translation of financial statements of a foreign subsidiary	(8,429)	(7,505)	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	397,799	706,596	412,201	704,267	
PROFIT ATTRIBUTABLE TO					
Owners of the parent	401,771	710,803	-	-	
Non-controlling interests	4,457	3,298	-	-	
	406,228	714,101	-	-	
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of the parent	393,342	703,298	-	-	
Non-controlling interests	4,457	3,298	-	-	
	397,799	706,596	-	-	
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE	BAHT	0.69	1.22	0.70	1.20
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	THOUSAND SHARES	584,714	584,714	584,714	584,714

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues from sales		8,856,194	9,882,520	8,650,928	9,564,371
Revenues from services		88,824	86,192	-	-
Cost of sales of goods		(6,868,988)	(7,295,194)	(6,710,304)	(7,045,873)
Cost of rendering of services		(34,334)	(37,592)	-	-
Gross profit		<u>2,041,696</u>	<u>2,635,926</u>	<u>1,940,624</u>	<u>2,518,498</u>
Other income	17	<u>98,541</u>	<u>84,335</u>	<u>126,667</u>	<u>102,326</u>
Profit before expenses		<u>2,140,237</u>	<u>2,720,261</u>	<u>2,067,291</u>	<u>2,620,824</u>
Selling expenses		(284,360)	(197,118)	(246,358)	(174,222)
Administrative expenses		(240,259)	(232,068)	(162,985)	(189,419)
Managements' remuneration	21.2.2	(26,326)	(35,171)	(25,972)	(34,817)
Other expenses		-	(11,912)	-	(9,495)
Total expenses		<u>(550,945)</u>	<u>(476,269)</u>	<u>(435,315)</u>	<u>(407,953)</u>
Profit before finance costs and income tax expense		<u>1,589,292</u>	<u>2,243,992</u>	<u>1,631,976</u>	<u>2,212,871</u>
Finance costs		(1,404)	(2,530)	(456)	(1,241)
Share of profit from investment in an associate	21.1.1	211	212	-	-
PROFIT BEFORE INCOME TAX EXPENSE		<u>1,588,099</u>	<u>2,241,674</u>	<u>1,631,520</u>	<u>2,211,630</u>
INCOME TAX EXPENSE	11	<u>(332,549)</u>	<u>(447,336)</u>	<u>(324,026)</u>	<u>(436,917)</u>
PROFIT FOR THE PERIOD		<u><u>1,255,550</u></u>	<u><u>1,794,338</u></u>	<u><u>1,307,494</u></u>	<u><u>1,774,713</u></u>

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2018	2017	2018	2017	
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will be reclassified subsequently					
to profit or loss					
Exchange differences on translation of					
financial statements of foreign subsidiary	(5,197)	(26,811)	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,250,353</u>	<u>1,767,527</u>	<u>1,307,494</u>	<u>1,774,713</u>	
PROFIT ATTRIBUTABLE TO					
Owners of the parent	1,241,701	1,783,302	-	-	
Non-controlling interests	13,849	11,036	-	-	
	<u>1,255,550</u>	<u>1,794,338</u>	<u>-</u>	<u>-</u>	
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of the parent	1,236,504	1,756,491	-	-	
Non-controlling interests	13,849	11,036	-	-	
	<u>1,250,353</u>	<u>1,767,527</u>	<u>-</u>	<u>-</u>	
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE	BAHT	2.12	3.05	2.24	3.04
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	THOUSAND SHARES	584,714	584,714	584,714	584,714

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	Note	Attributions to owners of the parent				Total attributions to owners of the parent	Non- controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Discount on ordinary shares	Retained earnings Appropriated Legal reserve	Unappropriated				Other components of shareholders' equity Exchange differences on translation of financial statements of a foreign subsidiary
Beginning balances as at January 1, 2017		1,754,142	(43,570)	175,415	7,764,283	1,328	9,651,598	84,390	9,735,988
Dividends paid	20	-	-	-	(1,871,085)	-	(1,871,085)	-	(1,871,085)
Dividends to non-controlling interests of subsidiaries	20	-	-	-	-	-	-	(10,413)	(10,413)
Total comprehensive income for the period		-	-	-	1,783,302	(26,811)	1,756,491	11,036	1,767,527
Ending balances as at September 30, 2017		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,676,500</u>	<u>(25,483)</u>	<u>9,537,004</u>	<u>85,013</u>	<u>9,622,017</u>
Beginning balances as at January 1, 2018		1,754,142	(43,570)	175,415	7,820,018	(33,766)	9,672,239	88,471	9,760,710
Dividends paid	20	-	-	-	(1,169,428)	-	(1,169,428)	-	(1,169,428)
Dividends to non-controlling interests of subsidiaries	20	-	-	-	-	-	-	(12,863)	(12,863)
Total comprehensive income for the period		-	-	-	1,241,701	(5,197)	1,236,504	13,849	1,250,353
Ending balances as at September 30, 2018		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,892,291</u>	<u>(38,963)</u>	<u>9,739,315</u>	<u>89,457</u>	<u>9,828,772</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEPARATE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	Note	Issued and paid-up share capital	Discount on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
Beginning balances as at January 1, 2017		1,754,142	(43,570)	175,415	7,584,721	9,470,708
Dividends paid	20	-	-	-	(1,871,085)	(1,871,085)
Total comprehensive income for the period		-	-	-	1,774,713	1,774,713
Ending balances as at September 30, 2017		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,488,349</u>	<u>9,374,336</u>
Beginning balances as at January 1, 2018		1,754,142	(43,570)	175,415	7,633,233	9,519,220
Dividends paid	20	-	-	-	(1,169,428)	(1,169,428)
Total comprehensive income for the period		-	-	-	1,307,494	1,307,494
Ending balances as at September 30, 2018		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,771,299</u>	<u>9,657,286</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	1,588,099	2,241,674	1,631,520	2,211,630
Adjusted by				
Doubtful debts (reversal)	1,184	(628)	1,241	(403)
Loss for diminution in value of inventories (reversal)	(4,896)	189	(4,626)	189
Depreciation	166,310	121,352	144,654	112,425
Amortization - leasehold right	1,321	1,408	-	-
Amortization - intangible assets	243	-	-	-
Gain on sales of investment properties	-	(20,368)	-	(20,368)
Gain on sales of property, plant and equipment	(2,671)	(2,208)	(2,443)	(402)
Employee benefit obligations expense	9,430	9,095	7,423	6,991
Share of profit from investment in an associate	(211)	(212)	-	-
Unrealized loss on foreign exchange rate	9,795	7,712	8,927	6,898
Dividend income	-	-	(18,387)	(15,837)
Interest income	(36,951)	(40,537)	(35,336)	(38,285)
Interest expenses	1,071	908	243	286
Profit from operation before changes in operating assets and liabilities	1,732,724	2,318,385	1,733,216	2,263,124
Increase in trade and other current receivables	(139,527)	(133,874)	(282,968)	(128,935)
Increase in inventories	(460,340)	(689,677)	(368,597)	(666,597)
Decrease in other current assets	338	114	333	96
(Increase) decrease in other non-current assets	105	(1,263)	796	(271)
Increase in trade and other current payables	267,020	312,629	278,437	297,972
Decrease in other current liabilities	(9,590)	(3,110)	(7,859)	(7,778)
Cash paid for employee benefit obligations	(17,586)	(7,801)	(13,286)	(7,801)
Increase (decrease) in other non-current liabilities	4,527	(2,503)	290	835
Cash received for operations	1,377,671	1,792,900	1,340,362	1,750,645
Cash paid for income tax	(440,033)	(641,125)	(428,541)	(630,929)
Net cash provided by operating activities	937,638	1,151,775	911,821	1,119,716

