



บริษัท ไทยเซ็นทรัลเคมี จำกัด (มหาชน)
THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED

ห้อง 801-806, 809-810 ชั้น 8 มิตรทาวน์ ออฟฟิศ ทาวเวอร์ 944 ถนนพระราม 4 แขวงวังใหม่ เขตปทุมวัน กรุงเทพมหานคร 10330
Room 801-806, 809-810, 8th Floor, Mitrtown Office Tower, 944 Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330
Tel: (662) 639 8888 Fax: (662) 639 8999 E-mail : mailbox@thaicentral.co.th Website : www.tcccthai.com
ทะเบียนเลขที่ บมจ. 0107536000277 REG. No. 0107536000277

(Translation)

No. 034/2564

17 May 2021

Subject Clarification of the 1st quarter performance of the year 2021

To President

The Stock Exchange of Thailand

Enclosure Management Analysis and Discussion (MD&A)

Referred to rules and regulations of the SEC which provides that a listed company shall clarify reason in case of difference between company including its subsidiaries' performance of the current year and that of the corresponding period of the previous year exceeding 20%, the Company would like to clarify as follows.

Performance of the Company including its subsidiaries of the 1st quarter of 2021 shows Profit Attributable to Owners of the parent at the amount of THB 317 million, increasing by THB 230 million or 266% when compared with Profit Attributable to Owners of the parent of the corresponding period of last year which showed THB 87 Million.

The reason of such result is shown in the Management Analysis and Discussion as in the attachment.

Please be informed accordingly.

Sincerely yours,

(Mr. Takahiro Yamashita)

President & CEO

Corporate Secretary / Photchara Tel. 0-2639-8888 ext. 8909



Management Discussion and Analysis (MD&A)

Key Summary

- As a result of growers' increased demand for chemical fertilizer and customers' willingness to stock more inventories during the 1st quarter of 2021, the Company was able to earn an increase in Profit Attributable to Owner of the parent by THB 230 Million or 266% from THB 87 Million to THB 317 Million.
- In the meantime, online activities became an approach to raise brand awareness towards customers and other stakeholders since the recurring spread of COVID-19 still caused difficulties in conducting on-field activities domestically and internationally.
- Despite a rise in raw material price with a possible impact on the Company in the 2nd quarter, the Company will constantly monitor the situation and ensure the best practice of operation and production control to maintain an optimal profit.
- Lastly, fertilizer consumption during the 2nd quarter will be relied on growers' willingness to cultivate. Therefore, the water availability during rainy season, the price of agricultural products and government policy during the main cultivating season will be important factors determining the market demand.

Business Overview

The Company would like to report the operational result of the Consolidated Financial Statement for the 1st quarter of the year 2021 during January 1, 2021 to March 31, 2021. The 1st quarter of 2021 showed Profit Attributable to Owner of the parent at THB 317 Million, and Earnings per Share at 0.54 THB. It increased by THB 230 Million or 266% compared with the 1st quarter of the year 2020, which showed Profit Attributable to Owner of the parent at THB 87 Million and Earnings per Share at 0.15 THB. The reason for such increase was due to a higher fertilizer demand in the 1st quarter and stock preparation for the upcoming cultivation in the main season.

Thailand economy in the 1st quarter was stagnant because the second round of COVID-19 outbreak in the early of this year had stalled the confidence in private investment and spending.



The slow recovery was also evident in the tourism sector, which is one of the country main economic drivers, since a travel restriction still remained for foreign tourist arrivals and the better recovery is expected to be at the time where herd immunity covers in most countries. Consequently, these factors prompt research institutions to forecast GDP growth in the year 2021 to be close to 3%

Thailand agricultural sector showed an upward trend during the 1st quarter due to 3 major reasons. First, the accumulated rainfall since the second half of last year had contributed to the sufficient water supplies which, in turn, led to increased cultivation during an off-season period. Second, the solid price of major agricultural products such as paddy and maize triggered growers' willingness to cultivate. Lastly, the continuation of government's financial policies namely crop price guarantee scheme and COVID- 19' s supportive measures supported growers' purchasing power. Consequently, all of these factors resulted in an increased fertilizer demand for cultivation.

In the meantime, the Company's better performance was not only caused by the favorable agricultural conditions, but also by the Management's crucial role in controlling organizational operation to achieve optimal cost position by managing inventories, production and exchange rate. In addition, the willingness for securing inventories of customers under an up-trend price of international fertilizer market was a supporting factor contributing to the Company's sales growth. Furthermore, to overcome constraints on the arrangement of on- field activities amid the recurrence of COVID-19, the Company placed more emphasis on online activities as an approach to raise brand awareness. As a result, the Company earned an increase in Profit Attributable to Owners of the parent compared with the same quarter of the previous year.



