

**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, 2019, and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2019, and the related consolidated and separate statements of changes in shareholders' equity, and cash flows for the nine-month period ended September 30, 2019, 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 No. 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, 2019

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

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	4,721,770	5,516,734	4,549,946	5,443,612
Current investments	5	1,160,452	175,324	1,000,000	-
Trade and other current receivables	6.1	725,287	419,239	700,913	425,673
Inventories	7	2,134,643	2,347,286	1,919,126	2,110,633
Other current assets		70	447	-	395
Total Current Assets		<u>8,742,222</u>	<u>8,459,030</u>	<u>8,169,985</u>	<u>7,980,313</u>
NON-CURRENT ASSETS					
Investment in an associate	22.1.1	136,483	136,247	98,000	98,000
Investments in subsidiaries	22.1.2	-	-	552,855	552,855
Investment properties	8	29,213	25,810	29,213	25,810
Property, plant and equipment	9	1,748,849	1,836,020	1,507,500	1,567,004
Leasehold right	10	74,585	80,508	-	-
Intangible assets	11	546,642	547,256	545,901	545,901
Deferred tax assets	12	34,518	36,562	28,919	31,898
Other non-current assets		5,447	5,920	4,150	4,002
Total Non-current Assets		<u>2,575,737</u>	<u>2,668,323</u>	<u>2,766,538</u>	<u>2,825,470</u>
TOTAL ASSETS		<u><u>11,317,959</u></u>	<u><u>11,127,353</u></u>	<u><u>10,936,523</u></u>	<u><u>10,805,783</u></u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2019

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,
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	13	134,421	35,333	-	-
Trade and other current payables	14	946,218	728,569	827,911	662,791
Current portion of liabilities under					
finance lease agreements	16	4,476	5,424	1,557	2,556
Current income tax payable		98,791	125,993	96,895	123,280
Current provision for employee benefits	17	6,900	12,294	4,355	7,763
Other current liabilities		26,576	28,162	14,029	14,908
Total Current Liabilities		<u>1,217,382</u>	<u>935,775</u>	<u>944,747</u>	<u>811,298</u>
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements	16	3,595	4,532	645	1,751
Deferred tax liabilities	12	116,609	116,609	109,180	109,180
Non-current provision for employee benefits	17	131,076	123,634	106,533	105,106
Other non-current liabilities		18,620	20,073	15,760	15,835
Total Non-current Liabilities		<u>269,900</u>	<u>264,848</u>	<u>232,118</u>	<u>231,872</u>
TOTAL LIABILITIES		<u>1,487,282</u>	<u>1,200,623</u>	<u>1,176,865</u>	<u>1,043,170</u>

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2019

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
584,716,118 ordinary shares of Baht 3 each,		<u>1,754,148</u>	<u>1,754,148</u>	<u>1,754,148</u>	<u>1,754,148</u>
Issued and paid-up share capital					
584,714,068 ordinary shares of Baht 3 each,		1,754,142	1,754,142	1,754,142	1,754,142
fully paid					
DISCOUNT ON ORDINARY SHARES	20	(43,570)	(43,570)	(43,570)	(43,570)
RETAINED EARNINGS					
Appropriated					
Legal reserve		175,415	175,415	175,415	175,415
Unappropriated		7,914,765	7,984,499	7,873,671	7,876,626
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		<u>(57,295)</u>	<u>(37,490)</u>	-	-
TOTAL ATTRIBUTIONS TO OWNERS					
OF THE PARENT		9,743,457	9,832,996	9,759,658	9,762,613
NON-CONTROLLING INTERESTS		<u>87,220</u>	<u>93,734</u>	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>9,830,677</u>	<u>9,926,730</u>	<u>9,759,658</u>	<u>9,762,613</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>11,317,959</u>	<u>11,127,353</u>	<u>10,936,523</u>	<u>10,805,783</u>
		0	0	0	0

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenues from sales		2,951,175	3,344,427	2,776,092	3,234,105
Revenues from services		37,468	29,801	-	-
Cost of sales of goods		(2,315,868)	(2,654,115)	(2,149,402)	(2,563,669)
Cost of rendering of services		(13,609)	(12,388)	-	-
Gross profit		659,166	707,725	626,690	670,436
Other income	18	22,781	27,820	25,502	33,298
Profit before expenses		681,947	735,545	652,192	703,734
Selling expenses		(121,805)	(143,023)	(104,802)	(128,270)
Administrative expenses		(68,096)	(71,643)	(44,161)	(50,934)
Managements' remuneration	22.2.2	(9,470)	(8,553)	(9,002)	(8,535)
Total expenses		(199,371)	(223,219)	(157,965)	(187,739)
Profit before finance costs and income tax expense		482,576	512,326	494,227	515,995
Finance costs		(1,487)	(485)	(99)	(133)
Share of profit from investment in an associate	22.1.1	85	74	-	-
PROFIT BEFORE INCOME TAX EXPENSE		481,174	511,915	494,128	515,862
INCOME TAX EXPENSE		(101,452)	(105,687)	(98,091)	(103,661)
PROFIT FOR THE PERIOD		379,722	406,228	396,037	412,201