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in current investments		797,941	(1,349,415)	800,000	(1,300,000)
Cash paid for incorporation of a subsidiary		-	-	-	(333,771)
Cash received from sale of investment properties		-	23,606	-	23,606
Cash paid for purchases of investment properties			(400)	-	(400)
Cash paid for purchases of property, plant and equipment		(193,528)	(289,878)	(139,179)	(163,677)
Proceeds from sales of property, plant and equipment		6,164	5,171	5,538	3,359
Dividend received from subsidiaries		-	-	18,387	15,837
Interest received		40,587	41,372	39,000	39,284
Net cash provided by (used in) investing activities		<u>651,164</u>	<u>(1,569,544)</u>	<u>723,746</u>	<u>(1,715,762)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from bank overdrafts and short-term borrowings from financial institutions		19,663	10,917	-	-
Cash repayment for liabilities under finance lease agreements		(6,261)	(5,280)	(3,218)	(2,630)
Cash payment for dividend		(1,169,400)	(1,870,973)	(1,169,400)	(1,870,973)
Cash payment for dividend - subsidiaries		(12,863)	(10,413)	-	-
Interest paid		(1,071)	(908)	(243)	(286)
Net cash used in financing activities		<u>(1,169,932)</u>	<u>(1,876,657)</u>	<u>(1,172,861)</u>	<u>(1,873,889)</u>
Exchange differences on translation of financial statements of foreign subsidiary		<u>(2,923)</u>	<u>(19,994)</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		415,947	(2,314,420)	462,706	(2,469,935)
Cash and cash equivalents as at January 1,		<u>4,679,930</u>	<u>6,091,852</u>	<u>4,476,263</u>	<u>5,999,577</u>
Cash and cash equivalents as at September 30,	4.3	<u><u>5,095,877</u></u>	<u><u>3,777,432</u></u>	<u><u>4,938,969</u></u>	<u><u>3,529,642</u></u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018
“Unaudited”

1. OPERATIONS AND GENERAL INFORMATION

The major principal business operations of the Company and its subsidiaries (the “Group”) are summarized as follows:

1.1 The operation of the Company

Thai Central Chemical Public Company Limited (the “Company”) is a listed company in The Stock Exchange of Thailand with its head office located at 21/35-46 Thai Wah Tower 1, 14-16th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok. The Company is a producer, importer and dealer of various chemical fertilizer compound. The major shareholders of the Company are Sojitz Corporation holding 43.92% and ISTS (Thailand) Co., Ltd. holding 39.53%.

1.2 The operations of subsidiaries

1.2.1 N.I.M. Company Limited was registered in Thailand with its office located at 205 Metro Building, 8th Floor, Rajawongse Road, Bangkok. The company’s main business is to lease out tank yard for containing liquid chemicals.

1.2.2 MC Agro-Chemicals Company Limited was registered in Thailand with its office located at 581 Moo 4, Bangpoo Industrial Estate Soi 12, Sukhumvit Road, Samutprakarn Province. The company’s main business is to trade formulated products and provide repacking services.

1.2.3 TCCC Myanmar Limited was registered in the republic of the union of Myanmar with its office located at Lot No. C-15 & C-18 Thilawa SEZ zone A, Yangon Region, the republic of the union of Myanmar. In order to be a producer, importer and dealer of various chemical fertilizer compound.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS

2.1 These consolidated and separate interim financial statements of Thai Central Chemical Public Company Limited (the “Company”) are prepared in Thai Baht and in compliance with Thai Accounting Standard (“TAS”) No. 34 (Revised 2017) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to the interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

2.2 The consolidated and separate statements of financial position as at December 31, 2017, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.

2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2018 are not necessarily an indication nor anticipation of the operating results for the full year.

- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2018, should be read in conjunction with the audited financial statements for the year ended December 31, 2017.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2018, have included the subsidiaries' interim financial statements for the three-month and nine-month periods ended September 30, 2018 which were reviewed.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

- 2.7 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective.

On March 14, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No.15 "Revenue from Contracts with Customers", which has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

On September 21, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follow:

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Group's and the Company's management will adopt such TFRS in the preparation of the Group's and the Company's financial statements when it becomes effective. The Group's and the Company's management considered that such TFRS does not have material impact on the Group's and the Company's financial statements in the period of initial application.