Results of Operations and Profits

Unit : Thousand Baht	1st Quarter Jan - Mar (3 months)		Change
	2020	2021	%
Revenues from Sales and Services	1,164,746	1,868,631	60
Cost of Goods Sold and Rendering of Services	(945,651)	(1,403,852)	48
Gross Profit	219,095	464,779	112
Other Income	45,242	66,390	47
Profit Before Expenses	264,337	531,169	101
Selling and Administration Expenses	(147,676)	(125,722)	(15)
Profit From Operating Activities	116,661	405,447	248
Finance Costs	(1,066)	(999)	(6)
Share of Profit from Investment in an Associate	78	47	(40)
Profit Before Income Tax Expense	115,673	404,495	250
Income Tax Expense	(24,529)	(82,780)	237
Profit for the Period	91,144	321,715	253
Profit Attributable to Owners of the Parent	86,503	316,506	266
Total Comprehensive Income Attributable to Owners of the Parent	102,296	322,140	215

The Company's Revenue from Sales and Services in the 1st quarter showed an increase of THB 704 Million or 60% from THB 1,165 Million in 2020 to THB 1,869 Million in 2021 which had been contributed by higher growers' willingness to cultivate from sufficient water supplies, solid crop prices and government financial support. Another reason for such increase came from customers' demand to secure certain inventories due to the trend of rising raw material price. In the meantime, an increase in sales volume also resulted in a surge of the Cost of Goods Sold and Rendering of Services by Million 458 THB or 48% in 2021, Therefore, the Company's sales performance was the key factor leading the Company to earn a THB 246 Million or 112 % increase in gross profit from THB 219 Million in 2020 to THB 465 Million in 2021. In addition, the effective management on physical sales and marketing activities during the second-round spread of COVID-19 resulted in a decreased Selling and Administration Expenses by THB 22 Million or 15%.

From all reasons mentioned above, Profit Attributable to Owners of the parent in the 1st quarter of 2021 was THB 317 Million, increasing by THB 230 Million or 266% when compared with THB 87 Million in the same quarter of 2020.



Analysis of Liquidity and Capital Resources

Main Components of Statement of Financial Position (Consolidated)

Description	March 31, 2020		March 31, 2021	
	Thousand Baht	Percentage to Total Asset	Thousand Baht	Percentage to Total Asset
Current Assets	9,447,251	78	10,594,705	81
Non-current Assets	2,597,486	22	2,443,890	19
Total Assets	12,044,737	100	13,038,595	100
Current Liabilities	2,317,723	19	2,691,408	21
Non-current Liabilities	329,870	3	323,864	2
Total Liabilities	2,647,593	22	3,015,272	23
Total Shareholders' Equity	9,397,144	78	10,023,323	77
Total Liabilities and Shareholders' Equity	12,044,737	100	13,038,595	100

As of the end of 1st quarter in 2021, Total Assets of the Company showed THB 13,039 Million, increased by THB 994 Million or 8% compared with the same period of 2020. More details of assets are as follows:

Description	March 31, 2020 Thousand Baht	March 31, 2021 Thousand Baht	Change %
Cash, cash equivalents and time deposit*	6,461,923	7,442,958	15
Total trade and other receivables	592,849	591,143	(0)
Inventory	2,364,630	2,512,813	6
Assets	12,044,737	13,038,595	8

*Time deposit is defined as an account with maturity date over 3 months to less than 1 year and classified under other current financial assets in the statement of financial position.

Cash, cash equivalents and current investments in the 1st quarter of 2021 increased from THB 6,462 Million to THB 7,443 Million or 15% due to a strong sales performance and the Company's attempt to maintain a solid financial position during the current crisis of economic instability. In the meantime, Total trade and other receivables was about the same as that in the same quarter of previous year whereas Inventories increased by 6%.

Total Liabilities of the Company were THB 3,015 Million representing an increase by THB 368 Million or 14% whereas Shareholders' Equity of the Company was THB 10,023 Million representing an increase by THB 626 Million or 7%.



Economic & Business Forecast 2021

The global economy is expected to show a sign of better recovery since the COVID-19 vaccine rollout campaigns and financial stimulus packages have begun in major economic countries to restore their economic position. However, the third wave of COVID-19 that rapidly spread in Thailand could cause a relapse in the domestic economy. Therefore, speeding up effective vaccine deployment and continuous relief measures by the government are going to be essential to gain the resumption of economic activities.

Upon considering the current positive agricultural condition, the fertilizer consumption during the start of main cultivating season could be higher than the previous year because of growers' willingness to cultivate. However, the Management will constantly monitor relevant factors including the adequacy of water resources, the price of major crops and related government policies in order to be well prepared to respond to any changes that may happen. In addition, the fluctuated raw material price will also play a crucial role in determining the Company's production cost and selling price. Thus, the Management will strive to control such issue to the best of ability.

.....