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2019	2018	2019	2018	
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	(2,344)	(8,429)	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	377,378	397,799	396,037	412,201	
PROFIT ATTRIBUTABLE TO					
Owners of the parent	374,634	401,771	-	-	
Non-controlling interests	5,088	4,457	-	-	
	379,722	406,228	-	-	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent	372,290	393,342	-	-	
Non-controlling interests	5,088	4,457	-	-	
	377,378	397,799	-	-	
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE	BAHT	0.64	0.69	0.68	0.70
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 COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenues from sales		7,307,920	8,856,194	6,975,534	8,650,928
Revenues from services		105,159	88,824	-	-
Cost of sales of goods		(5,862,519)	(6,868,988)	(5,567,921)	(6,710,304)
Cost of rendering of services		(42,695)	(34,334)	-	-
Gross profit		1,507,865	2,041,696	1,407,613	1,940,624
Other income	18	71,759	98,541	100,813	126,667
Profit before expenses		1,579,624	2,140,237	1,508,426	2,067,291
Selling expenses		(280,467)	(284,360)	(233,199)	(246,358)
Administrative expenses		(232,539)	(240,259)	(165,508)	(162,985)
Managements' remuneration	22.2.2	(27,554)	(26,326)	(27,050)	(25,972)
Total expenses		(540,560)	(550,945)	(425,757)	(435,315)
Profit before finance costs and income tax expense		1,039,064	1,589,292	1,082,669	1,631,976
Finance costs		(3,999)	(1,404)	(280)	(456)
Share of profit from investment in an associate	22.1.1	236	211	-	-
PROFIT BEFORE INCOME TAX EXPENSE		1,035,301	1,588,099	1,082,389	1,631,520
INCOME TAX EXPENSE	12	(216,103)	(332,549)	(208,273)	(324,026)
PROFIT FOR THE PERIOD		819,198	1,255,550	874,116	1,307,494

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2019	2018	2019	2018	
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	(19,805)	(5,197)	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	799,393	1,250,353	874,116	1,307,494	
PROFIT ATTRIBUTABLE TO					
Owners of the parent	807,337	1,241,701	-	-	
Non-controlling interests	11,861	13,849	-	-	
	819,198	1,255,550	-	-	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent	787,532	1,236,504	-	-	
Non-controlling interests	11,861	13,849	-	-	
	799,393	1,250,353	-	-	
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE	BAHT	1.38	2.12	1.49	2.24
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, 2019
“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, 2018		1,754,142	(43,570)	175,415	7,820,018	(33,766)	9,672,239	88,471	9,760,710
Dividends paid	21	-	-	-	(1,169,428)	-	(1,169,428)	-	(1,169,428)
Dividends to non-controlling interests of subsidiaries	21	-	-	-	-	-	-	(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>
Beginning balances as at January 1, 2019		1,754,142	(43,570)	175,415	7,984,499	(37,490)	9,832,996	93,734	9,926,730
Dividends paid	21	-	-	-	(877,071)	-	(877,071)	-	(877,071)
Dividends to non-controlling interests of subsidiaries	21	-	-	-	-	-	-	(18,375)	(18,375)
Total comprehensive income for the period		-	-	-	807,337	(19,805)	787,532	11,861	799,393
Ending balances as at September 30, 2019		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,914,765</u>	<u>(57,295)</u>	<u>9,743,457</u>	<u>87,220</u>	<u>9,830,677</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, 2019

“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, 2018		1,754,142	(43,570)	175,415	7,633,233	9,519,220
Dividends paid	21	-	-	-	(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>
Beginning balances as at January 1, 2019		1,754,142	(43,570)	175,415	7,876,626	9,762,613
Dividends paid	21	-	-	-	(877,071)	(877,071)
Total comprehensive income for the period		-	-	-	874,116	874,116
Ending balances as at September 30, 2019		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,873,671</u>	<u>9,759,658</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	1,035,301	1,588,099	1,082,389	1,631,520
Adjusted by				
Doubtful debts	2,934	1,184	2,953	1,241
Reversal of loss on diminution in value of inventories	(1,788)	(4,896)	(1,788)	(4,626)
Reversal of loss on diminution in value of investment property	(3,402)	-	(3,402)	-
Depreciation	188,624	166,310	160,564	144,654
Amortization - leasehold right	1,286	1,321	-	-
Amortization - intangible assets	440	243	-	-
(Gain) loss on sales of property, plant and equipment	(599)	(2,671)	111	(2,443)
Loss on write-off property, plant and equipment	212	-	-	-
Employee benefit obligations expense	11,240	9,430	6,773	7,423
Share of profit from investment in an associate	(236)	(211)	-	-
Unrealized loss on foreign exchange rate	2,351	9,795	2,004	8,927
Dividend income	-	-	(21,125)	(18,387)
Interest income	(45,813)	(36,951)	(43,937)	(35,336)
Finance costs	3,999	1,071	280	243
Profit from operation before changes in operating assets and liabilities	1,194,549	1,732,724	1,184,822	1,733,216
Increase in trade and other current receivables	(308,972)	(139,527)	(278,513)	(282,968)
(Increase) decrease in inventories	214,431	(460,340)	193,295	(368,597)
Decrease in other current assets	377	338	395	333
(Increase) decrease in other non-current assets	473	105	(148)	796
Increase in trade and other current payables	214,382	267,020	162,367	278,437
Decrease in other current liabilities	(3,927)	(9,590)	(2,872)	(7,859)
Cash paid for employee benefit obligations	(9,192)	(17,586)	(8,754)	(13,286)
Increase (decrease) in other non-current liabilities	(1,453)	4,527	(75)	290
Cash provided by operations	1,300,668	1,377,671	1,250,517	1,340,362
Cash paid for income tax	(241,261)	(440,033)	(231,679)	(428,541)
Net cash provided by operating activities	1,059,407	937,638	1,018,838	911,821