- 2.8 The consolidated interim financial statements include the account balances of the Company and the subsidiaries, after eliminating intercompany transactions and balances. The Company's holdings in subsidiaries are as follows:

	As at September 30, 2018		As at December 31, 2017	
	Percentage of holding		Percentage of holding	
N.I.M. Company Limited	51.00	51.00	51.00	
MC Agro-Chemicals Company Limited	99.99	99.99	99.99	
TCCC Myanmar Limited	99.99	99.99	99.99	

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2017.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

- 4.1 Purchases of property, plant and equipment for the nine-month periods ended September 30, 2018 and 2017 are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Payables-Assets acquisition as at January 1,	33,785	9,771	18,077	9,768
<u>Add</u> Purchases of property, plant and equipment	163,970	340,536	123,380	197,648
<u>Less</u> Purchases of property, plant and equipment under finance lease agreements	(1,926)	(7,624)	-	(5,230)
<u>Less</u> Cash payments	(193,528)	(289,878)	(139,179)	(163,677)
Payables-Assets acquisition as at September 30,	<u>2,301</u>	<u>52,805</u>	<u>2,278</u>	<u>38,509</u>
Liabilities under finance lease agreements (including current portion) as at January 1,	15,644	14,191	8,130	6,183
<u>Add</u> Purchases of property, plant and equipment under finance lease agreements	1,926	7,624	-	5,230
<u>Less</u> Cash payments	(6,261)	(5,280)	(3,218)	(2,630)
Liabilities under finance lease agreements (including current portion) as at September 30,	<u>11,309</u>	<u>16,535</u>	<u>4,912</u>	<u>8,783</u>

4.2 The cash flow from bank overdraft and short-term borrowing from financial institutions for the nine-month periods ended September 30, 2018 and 2017 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Bank overdraft and short-term borrowings from financial institutions as at January 1,	9,461	10,843	-	-
<u>Add</u> Cash received	19,663	10,917	-	-
<u>Add/(less)</u> Unrealized loss on foreign exchange rate	(131)	(70)	-	-
Bank overdraft and short-term borrowings from financial institutions as at September 30,	<u>28,993</u>	<u>21,690</u>	<u>-</u>	<u>-</u>

4.3 Cash and cash equivalents

Cash and cash equivalents as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Cash on hand	1,091	992	637	574
Bank deposits in savings and current accounts	2,480,068	2,075,876	2,334,673	1,872,939
Cheque on hand	6,916	3,060	3,657	2,748
Transfer in transit	7,800	-	-	-
Time deposits with maturity within 3 months (interest rates 1.20% - 1.35% per annum)	<u>2,600,002</u>	<u>2,600,002</u>	<u>2,600,002</u>	<u>2,600,002</u>
	<u>5,095,877</u>	<u>4,679,930</u>	<u>4,938,969</u>	<u>4,476,263</u>

5. CURRENT INVESTMENTS

Current investments as at September 30, 2018 and December 31, 2017, consist of:

	Maturity date		Interest rate (% per annum)		Unit : Thousand Baht Consolidated	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Time deposits	Maturity date over 3 months but less than 1 year		1 - 1.35	1 - 1.50	<u>175,324</u>	<u>973,265</u>

	Maturity date		Interest rate (% per annum)		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
	Maturity date over					
Time deposits	3 months but less than 1 year		-	1.38	-	800,000

6. TRADE AND OTHER CURRENT RECEIVABLES

6.1 Trade and other current receivables as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
	Trade receivables	876,751	713,539	956,243
Other receivables	17,002	25,914	18,796	26,861
Prepaid expenses	16,933	45,839	11,001	40,175
Accrued income	4,650	8,506	3,827	7,735
Advance payments	4,493	867	3,553	693
Advance payment for bidding	9,284	-	9,284	-
	<u>929,113</u>	<u>794,665</u>	<u>1,002,704</u>	<u>725,020</u>

6.2 Trade receivables as at September 30, 2018 and December 31, 2017, are classified by aging as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
	Number of outstanding trade receivables	<u>482</u>	<u>421</u>	<u>200</u>
Other companies				
Current	763,393	700,553	702,306	638,068
Overdue				
Less than or up to 3 months	124,812	19,668	123,759	18,253
More than 3 months up to 6 months	-	252	-	-
More than 6 months up to 12 months	210	70	-	-
More than 12 months	24,672	28,177	23,939	27,517
	<u>913,087</u>	<u>748,720</u>	<u>850,004</u>	<u>683,838</u>
Related companies				
Current	130	101	81,665	-
Overdue				
Less than or up to 3 months	-	-	60,097	-
	<u>130</u>	<u>101</u>	<u>141,762</u>	<u>-</u>
Total trade receivables	913,217	748,821	991,766	683,838
<u>Less</u> Allowance for doubtful debt	<u>(36,466)</u>	<u>(35,282)</u>	<u>(35,523)</u>	<u>(34,282)</u>
	<u>876,751</u>	<u>713,539</u>	<u>956,243</u>	<u>649,556</u>

7. INVESTMENT PROPERTIES

As at September 30, 2018 and December 31, 2017, the Company's investment properties represent land received from debt settlement and purchased by the Company of which the book value were Baht 25.81 million.

8. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the nine-month period ended September 30, 2018, are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Property, plant and equipment - net as at January 1, 2018	1,866,233	1,606,460
<u>Add</u> Purchase during the period	163,970	123,380
<u>Less</u> Decrease during the period	(3,493)	(3,095)
Depreciation for the period	(166,310)	(144,654)
Exchange differences on translation of financial statements of foreign subsidiary	(1,661)	-
Property, plant and equipment - net as at September 30, 2018	<u>1,858,739</u>	<u>1,582,091</u>

As at September 30, 2018 and December 31, 2017, the costs of assets which are fully depreciated but still in use as the following:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Gross carrying amount of property, plant and equipment which are fully depreciated and still in use	<u>2,431,216</u>	<u>2,340,545</u>	<u>2,194,204</u>	<u>2,106,473</u>

As at September 30, 2018 and December 31, 2017, the Company's land, land improvements, buildings and its improvements which have total net book value of Baht 498.77 million and Baht 524.00 million, respectively (see Note 22.3), are used as collateral with a local financial institution for guarantee credit facilities.