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in current investments		(985,128)	797,941	(1,000,000)	800,000
Cash paid for purchases of					
property, plant and equipment		(109,219)	(193,528)	(99,958)	(139,179)
Proceeds from sales of property, plant and equipment		2,946	6,164	1,564	5,538
Dividend received from subsidiaries		-	-	21,125	18,387
Interest received		45,793	40,587	44,244	39,000
Net cash provided by (used in) investing activities		<u>(1,045,608)</u>	<u>651,164</u>	<u>(1,033,025)</u>	<u>723,746</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from bank overdrafts and					
short-term borrowings from financial institutions		99,088	19,663	-	-
Cash repayment for liabilities under					
finance lease agreements		(5,492)	(6,261)	(2,105)	(3,218)
Cash payment for dividend		(877,094)	(1,169,400)	(877,094)	(1,169,400)
Cash payment for dividend - subsidiaries		(18,375)	(12,863)	-	-
Interest paid		(3,487)	(1,071)	(280)	(243)
Net cash used in financing activities		<u>(805,360)</u>	<u>(1,169,932)</u>	<u>(879,479)</u>	<u>(1,172,861)</u>
Exchange differences on translation of financial statements					
of a foreign subsidiary		(3,403)	(2,923)	-	-
Net increase (decrease) in cash and cash equivalents		(794,964)	415,947	(893,666)	462,706
Cash and cash equivalents as at January 1,		5,516,734	4,679,930	5,443,612	4,476,263
Cash and cash equivalents as at September 30,	4.3	<u>4,721,770</u>	<u>5,095,877</u>	<u>4,549,946</u>	<u>4,938,969</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, 2019
“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 manufacturer, importer, exporter and distributor 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 manufacture, import and distribute agricultural chemicals.

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. The company’s main business is to manufacture, import and distribute 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 are prepared in Thai Baht and in compliance with Thai Accounting Standard (“TAS”) No. 34 (Revised 2018) “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, 2018, 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, 2019 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 Thai Financial Reporting Standards (“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, 2019, should be read in conjunction with the audited financial statements for the year ended December 31, 2018.
- 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, 2019, have included the subsidiaries’ interim financial statements for the three-month and nine-month periods ended September 30, 2019 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 and its subsidiaries have adopted the revised and new Thai Financial Reporting Standards including the guideline on accounting issued by the Federation of Accounting Professions which become effective for fiscal year beginning on or after January 1, 2019. These Thai 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 except the revenue recognition under the Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” that requires the Company and its subsidiaries to recognize revenue when a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. This new accounting policy superseded the previous accounting policies regarding revenue recognition. However, the adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ interim financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation 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 follows:

Group of Financial Instruments Standards

Thai Accounting Standard (“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

These group of standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These standards will supersede the standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standard No. 16 “Leases”

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatments in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

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 impacts 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 shareholdings in subsidiaries are as follows:

	As at September 30, 2019		As at December 31, 2018	
	Percentage of shareholding		Percentage of shareholding	
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	

2.9 The interim consolidated and separate financial statements are prepared in English version from the consolidated and separate interim financial statements followed the laws which is in Thai. In the event of any conflict or be interpreted in two different languages, the Thai version interim consolidated and separate financial statements in accordance with Thailand law will be superseded.

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, 2018, except as disclosed in Note 2.6.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Payables - asset acquisitions as at January 1,	13,054	33,785	13,054	18,077
<u>Add</u> Purchases of property, plant and equipment	115,604	163,970	102,736	123,380
<u>Less</u> Purchases of property, plant and equipment under finance lease agreements	(3,607)	(1,926)	-	-
<u>Less</u> Cash payments	(109,219)	(193,528)	(99,958)	(139,179)
Payables - asset acquisitions as at September 30,	<u>15,832</u>	<u>2,301</u>	<u>15,832</u>	<u>2,278</u>
Liabilities under finance lease agreements (including current portion) as at January 1,	9,956	15,644	4,307	8,130
<u>Add</u> Purchases of property, plant and equipment under finance lease agreements	3,607	1,926	-	-
<u>Less</u> Cash payments	(5,492)	(6,261)	(2,105)	(3,218)
Liabilities under finance lease agreements (including current portion) as at September 30,	<u>8,071</u>	<u>11,309</u>	<u>2,202</u>	<u>4,912</u>

4.2 The cash flows from bank overdrafts and short-term borrowings from financial institutions for the nine-month periods ended September 30, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Bank overdrafts and short-term borrowings from financial institutions as at January 1,	35,333	9,461	-	-
<u>Add</u> Cash received	99,088	19,663	-	-
<u>less</u> Unrealized loss on foreign exchange rate	-	(131)	-	-
Bank overdrafts and short-term borrowings from financial institutions as at September 30,	<u>134,421</u>	<u>28,993</u>	<u>-</u>	<u>-</u>

4.3 Cash and cash equivalents

Cash and cash equivalents as at September 30, 2019 and December 31, 2018, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Cash on hand	958	1,088	615	641
Bank deposits in savings and current accounts	2,518,354	2,291,920	2,349,329	2,221,979
Cheque on hand	2,456	3,724	-	990
Time deposits with maturity within 3 months (interest rates 1.40% - 1.70% per annum)	2,200,002	3,220,002	2,200,002	3,220,002
	<u>4,721,770</u>	<u>5,516,734</u>	<u>4,549,946</u>	<u>5,443,612</u>

5. CURRENT INVESTMENTS

Current investments as at September 30, 2019 and December 31, 2018, consist of:

	Maturity date		Interest rate (% per annum)		Unit : Thousand Baht Consolidated	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
	Time deposits	Maturity date over 3 months but less than 1 year		1.00 - 1.75	1.00 - 1.53	<u>1,160,452</u>

	Maturity date		Interest rate (% per annum)		Separate	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
	Time deposits	Maturity date over 3 months but less than 1 year		1.50 - 1.75	-	<u>1,000,000</u>

6. TRADE AND OTHER CURRENT RECEIVABLES

6.1 Trade and other current receivables as at September 30, 2019 and December 31, 2018, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Trade receivables (see Note 6.2)	695,575	345,204	676,379	359,563
Other receivables	7,857	11,148	9,132	12,469
Prepaid expenses	12,096	47,161	7,494	38,703
Accrued income	6,581	5,970	5,849	5,570
Advance payments	3,178	472	2,059	84
Advance payment for bidding	-	9,284	-	9,284
	<u>725,287</u>	<u>419,239</u>	<u>700,913</u>	<u>425,673</u>

6.2 Trade receivables as at September 30, 2019 and December 31, 2018, are classified by aging as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Number of outstanding trade receivables	<u>420</u>	<u>349</u>	<u>185</u>	<u>135</u>
Other companies				
Current	604,086	335,514	562,581	277,643
Overdue				
Less than or up to 3 months	99,362	13,705	96,892	12,881
More than 3 months up to 6 months	-	144	-	-
More than 6 months up to 12 months	-	-	-	-
More than 12 months	23,991	24,647	23,082	23,719
	<u>727,439</u>	<u>374,010</u>	<u>682,555</u>	<u>314,243</u>
Related companies (see Note 22.2.1)				
Current	11	135	24,789	62,875
Overdue				
Less than or up to 3 months	-	-	-	10,457
	<u>11</u>	<u>135</u>	<u>24,789</u>	<u>73,332</u>
Total trade receivables	<u>727,450</u>	<u>374,145</u>	<u>707,344</u>	<u>387,575</u>
<u>Less</u> Allowance for doubtful debt	<u>(31,875)</u>	<u>(28,941)</u>	<u>(30,965)</u>	<u>(28,012)</u>
	<u>695,575</u>	<u>345,204</u>	<u>676,379</u>	<u>359,563</u>

7. INVENTORIES

Inventories as at September 30, 2019 and December 31, 2018, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2019	2018	2019	2018
Inventories				
<u>Less</u> Allowance for diminution in value of inventories	2,135,022	2,349,453	1,919,505	2,112,800
	(379)	(2,167)	(379)	(2,167)
	<u>2,134,643</u>	<u>2,347,286</u>	<u>1,919,126</u>	<u>2,110,633</u>

As at September 30, 2019 and December 31, 2018, inventories in the consolidated financial statements included inventories which were under obligation that the Company and a subsidiary have to delivery of fertilizer to the holders of the delivery orders (the “fertilizer notes”) which have been issued by the Company and a subsidiary to their customers of Baht 336.20 million and Baht 254.83 million, respectively (see Note 15).

As at September 30, 2019 and December 31, 2018, inventories in the separate financial statements included inventories which were under obligation that the Company has to delivery of fertilizer to the holders of the fertilizer notes which have been issued by the Company to its customers of Baht 317.34 million and Baht 240.15 million, respectively (see Note 15).

8. INVESTMENT PROPERTIES

As at September 30, 2019 and December 31, 2018, the Company’s investment properties represent land received from debt settlement and purchased by the Company of which the book value were Baht 29.21 million and 25.81 million, respectively.

9. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the nine-month period ended September 30, 2019, are as follows:

	Consolidated	Unit : Thousand Baht
	Financial Statements	Separate
	Financial Statements	Financial Statements
Property, plant and equipment - net as at January 1, 2019	1,836,020	1,567,004
<u>Add</u> Purchase during the period	115,604	102,736
<u>Less</u> Decrease during the period	(2,559)	(1,676)
Depreciation for the period	(188,624)	(160,564)
Exchange differences on translation of financial statements of a foreign subsidiary	(11,592)	-
Property, plant and equipment - net as at September 30, 2019	<u>1,748,849</u>	<u>1,507,500</u>

As at September 30, 2019 and December 31, 2018, the costs of assets which are fully depreciated but still in use as the following:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Gross carrying amount of property, plant and equipment which are fully depreciated but still in use	2,731,436	2,736,536	2,434,795	2,441,608

As at September 30, 2019 and December 31, 2018, the Company used land, land improvements, buildings and its improvements which have total net book value of Baht 474.55 million and Baht 495.56 million, respectively (see Note 23.3), are used as collateral with local financial institutions for guarantee credit facilities.

As at September 30, 2019 and December 31, 2018, land, building and its improvements of a subsidiary which have total net book value of Baht 21.56 million (see Notes 13 and 23.3), are used as collateral with local financial institutions for guarantee bank overdrafts and credit facilities.

10. 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, 2019 and December 31, 2018, net book value of leasehold right for land is Baht 74.59 million and Baht 80.51 million, respectively.

11. 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 21, 2019, the appraisal values of the fair value of such right as at January 2, 2019 by using the Relief from Royalty Method. It showed that the fair value was higher than the carrying values.

12. 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, 2019 and December 31, 2018, consist of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements As at September 30, 2019	Financial Statements As at December 31, 2018	Financial Statements As at September 30, 2019	Financial Statements As at December 31, 2018
Deferred tax assets	34,518	36,562	28,919	31,898
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, are as follows:

Consolidated Financial Statements As at September 30, 2019

	Unit : Thousand Baht		
	Balances as at January 1, 2019	Recognized in profit or loss	Balances as at September 30, 2019
Allowance for doubtful debt	5,788	587	6,375
Allowance for diminution in value of inventories	434	(358)	76
Provision for sale promotions	4,161	(3,689)	472
Allowance for impairment of investment properties	680	(680)	-
Provision for employee benefits	25,499	2,096	27,595
Total deferred tax assets	36,562	(2,044)	34,518
Gain on fair value adjustment from investment in a 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, 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 a 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, 2019