As at September 30, 2018 and December 31, 2017, land, building and its improvements of a subsidiary which have total net book value of Baht 22.33 million and Baht 24.62 million, respectively (see Notes 12 and 22.3), are used as collateral with a local financial institution for guarantee bank overdrafts and credit facilities.

9. LEASEHOLD RIGHT

As at November 17, 2016, TCCC Myanmar Limited, entered into the land leasehold agreement with an entity in the republic of the union of Myanmar, for its operating premise, in amounting to USD 2.62 million or equivalent to Baht 93.58 million. Such leasehold right will be expired on June 4, 2064.

As at September 30, 2018 and December 31, 2017, net book value of leasehold right for land is Baht 80.84 million and Baht 82.90 million, respectively.

10. INTANGIBLE ASSETS

Intangible assets consist of right to use the trademarks and right to use software. For the right to use the trademarks, the Company engaged an independent appraiser to determine the fair value of the right to use the trademarks referred to above in accordance with the Notification of the Stock Exchange Commission dated April 30, 2004 regarding the opinion for accounting treatment for intangible assets. According to the report of the independent appraiser dated January 8, 2018, the appraisal values of the fair value of such right as at December 26, 2017 by using the Discounted Cash Flow Approach. It showed that the fair value was higher than the carrying values.

11. DEFERRED INCOME TAX AND INCOME TAX EXPENSE

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes issued by the same taxation authority. Deferred income tax as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Deferred tax assets	37,265	42,985	32,538	37,733
Deferred tax liabilities	116,609	116,609	109,180	109,180

Movements of deferred tax assets and liabilities for the nine-month periods ended September 30, 2018 and 2017 are as follows:

**Consolidated Financial Statements
As at September 30, 2018**

	Unit : Thousand Baht		
	Balances as at January 1, 2018	Recognized in profit or loss	Balances as at September 30, 2018
Allowance for doubtful debt	7,056	237	7,293
Allowance for diminution in value of inventories	1,502	(979)	523
Provision for sale promotions	8,649	(4,443)	4,206
Allowance for impairment of investment properties	680	-	680
Provision for employee benefits	23,537	1,026	24,563
Deferred benefits for energy saving	1,561	(1,561)	-
Total deferred tax assets	42,985	(5,720)	37,265
Gain on fair value adjustment from investment in subsidiary to an associate	7,429	-	7,429
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	116,609	-	116,609

As at September 30, 2017

	Unit : Thousand Baht		
	Balances as at January 1, 2017	Recognized in profit or loss	Balances as at September 30, 2017
Allowance for doubtful debt	7,562	(126)	7,436
Allowance for diminution in value of inventories	172	38	210
Provision for sale promotions	8,915	(5,814)	3,101
Allowance for impairment of investment properties	680	-	680
Provision for employee benefits	23,699	1,819	25,518
Total deferred tax assets	41,028	(4,083)	36,945
Gain on fair value adjustment from investment in subsidiary to an associate	7,429	-	7,429
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	116,609	-	116,609

**Separate Financial Statements
As at September 30, 2018**

	Unit : Thousand Baht		
	Balances as at January 1, 2018	Recognized in profit or loss	Balances as at September 30, 2018
Allowance for doubtful debt	6,856	249	7,105
Allowance for diminution in value of inventories	1,448	(926)	522
Provision for sale promotions	8,649	(4,442)	4,207
Allowance for impairment of investment properties	680	-	680
Provision for employee benefits	18,539	1,485	20,024
Deferred benefits for energy saving	1,561	(1,561)	-
Total deferred tax assets	<u>37,733</u>	<u>(5,195)</u>	<u>32,538</u>
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>109,180</u>	<u>-</u>	<u>109,180</u>

As at September 30, 2017

	Unit : Thousand Baht		
	Balances as at January 1, 2017	Recognized in profit or loss	Balances as at September 30, 2017
Allowance for doubtful debt	7,385	(81)	7,304
Allowance for diminution in value of inventories	172	38	210
Provision for sale promotions	8,915	(5,814)	3,101
Allowance for impairment of investment properties	680	-	680
Provision for employee benefits	18,527	1,399	19,926
Total deferred tax assets	<u>35,679</u>	<u>(4,458)</u>	<u>31,221</u>
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>109,180</u>	<u>-</u>	<u>109,180</u>

Income tax expense for the nine-month periods ended September 30, 2018 and 2017, consists of the following:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements 2018	2017	Financial Statements 2018	2017
Current tax expense in respect of the current period	326,829	443,253	318,831	432,459
Deferred tax relating to temporary differences	5,720	4,083	5,195	4,458
Income tax expense	<u>332,549</u>	<u>447,336</u>	<u>324,026</u>	<u>436,917</u>

The income tax expense for the nine-month periods ended September 30, 2018 and 2017 can be reconciled to the accounting profit as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Profit before income tax expense	1,588,099	2,241,674	1,631,520	2,211,630
Income tax calculated at 20%	317,620	448,335	326,304	442,326
Effect of transactions that are not taxable income and expenses	14,929	(999)	(2,278)	(5,409)
Income tax expense	332,549	447,336	324,026	436,917
	%	%	%	%
Effective tax rate	20.94	19.96	19.86	19.76

The Company and its subsidiaries use corporate income tax at the rate of 20%.