	Unit : Thousand Baht		
	Balances as at January 1, 2019	Recognized in profit or loss	Balances as at September 30, 2019
Allowance for doubtful debt	5,602	591	6,193
Allowance for diminution in value of inventories	434	(358)	76
Provision for sale promotions	4,161	(3,689)	472
Allowance for impairment of investment properties	680	(680)	-
Provision for employee benefits	21,021	1,157	22,178
Total deferred tax assets	31,898	(2,979)	28,919
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	109,180	-	109,180

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	37,733	(5,195)	32,538
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	109,180	-	109,180

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Current tax expense in respect of the current period	214,059	326,829	205,294	318,831
Deferred tax relating to temporary differences	2,044	5,720	2,979	5,195
Income tax expense	<u>216,103</u>	<u>332,549</u>	<u>208,273</u>	<u>324,026</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Profit before income tax expense	<u>1,035,301</u>	<u>1,588,099</u>	<u>1,082,389</u>	<u>1,631,520</u>
Income tax calculated at 20%	207,060	317,620	216,478	326,304
Tax effects of transactions that are not taxable income and expenses	9,043	14,929	(8,205)	(2,278)
Income tax expense	<u>216,103</u>	<u>332,549</u>	<u>208,273</u>	<u>324,026</u>
	%	%	%	%
Effective tax rate	20.87	20.94	19.24	19.86

The Company and its subsidiaries in Thailand use corporate income tax at the rate of 20%. Whilst, the foreign subsidiary uses corporate income tax at the rate of 25%.

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

Bank overdrafts and short-term borrowings from financial institutions, as at September 30, 2019 and December 31, 2018, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Bank overdrafts and short-term borrowings from financial institutions	<u>134,421</u>	<u>35,333</u>	<u>-</u>	<u>-</u>

As at September 30, 2019 and December 31, 2018, a subsidiary has credit lines from local financial institutions 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 9).

As at September 30, 2019, a subsidiary has credit lines from foreign financial institutions for short-term borrowings and other facilities with interest rate during 2.53% - 2.75% per annum and guaranteed by the Company (as at December 31, 2018 : nil) (see Note 23.5).

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2019 and December 31, 2018, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2019	2018	2019	2018
Trade payables	383,008	253,037	315,867	228,043
Other payables	89,884	64,256	85,919	63,185
Accrued dividends	2,257	2,280	2,257	2,280
Accrued expenses	134,869	154,170	106,528	129,132
Advance received from customers (see Note 15)	83,427	149,165	83,411	149,163
Deferred sales (see Note 15)	252,773	105,661	233,929	90,988
	<u>946,218</u>	<u>728,569</u>	<u>827,911</u>	<u>662,791</u>

15. DEFERRED SALES AND ADVANCE RECEIVED FROM CUSTOMERS

Deferred sales and advance received from customers represent obligations that the Company and a subsidiary have to deliver fertilizer to the holders of delivery orders (the “fertilizer note”) which have been issued by the Company and a subsidiary 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 and a subsidiary have 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 and a subsidiary are unable to cancel the undelivered fertilizer notes.

While inventories in the consolidated and separate financial statements as at September 30, 2019 and December 31, 2018, 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 (see Note 7). The Company and a subsidiary have recorded such transactions as “Advance received from customers” and “Deferred sales”, respectively (see Note 14).

16. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements as at September 30, 2019 and December 31, 2018, consist of:

Consolidated Financial Statements

	Minimum lease payments		Unit : Thousand Baht Present value of minimum lease payments	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Not later than 1 year	4,758	5,801	4,476	5,424
Later than 1 year and not later than 5 years	3,778	4,719	3,595	4,532
	8,536	10,520	8,071	9,956
<u>Less</u> Deferred interest	(465)	(564)	-	-
Present value of minimum lease payments	<u>8,071</u>	<u>9,956</u>	<u>8,071</u>	<u>9,956</u>

	Unit : Thousand Baht	
	As at September 30, 2019	As at December 31, 2018
Presented in the statements of financial position as follows:		
Current portion of liabilities under finance lease agreements	4,476	5,424
Liabilities under finance lease agreements	3,595	4,532
	<u>8,071</u>	<u>9,956</u>

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	Minimum lease payments		Unit : Thousand Baht Present value of minimum lease payments	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Not later than 1 year	1,623	2,711	1,557	2,556
Later than 1 year and not later than 5 years	688	1,821	645	1,751
	2,311	4,532	2,202	4,307
<u>Less</u> Deferred interest	(109)	(225)	-	-
Present value of minimum lease payments	<u>2,202</u>	<u>4,307</u>	<u>2,202</u>	<u>4,307</u>

	Unit : Thousand Baht	
	As at September 30, 2019	As at December 31, 2018
Presented in the statements of financial position as follows:		
Current portion of liabilities under finance lease agreements	1,557	2,556
Liabilities under finance lease agreements	645	1,751
	<u>2,202</u>	<u>4,307</u>

17. PROVISION FOR EMPLOYEE BENEFITS

The Company and its subsidiaries operate post-employment benefit obligations 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 benefit obligations due upon retirement for the nine-month periods ended September 30, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Current service cost	8,876	7,148	4,885	5,690
Interest cost	2,364	2,282	1,888	1,733
	<u>11,240</u>	<u>9,430</u>	<u>6,773</u>	<u>7,423</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Provision for employee benefits as at January 1, (Including current portion)	135,928	130,968	112,869	105,980
Current service cost	8,876	7,148	4,885	5,690
Interest cost	2,364	2,282	1,888	1,733
Benefit paid	<u>(9,192)</u>	<u>(17,586)</u>	<u>(8,754)</u>	<u>(13,286)</u>
Provision for employee benefits as at September 30, (Including current portion)	<u>137,976</u>	<u>122,812</u>	<u>110,888</u>	<u>100,117</u>