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

Bank overdrafts and short-term borrowings from financial institutions, as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Bank overdrafts and short-term borrowings from financial institutions	28,993	9,461	-	-

As at September 30, 2018 and December 31, 2017, a subsidiary has credit lines from a local financial institution for overdrafts and other facilities which carried interest at the rate of Minimum Overdraft Rate (MOR) and mortgaged by land, buildings and its improvements (see Note 8).

13. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Trade payables	502,546	361,322	476,189	334,200
Other payables	94,074	95,783	93,480	94,733
Accrued dividends	2,210	2,182	2,210	2,182
Accrued expenses	143,111	236,306	121,569	187,090
Advance received from customers (see Note 14)	50,031	72,027	50,031	72,027
Deferred sales (see Note 14)	336,634	130,595	334,794	130,595
	1,128,606	898,215	1,078,273	820,827

14. DEFERRED SALES AND ADVANCE RECEIVED FROM CUSTOMERS

Deferred sales and advance received from customers represent obligations that the Company has to deliver fertilizer to the holders of the fertilizer notes which have been issued by the Company to its customers.

Deferred sales represent the issued fertilizer notes which have not yet been delivered fertilizer and not yet been received the payment. The Company has accounted for such outstanding balance of the unpaid and undelivered fertilizer notes in trade receivables at the same amount. However, in the business practice, the customers may cancel the undelivered fertilizer notes which they have not paid for while the Company is unable to cancel the undelivered fertilizer notes.

While inventories in the consolidated and separate financial statements as at September 30, 2018 and December 31, 2017 included inventories which were under the obligations that the Company and a subsidiary issued fertilizer notes or received payments from customers but the fertilizer has not been delivered. The Company and a subsidiary have recorded such transactions as “Advance received from customers” and “Deferred sales”, respectively. These obligations as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Advance received from customers (see Note 13)	50,031	72,027	50,031	72,027
Deferred sales (see Note 13)	336,634	130,595	334,794	130,595
	<u>386,665</u>	<u>202,622</u>	<u>384,825</u>	<u>202,622</u>

Inventories - net as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Inventories - cost	2,509,904	2,049,563	2,311,440	1,942,843
<u>Less</u> Allowance for diminution in value of inventories	<u>(2,612)</u>	<u>(7,507)</u>	<u>(2,612)</u>	<u>(7,238)</u>
	<u>2,507,292</u>	<u>2,042,056</u>	<u>2,308,828</u>	<u>1,935,605</u>

15. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements as at September 30, 2018 and December 31, 2017, consist of:

Consolidated Financial Statements

	Minimum lease payments		Unit : Thousand Baht Present value of minimum lease payments	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Not later than 1 year	6,420	7,696	6,002	7,074
Later than 1 year and not later than 5 years	5,538	8,984	5,307	8,570
	<u>11,958</u>	<u>16,680</u>	<u>11,309</u>	<u>15,644</u>
<u>Less</u> Deferred interest	(649)	(1,036)	-	-
Present value of minimum lease payments	<u>11,309</u>	<u>15,644</u>	<u>11,309</u>	<u>15,644</u>

	Unit : Thousand Baht	
	As at September 30, 2018	As at December 31, 2017
Presented in the statements of financial position as follows:		
Current portion of liabilities under finance lease agreements	6,002	7,074
Liabilities under finance lease agreements	<u>5,307</u>	<u>8,570</u>
	<u>11,309</u>	<u>15,644</u>

Separate Financial Statements

	Minimum lease payments		Unit : Thousand Baht Present value of minimum lease payments	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Not later than 1 year	3,179	4,484	3,022	4,186
Later than 1 year and not later than 5 years	1,963	4,118	1,890	3,944
	<u>5,142</u>	<u>8,602</u>	<u>4,912</u>	<u>8,130</u>
<u>Less</u> Deferred interest	(230)	(472)	-	-
Present value of minimum lease payments	<u>4,912</u>	<u>8,130</u>	<u>4,912</u>	<u>8,130</u>

	Unit : Thousand Baht	
	As at September 30, 2018	As at December 31, 2017
Presented in the statements of financial position as follows:		
Current portion of liabilities under finance lease agreements	3,022	4,186
Liabilities under finance lease agreements	<u>1,890</u>	<u>3,944</u>
	<u>4,912</u>	<u>8,130</u>

16. PROVISION FOR EMPLOYEE BENEFITS

The Company and its subsidiaries operate post-employment benefits obligation due upon retirement under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans.

Amounts recognized in the statements of profit or loss in respect of the post-employment benefits obligation due upon retirement for the nine-month periods ended September 30, 2018 and 2017 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Current service cost	7,148	6,855	5,690	5,298
Interest cost	2,282	2,240	1,733	1,693
	<u>9,430</u>	<u>9,095</u>	<u>7,423</u>	<u>6,991</u>

Movements in provision for employee benefits for the nine-month periods ended September 30, 2018 and 2017 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Provision for employee benefits as at January 1, (Including current portion)	130,968	126,295	105,980	100,436
Current service cost	7,148	6,855	5,690	5,298
Interest cost	2,282	2,240	1,733	1,693
Benefit paid	<u>(17,586)</u>	<u>(7,801)</u>	<u>(13,286)</u>	<u>(7,801)</u>
Provision for employee benefits as at September 30, (Including current portion)	<u>122,812</u>	<u>127,589</u>	<u>100,117</u>	<u>99,626</u>

The principal actuarial assumptions used to calculate the provision for employee benefits as at September 30, 2018 and December 31, 2017 are as follows:

	Consolidated and Separate	
	Financial Statements	
	As at September 30, 2018 (% p.a.)	As at December 31, 2017 (% p.a.)
Discount rate	2.93	2.93
Turnover rate	0 - 6	0 - 6
	Depend on range of employee age	Depend on range of employee age
Salary increasing rate	0 - 5	0 - 5
Gold price rate per Baht	19,900	19,900
Future gold price growth	3.00	3.00

17. OTHER INCOME

Other income for the three-month and nine-month periods ended September 30, 2018 and 2017, consist of:

For the three-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Interest income	9,595	9,088	9,225	8,048
Rental income	1,460	1,470	4,842	4,683
Gain on sale of property, plant and equipment	329	-	151	-
Gain on foreign exchange rate - net	7,215	9,799	9,729	10,022
Others	9,221	8,056	9,351	7,198
	<u>27,820</u>	<u>28,413</u>	<u>33,298</u>	<u>29,951</u>

For the nine-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Interest income	36,951	40,538	35,336	38,285
Rental income	4,799	4,327	14,852	13,937
Gain on sale of investment properties	-	20,368	-	20,368
Gain on sale of property, plant and equipment	2,671	2,208	2,443	402
Gain on foreign exchange rate - net	33,091	-	35,562	-
Dividend income	-	-	18,387	15,837
Others	21,029	16,894	20,087	13,497
	<u>98,541</u>	<u>84,335</u>	<u>126,667</u>	<u>102,326</u>

18. EXPENSES BY NATURE

Significant expenses by nature for the nine-month periods ended September 30, 2018 and 2017, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Changes in finished goods and work in process	156,887	(208,595)	245,717	(191,139)
Cost of finished goods purchased	272,647	220,170	-	-
Raw materials used	5,923,120	6,572,958	5,919,184	6,556,315
Employee benefit expenses	385,058	442,010	307,385	396,021
Depreciation	166,310	121,352	144,654	112,425
Amortization - leasehold right	1,321	1,408	-	-
Loss for diminution in value of inventories (reversal)	(4,896)	189	(4,626)	189
Doubtful debts (reversal)	1,184	(628)	1,241	(403)

19. DISCOUNT ON ORDINARY SHARES

Discount on ordinary shares as at September 30, 2018 and December 31, 2017, consist of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Premium on ordinary shares	2,280,000	2,280,000	2,280,000	2,280,000
Discount on ordinary shares	<u>(2,323,570)</u>	<u>(2,323,570)</u>	<u>(2,323,570)</u>	<u>(2,323,570)</u>
	<u>(43,570)</u>	<u>(43,570)</u>	<u>(43,570)</u>	<u>(43,570)</u>

20. DIVIDENDS

On March 29, 2018, the ordinary shareholders' meeting of the Company passed a resolution to pay dividends to shareholders at Baht 2.00 per share, totaling Baht 1,169.43 million as an appropriation of net profit for 2017. Such dividend was paid in April 2018.

On March 29, 2017, the ordinary shareholders' meeting of the Company passed a resolution to pay dividends to shareholders at Baht 3.20 per share, totaling Baht 1,871.09 million as an appropriation of net profit for 2016. Such dividend was paid in April 2017.

The Annual General Shareholders' Meetings of subsidiaries passed a resolution to distribute annual dividends for the year 2018 to ordinary shareholders as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Unit : Thousand Baht Dividend paid to		Total amount
			Owners of parent	Non- controlling interests	
N.I.M. Company Limited	March 30, 2018	2.10	13,387	12,863	26,250
MC Agro-Chemicals Company Limited	March 30, 2018	10.00	<u>5,000</u>	<u>-</u>	<u>5,000</u>
			<u>18,387</u>	<u>12,863</u>	<u>31,250</u>

The Annual General Shareholders' Meetings of subsidiaries passed a resolution to distribute annual dividends for the year 2017 to ordinary shareholders as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Unit : Thousand Baht Dividend paid to		Total amount
			Owners of parent	Non- controlling interests	
N.I.M. Company Limited	April 11, 2017	1.70	10,837	10,413	21,250
MC Agro-Chemicals Company Limited	April 26, 2017	10.00	<u>5,000</u>	<u>-</u>	<u>5,000</u>
			<u>15,837</u>	<u>10,413</u>	<u>26,250</u>

21. TRANSACTIONS BETWEEN RELATED PARTIES

Transactions between related parties are as follows:

21.1 Investments

21.1.1 Investment in an associate

As at September 30, 2018

Company name	Type of business	Paid-up capital	Ownership %	Unit : Thousand Baht		
				Investment		Dividend received
				Cost Method	Equity Method	
Central Pacific (Thailand) Corporation Limited	Leased out warehouse	200,000	49.00	98,000	136,173	-

As at December 31, 2017

Company name	Type of business	Paid-up capital	Ownership %	Unit : Thousand Baht		
				Investment		Dividend received
				Cost Method	Equity Method	
Central Pacific (Thailand) Corporation Limited	Leased out warehouse	200,000	49.00	98,000	135,962	-

Aggregate information of an associate is not individually material.

Share of profit from investment in an associate for the nine-month periods ended September 30, consist of:

	Unit : Thousand Baht Consolidated Financial Statements	
	2018	2017
Share of profit from investment in an associate	211	212

21.1.2 Investments in subsidiaries

Company name	Type of business	Paid-up capital		Ownership %		Unit : Thousand Baht Cost	
		As at	As at	As at	As at	As at	As at
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
N.I.M. Company Limited	Leased out tank yard for containing chemical	125,000	125,000	51.00	51.00	63,750	63,750
MC Agro-Chemicals Company Limited	Repacking and formulating	50,000	50,000	99.99	99.99	49,999	49,999
TCCC Myanmar Limited	Producer, importer and distributor	439,106	439,106	99.99	99.99	439,106	439,106
						552,855	552,855

21.2 Business transactions with related parties

21.2.1 Balances as at September 30, 2018 and December 31, 2017, consist of:

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Trade receivables					
Sojitz Corporation Group	Major shareholder	130	101	-	-
TCCC Myanmar Limited	Subsidiary	-	-	141,762	-
		<u>130</u>	<u>101</u>	<u>141,762</u>	<u>-</u>
Other receivables					
N.I.M. Company Limited	Subsidiary	-	-	810	881
MC Agro-Chemicals Company Limited	Subsidiary	-	-	64	104
TCCC Myanmar Limited	Subsidiary	-	-	949	-
		<u>-</u>	<u>-</u>	<u>1,823</u>	<u>985</u>
Trade payables					
Sojitz Corporation Group	Major shareholder	6,192	6,570	-	-
Other payables					
Metro Systems Corporation Public Company Limited	Related Company	217	217	199	199