The principal actuarial assumptions used to calculate the provision for employee benefits as at September 30, 2019 and December 31, 2018, are as follows:

	Consolidated and Separate	
	Financial Statements	
	As at September 30, 2019 (% p.a.)	As at December 31, 2018 (% p.a.)
Discount rate	2.75	2.75
Turnover rate	0 - 6	0 - 6
	Depend on range of employee age	Depend on range of employee age
Salary increasing rate	0 - 6	0 - 6
Gold price rate per Baht (Baht)	19,500	19,500
Future gold price growth	3	3

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process of being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. The management of the Company judgmentally considered that the plan amendment has occurred and recognized past service cost as an expense when the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. The Company have recorded the effect of such plan amendment and already recognized past service cost as an expense of Baht 10.88 million in the statement of comprehensive income for the year ended December 31, 2018.

Subsequently, on April 5, 2019, the Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette which will be effective after 30 days from the date announced in Royal Gazette.

18. OTHER INCOME

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

For the three-month periods ended September 30,

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Interest income	13,504	9,595	12,883	9,225
Rental income	1,495	1,460	4,705	4,842
Gain on sale of property, plant and equipment	-	329	-	151
Gain on foreign exchange rate - net	4,284	7,215	4,336	9,729
Others	3,498	9,221	3,578	9,351
	<u>22,781</u>	<u>27,820</u>	<u>25,502</u>	<u>33,298</u>

For the nine-month periods ended September 30,

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Interest income	45,813	36,951	43,937	35,336
Rental income	4,081	4,799	13,972	14,852
Gain on sale of property, plant and equipment	599	2,671	-	2,443
Gain on foreign exchange rate - net	6,611	33,091	6,973	35,562
Dividend income	-	-	21,125	18,387
Others	14,655	21,029	14,806	20,087
	<u>71,759</u>	<u>98,541</u>	<u>100,813</u>	<u>126,667</u>

19. EXPENSES BY NATURE

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

For the three-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Changes in finished goods and work in process	546,830	376,284	405,399	360,588
Cost of finished goods purchased	23,473	128,840	-	-
Raw materials used	1,581,294	2,060,486	1,579,385	2,058,512
Employee benefit expenses	126,799	140,235	101,839	106,281
Depreciation	67,005	56,797	55,120	48,439
Amortization - intangible assets	71	148	-	-
Amortization - leasehold right	425	457	-	-
Reversal of loss diminution in value of inventories	(346)	(2,306)	(346)	(2,306)
Reversal doubtful debts	(5,457)	(2,270)	(5,450)	(2,253)

For the nine-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Changes in finished goods and work in process	113,421	156,887	76,179	245,717
Cost of finished goods purchased	90,299	272,647	-	-
Raw materials used	4,951,616	5,923,120	4,947,355	5,919,184
Employee benefit expenses	375,802	385,058	302,776	307,385
Depreciation	188,624	166,310	160,564	144,654
Amortization - intangible assets	440	243	-	-
Amortization - leasehold right	1,286	1,321	-	-
Reversal of loss diminution in value of inventories	(1,788)	(4,896)	(1,788)	(4,626)
Doubtful debts	2,934	1,184	2,953	1,241

20. DISCOUNT ON ORDINARY SHARES

Discount on ordinary shares as at September 30, 2019 and December 31, 2018, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2019	2018	2019	2018
Premium on ordinary shares	2,280,000	2,280,000	2,280,000	2,280,000
Discount on ordinary shares	(2,323,570)	(2,323,570)	(2,323,570)	(2,323,570)
	<u>(43,570)</u>	<u>(43,570)</u>	<u>(43,570)</u>	<u>(43,570)</u>

21. DIVIDENDS

On March 28, 2019, the ordinary shareholders' meeting of the Company passed a resolution to pay dividends to shareholders at Baht 1.50 per share, totaling Baht 877.07 million as an appropriation of profit for 2018. Such dividend was paid in April 2019.

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 profit for 2017. Such dividend was paid in April 2018.

The annual general shareholders' meetings of subsidiaries passed a resolution to distribute annual dividends as appropriation of profit for 2018 to ordinary shareholders as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Dividend paid to		Total amount
			Owners of the parent	Non-controlling interests	
N.I.M. Company Limited	April 18, 2019	3.00	19,125	18,375	37,500
MC Agro-Chemicals Company Limited	April 24, 2019	4.00	2,000	-	2,000
			<u>21,125</u>	<u>18,375</u>	<u>39,500</u>

The annual general shareholders' meetings of subsidiaries passed a resolution to distribute annual dividends as appropriation of profit for 2017 to ordinary shareholders as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Dividend paid to		Total amount
			Owners of the 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	5,000	-	5,000
			<u>18,387</u>	<u>12,863</u>	<u>31,250</u>

22. TRANSACTIONS BETWEEN RELATED PARTIES

Transactions between related parties are as follows:

22.1 Investments

22.1.1 Investment in an associate

As at September 30, 2019

Company name	Type of business	Paid-up capital	Ownership %	Investment		Dividend received
				Cost Method	Equity Method	
Central Pacific (Thailand) Corporation Limited	Lease out warehouse	200,000	49.00	98,000	136,483	-

As at December 31, 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	Lease out warehouse	200,000	49.00	98,000	136,247	-

Aggregate information of an associate is not individually material.