21.2.2 Transactions with related parties for the three-month and nine-month periods ended September 30, 2018 and 2017, consist of:

For the three-month periods ended September 30,

Account name/ Company name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		2018	2017	2018	2017
Revenues from sales and services					
Sojitz Corporation Group	Major shareholder	2,194	3,147	-	-
TCCC Myanmar Limited	Subsidiary	-	-	65,510	-
		<u>2,194</u>	<u>3,147</u>	<u>65,510</u>	<u>-</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	3,660	3,500
MC Agro-Chemicals Company Limited	Subsidiary	-	-	19	25
TCCC Myanmar Limited	Subsidiary	-	-	956	-
		<u>-</u>	<u>-</u>	<u>4,635</u>	<u>3,525</u>
Purchases					
Sojitz Corporation Group	Major shareholder	3,171	5,169	-	-
Purchases assets					
Metro Systems Corporation Public Company Limited	Related Company	-	4,601	-	4,601
Other expenses					
Metro Systems Corporation Public Company Limited	Related Company	608	620	557	557
Managements' remuneration					
	Directors	8,553	14,275	8,535	14,257

For the nine-month periods ended September 30,

Account name/ Company name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
Revenues from sales and services					
Sojitz Corporation Group	Major shareholder	6,597	7,291	-	-
TCCC Myanmar Limited	Subsidiary	-	-	170,218	-
		<u>6,597</u>	<u>7,291</u>	<u>170,218</u>	<u>-</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	10,872	10,437
MC Agro-Chemicals Company Limited	Subsidiary	-	-	59	71
TCCC Myanmar Limited	Subsidiary	-	-	962	-
		<u>-</u>	<u>-</u>	<u>11,893</u>	<u>10,508</u>
Dividend income					
N.I.M. Company Limited	Subsidiary	-	-	13,387	10,837
MC Agro-Chemicals Company Limited	Subsidiary	-	-	5,000	5,000
		<u>-</u>	<u>-</u>	<u>18,387</u>	<u>15,837</u>
Purchases					
Sojitz Corporation Group	Major shareholder	9,500	8,810	-	-
Purchases assets					
Metro Systems Corporation Public Company Limited	Related Company	-	4,601	-	4,601
Other expenses					
Metro Systems Corporation Public Company Limited	Related Company	1,825	1,835	1,670	1,670
Managements' remuneration	Directors	<u>26,326</u>	<u>35,171</u>	<u>25,972</u>	<u>34,817</u>

22. COMMITMENTS AND LETTERS OF GUARANTEE

22.1 The Company has capital expenditure commitment as at September 30, 2018 and December 31, 2017, of Baht 34.37 million and Baht 63.63 million, respectively.

A subsidiary has capital expenditure commitment as at September 30, 2018 and December 31, 2017, of USD 0.02 million (or equivalent Baht 0.74 million) and USD 0.31 million (or equivalent Baht 10.21 million), respectively.

22.2 As at September 30, 2018 and December 31, 2017, the Company and its subsidiaries have leased office building, vehicles and office equipment under operating lease agreements. The minimum future lease payments are summarized as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Within 1 year	42,638	39,809	31,837	33,534
1 - 5 years	<u>21,582</u>	<u>26,706</u>	<u>21,441</u>	<u>23,712</u>
	<u>64,220</u>	<u>66,515</u>	<u>53,278</u>	<u>57,246</u>

For the nine-month periods ended September 30, 2018 and 2017, the Company and its subsidiaries recognized rental fees from operating lease agreements in the consolidated financial statements of Baht 38.85 million and Baht 33.57 million, respectively, and for the separate financial statements of Baht 31.30 million and Baht 31.32 million, respectively.

- 22.3 As at September 30, 2018 and December 31, 2017, the Company and its subsidiaries are granted credit facilities from local financial institutions which consisted of bank overdrafts and short-term borrowings, letters of credit, forward contracts and letters of guarantee. Moreover, the Company used land, land improvements, building and its improvements as collateral (see Note 8).

As at September 30, 2018 and December 31, 2017, the unused credit facilities, consist of:

	Currency	Consolidated		Unit : Million Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Credit facilities*	Baht	11,394.65	11,267.39	11,223.09	11,077.53
	USD	30.00	30.00	30.00	30.00
	EUR	-	0.04	-	-
Forward exchange contracts	Baht	2,447.76	2,502.62	2,432.15	2,482.62
	USD	158.19	157.39	152.73	151.35
Letters of guarantee	Baht	91.34	91.34	91.34	91.34

* The Company has been allowed by certain banks to have forward exchange contracts equal to the line of letters of credit and trust receipts granted by such banks.

- 22.4 As at September 30, 2018 and December 31, 2017, the Company and a subsidiary have letters of guarantee issued by banks which are unsecured as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Letters of guarantee for electricity	8,831	8,831	8,656	8,656

- 22.5 As at September 30, 2018 and December 31, 2017, the Company has commitment with a bank regarding the outstanding letters of credit of USD 4.70 million (or equivalent to Baht 148.77 million) and USD 10.30 million and EUR 0.05 million (or equivalent to Baht 340.42 million), respectively.

As at September 30, 2018 and December 31, 2017, a subsidiary has commitment with a bank regarding the outstanding letters of credit of USD 0.09 million (or equivalent Baht 2.96 million) and EUR 0.04 million (or equivalent Baht 1.59 million), respectively.

23. SEASONALITY OF OPERATION

The main business of the Company is the manufacturing, import and distribution of chemical fertilizer. The main revenues of the Company are received seasonally within a financial year especially in the second and third quarters of each year. Such main revenues are recognized when incur in each quarter. For supplementary financial information, total revenues, cost of sales and total comprehensive income for the twelve-month periods ended September 30, 2018 and 2017 were shown as below:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2018	Financial Statements 2017	Separate Financial Statements 2018	Separate Financial Statements 2017
Revenues from sales	10,399,927	11,705,935	10,106,359	11,296,963
Revenues from services	116,201	112,732	-	-
Costs of sales of goods	8,062,066	8,600,562	7,834,470	8,278,180
Costs of rendering of services	48,299	54,016	-	-
Total comprehensive income	1,390,798	2,306,889	1,458,340	2,292,422

24. BUSINESS SEGMENT INFORMATION

The Company's main business is to manufacture, import and distribute various chemical fertilizer compounds. The subsidiaries' main businesses are to import and distribute industrial chemical, textile, plastics and solvents, and provide the lease of containing liquid chemical which most of revenue are from domestic. The business segment information of the Company and its subsidiaries classified by industries is as follows:

For the three-month and nine-month periods ended September 30, 2018

	Sales and other income		Total comprehensive income		Assets employed
	For the three-month period ended	For the nine-month period ended	For the three-month period ended	For the nine-month period ended	
Fertilizer	3,360,382	8,884,614	501,885	1,545,661	11,556,526
Rental services	30,713	91,471	11,398	35,297	223,988
Others	81,098	267,973	(1,368)	7,141	275,867
<u>Less</u> Intersegment revenues	<u>(70,071)</u>	<u>(200,288)</u>			
Total revenues	<u>3,402,122</u>	<u>9,043,770</u>			
Profit before income tax expense			511,915	1,588,099	
<u>Less</u> Income tax expense			<u>(105,687)</u>	<u>(332,549)</u>	
Total comprehensive income			<u>406,228</u>	<u>1,255,550</u>	
					12,056,381
<u>Less</u> Intersegment assets					<u>(656,341)</u>
<u>Less</u> Non-controlling interests in total comprehensive income			(4,457)	(13,849)	
Exchange differences on translation of financial statements of foreign subsidiary			<u>(8,429)</u>	<u>(5,197)</u>	
Total comprehensive income attributable to owners of the parent			<u>393,342</u>	<u>1,236,504</u>	
Consolidated assets as at September 30, 2018					<u>11,400,040</u>

For the three-month and nine-month periods ended September 30, 2017

Unit : Thousand Baht

	Sales and other income		Total comprehensive income		Assets employed
	For the three-month period ended	For the nine-month period ended	For the three-month period ended	For the nine-month period ended	
Fertilizer	3,856,793	9,667,202	877,173	2,189,626	11,377,551
Rental services	29,287	89,622	8,385	28,100	223,175
Others	112,734	322,569	6,965	23,948	283,621
<u>Less</u> Intersegment revenues	(3,450)	(26,134)			
Total revenues	<u>3,995,364</u>	<u>10,053,259</u>			
Profit before income tax expense			892,523	2,241,674	
<u>Less</u> Income tax expense			(178,422)	(447,336)	
Total comprehensive income			<u>714,101</u>	<u>1,794,338</u>	
					11,884,347
<u>Less</u> Intersegment assets					(515,666)
<u>Less</u> Non-controlling interests in total comprehensive income			(3,298)	(11,036)	
Exchange differences on translation of financial statements of foreign subsidiary			(7,505)	(26,811)	
Total comprehensive income attributable to owners of the parent			<u>703,298</u>	<u>1,756,491</u>	
Consolidated assets as at September 30, 2017					<u>11,368,681</u>

25. DISCLOSURE OF FINANCIAL INSTRUMENTS

25.1 Forward exchange contracts

As at September 30, 2018 and December 31, 2017, the Company and its subsidiary entered into various forward exchange contracts with local financial institutions to hedge certain portions of their assets and liabilities denominated in foreign currencies. The details of such contracts, fair values and valuation techniques of the financial instruments are as follows:

Forward exchange purchase contracts				The remaining period (days)	Net fair value gain (loss) (Baht)	Fair value hierarchy	Valuation technique(s)
	Currency	Amount	Average rate				
As at September 30, 2018							
The Company	USD	16,976	32.7432	9 - 185	(6,596)	Level 2	Discounted cash flow*
Subsidiary	USD	2,172	32.5647	41 - 185	(586)		
As at December 31, 2017							
The Company	USD	16,151	32.8037	13 - 272	(2,120)	Level 2	Discounted cash flow*
	EUR	110	39.7764	8 - 272	17		
	YEN	20,993	0.3106	173	(398)		
Subsidiary	USD	1,460	33.0740	6 - 151	(636)		

Unit : Thousand

Unit : Thousand

Forward exchange sell contracts				The remaining period (days)	Net fair value gain (loss) (Baht)	Fair value hierarchy	Valuation technique(s)
Currency	Amount	Average rate					
As at September 30, 2018							
The Company	USD	5,383	32.2352	18 - 181	664	Level 2	Discounted cash flow*
As at December 31, 2017							
The Company	USD	5,642	32.7750	67 - 160	1,973	Level 2	Discounted cash flow*

* Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties.

25.2 Assets and liabilities in foreign currencies

As at September 30, 2018 and December 31, 2017, the Company and its subsidiaries have assets and liabilities in foreign currencies which part of them are entered into various forward exchange contracts with banks to hedge certain portions of their assets and liabilities denominated in foreign currencies as follows:

Unit : Thousand

Foreign assets

	Currency	Amount
As at September 30, 2018		
The Company	USD	5,684
	MMK	4,905
Subsidiaries	USD	2,530
	MMK	308,462
As at December 31, 2017		
The Company	USD	5,980
	MMK	3,897
Subsidiaries	USD	3,973
	MMK	6,605

Unit : Thousand

Foreign liabilities

	Currency	Amount
As at September 30, 2018		
The Company	USD	10,471
	EUR	4
Subsidiary	USD	1,420
As at December 31, 2017		
The Company	USD	8,240
	EUR	6
Subsidiary	USD	852

26. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved for issuance by the authorized directors of the Company on November 14, 2018.