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

For the three-month periods ended September 30,

	Unit : Thousand Baht Consolidated Financial Statements	
	2019	2018
Share of profit from investment in an associate	85	74

For the nine-month periods ended September 30,

	Unit : Thousand Baht Consolidated Financial Statements	
	2019	2018
Share of profit from investment in an associate	236	211

22.1.2 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, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
N.I.M. Company Limited	Lease out tank yard for containing Liquid chemicals	125,000	125,000	51.00	51.00	63,750	63,750
MC Agro-Chemicals Company Limited	Manufacture, import and distribute agricultural chemicals	50,000	50,000	99.99	99.99	49,999	49,999
TCCC Myanmar Limited	Manufacture, import and distribute various chemical fertilizer compound	439,106	439,106	99.99	99.99	439,106	439,106
						552,855	552,855

22.2 Business transactions with related parties

22.2.1 Balances as at September 30, 2019 and December 31, 2018, consist of:

Account name/ Company's name	Relationship	Consolidated		Unit : Thousand Baht	
		September 30, 2019	December 31, 2018	Separate Financial Statements September 30, 2019	Separate Financial Statements December 31, 2018
Trade receivables					
Sojitz Corporation Group	Major shareholder	11	135	-	-
TCCC Myanmar Limited	Subsidiary	-	-	24,789	73,332
		<u>11</u>	<u>135</u>	<u>24,789</u>	<u>73,332</u>
Other receivables					
N.I.M. Company Limited	Subsidiary	-	-	645	552
MC Agro-Chemicals Company Limited	Subsidiary	-	-	24	86
TCCC Myanmar Limited	Subsidiary	-	-	630	712
		<u>-</u>	<u>-</u>	<u>1,299</u>	<u>1,350</u>
Trade payables					
Sojitz Corporation Group	Major shareholder	3,229	6,523	-	-
Other payables					
Metro Systems Corporation Public Company Limited	Related Company	4,034	217	4,016	199
Other current liabilities					
TCCC Myanmar Limited	Subsidiary	-	-	-	17

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

For the three-month periods ended September 30,

Account name/ Company's name	Relationship	Consolidated		Unit : Thousand Baht	
		September 30, 2019	September 30, 2018	Separate Financial Statements September 30, 2019	Separate Financial Statements September 30, 2018
Revenues from sales and services					
Sojitz Corporation Group	Major shareholder	816	2,194	-	-
TCCC Myanmar Limited	Subsidiary	-	-	4,894	65,510
		<u>816</u>	<u>2,194</u>	<u>4,894</u>	<u>65,510</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	3,527	3,660
MC Agro-Chemicals Company Limited	Subsidiary	-	-	8	19
TCCC Myanmar Limited	Subsidiary	-	-	508	956
		<u>-</u>	<u>-</u>	<u>4,043</u>	<u>4,635</u>
Purchases					
Sojitz Corporation Group	Major shareholder	3,249	3,171	-	-
Purchases Assets					
Metro Systems Corporation Public Company Limited	Related Company	3,384	-	3,384	-
Other expenses					
Metro Systems Corporation Public Company Limited	Related Company	623	608	554	557
Managements' remuneration					
	Directors	9,470	8,553	9,002	8,535

For the nine-month periods ended September 30,

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
Revenues from sales and services					
Sojitz Corporation Group	Major shareholder	2,973	6,597	-	-
TCCC Myanmar Limited	Subsidiary	-	-	89,955	170,218
		<u>2,973</u>	<u>6,597</u>	<u>89,955</u>	<u>170,218</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	10,879	10,872
MC Agro-Chemicals Company Limited	Subsidiary	-	-	22	59
TCCC Myanmar Limited	Subsidiary	-	-	1,729	962
		<u>-</u>	<u>-</u>	<u>12,630</u>	<u>11,893</u>
Dividend income					
N.I.M. Company Limited	Subsidiary	-	-	19,125	13,387
MC Agro-Chemicals Company Limited	Subsidiary	-	-	2,000	5,000
		<u>-</u>	<u>-</u>	<u>21,125</u>	<u>18,387</u>
Purchases					
Sojitz Corporation Group	Major shareholder	9,622	9,500	-	-
Purchases Assets					
Metro Systems Corporation Public Company Limited	Related Company	3,384	-	3,384	-
Other expenses					
Metro Systems Corporation Public Company Limited	Related Company	1,833	1,825	1,662	1,670
Managements' remuneration	Directors	<u>27,554</u>	<u>26,326</u>	<u>27,050</u>	<u>25,972</u>

Purchases and sales with subsidiaries and Sojitz Corporation Group, terms and prices are those agreed upon by the buyer and the seller based on market prices.

23. COMMITMENTS AND LETTERS OF GUARANTEE

23.1 The Company has capital expenditure commitment as at September 30, 2019 and December 31, 2018, of Baht 10.99 million and Baht 37.29 million, respectively.

The subsidiaries have capital expenditure commitments as at September 30, 2019 and December 31, 2018, of Baht 14.50 million and USD 0.01 million (or equivalent to Baht 0.34 million), respectively.

23.2 As at September 30, 2019 and December 31, 2018, 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	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2019	2018	2019	2018
Within 1 year	30,140	39,520	20,474	29,976
1 - 5 years	23,661	25,165	22,356	25,049
	<u>53,801</u>	<u>64,685</u>	<u>42,830</u>	<u>55,025</u>

For the three-month periods ended September 30, 2019 and 2018, the Company and its subsidiaries recognized rental fees from operating lease agreements in the consolidated financial statements of Baht 12.41 million and Baht 13.31 million, respectively, and for the separate financial statements of Baht 8.75 million and Baht 10.55 million, respectively.

For the nine-month periods ended September 30, 2019 and 2018, the Company and its subsidiaries recognized rental fees from operating lease agreements in the consolidated financial statements of Baht 34.07 million and Baht 38.85 million, respectively, and for the separate financial statements of Baht 24.23 million and Baht 31.30 million, respectively.

- 23.3 As at September 30, 2019 and December 31, 2018, 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 9).

As at September 30, 2019 and December 31, 2018, the unused credit facilities, consist of:

	Currency	Consolidated		Unit : Million	
		Financial Statements		Separate	
		As at	As at	As at	As at
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Credit facilities*	Baht	11,525.85	11,627.23	11,327.69	11,466.53
	USD	35.00	30.00	30.00	30.00
Forward exchange contracts	Baht	2,399.63	2,483.13	2,382.40	2,466.08
	USD	171.44	167.54	164.45	162.24
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.

- 23.4 As at September 30, 2019 and December 31, 2018, the Company and a subsidiary have letters of guarantee issued by banks which are unsecured as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Letters of guarantee for electricity	8,831	8,831	8,656	8,656

23.5 As at September 30, 2019, the Company has commitment for being as a guarantor of short-term borrowings and other facilities for a subsidiary of USD 9.00 million (or equivalent to Baht 276.89 million) (as at December 31, 2018 : nil) (see Note 13).

As at September 30, 2019, the Company has commitment for being as a guarantor for a subsidiary in order to purchase of raw materials and single fertilizer of USD 3.09 million (or equivalent to Baht 95.00 million) (as at December 31, 2018 : nil).

23.6 As at September 30, 2019 and December 31, 2018, the Company has commitment with a bank regarding the outstanding letters of credit of USD 4.38 million (or equivalent to Baht 134.71 million) and USD 1.62 million (or equivalent to Baht 52.82 million), respectively.

As at September 30, 2019 and December 31, 2018, a subsidiary has commitment with a bank regarding the outstanding letters of credit of USD 0.09 million (or equivalent to Baht 2.80 million) and USD 0.07 million (or equivalent to Baht 2.31 million), respectively.

24. SEASONALITY OF OPERATION

The Company's main business is to manufacture, import, export and distribute various chemical fertilizer compound. 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, were shown as below:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Revenues from sales	8,657,000	10,399,927	8,244,749	10,106,359
Revenues from services	133,118	116,201	-	-
Costs of sales of goods	6,983,211	8,062,066	6,627,476	7,834,470
Costs of rendering of services	55,031	48,299	-	-
Total comprehensive income	896,775	1,390,798	975,795	1,458,340

25. BUSINESS SEGMENT INFORMATION

The Company's main business is to manufacture, import, export and distribute various chemical fertilizer compound. The subsidiaries' main businesses are to manufacture, import and distribute various chemical fertilizer compound, solvents, industrial chemical, rental services and others. 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, 2019

	Unit : Thousand Baht				Assets employed
	Sales and other income		Total comprehensive income		
	For the three-month period	For the nine-month period	For the three-month period	For the nine-month period	
Fertilizer	2,928,775	7,301,786	464,347	996,203	11,384,537
Rental services	30,476	87,692	12,981	30,276	220,951
Others	61,111	219,071	3,846	8,822	252,948
<u>Less</u> Intersegment revenues	(8,853)	(123,475)			
Total revenues	<u>3,011,509</u>	<u>7,485,074</u>			
Profit before income tax expense			481,174	1,035,301	
<u>Less</u> Income tax expense			(101,452)	(216,103)	
Profit for the period			<u>379,722</u>	<u>819,198</u>	
					11,858,436
<u>Less</u> Intersegment assets					(540,477)
<u>Less</u> Non-controlling interests in total comprehensive income			(5,088)	(11,861)	
Exchange differences on translation of financial statements of a foreign subsidiary			(2,344)	(19,805)	
Total comprehensive income attributable to owners of the parent			<u>372,290</u>	<u>787,532</u>	
Consolidated assets as at September 30, 2019					<u>11,317,959</u>

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

	Unit : Thousand Baht				Assets employed
	Sales and other income		Total comprehensive income		
	For the three-month period	For the nine-month period	For the three-month period	For the nine-month period	
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	(70,071)	(200,288)			
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			(105,687)	(332,549)	
Total comprehensive income			<u>406,228</u>	<u>1,255,550</u>	
					12,056,381
<u>Less</u> Intersegment assets					(656,341)
<u>Less</u> Non-controlling interests in total comprehensive income			(4,457)	(13,849)	
Exchange differences on translation of financial statements of a foreign subsidiary			(8,429)	(5,197)	
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>

26. DISCLOSURE OF FINANCIAL INSTRUMENTS

26.1 Forward exchange contracts

As at September 30, 2019 and December 31, 2018, 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) (Thousand Baht)	Fair value hierarchy	Valuation technique(s)
	Currency	Amount (Thousand Baht)	Contracts' average rate (Baht)				
As at September 30, 2019							
The Company	USD	11,885	30.8111	11 - 271	(3,314)	Level 2	Discounted cash flow*
Subsidiary	USD	602	30.9576	68 - 162	(256)		
As at December 31, 2018							
The Company	USD	9,224	32.4827	5 - 272	(1,090)	Level 2	Discounted cash flow*
Subsidiary	USD	2,298	32.8139	3 - 179	(964)		
As at September 30, 2019							
The Company	USD	845	30.4843	103 - 179	141	Level 2	Discounted cash flow*
As at December 31, 2018							
The Company	USD	2,563	32.4910	93 - 178	848	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.

26.2 Assets and liabilities in foreign currencies

As at September 30, 2019 and December 31, 2018, 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	
	Currency	Amount
Foreign assets		
As at September 30, 2019		
The Company	USD	1,044
	MMK	3,994
Subsidiaries	USD	2,226
	MMK	871,293
As at December 31, 2018		
The Company	USD	2,710
	MMK	4,739
Subsidiaries	USD	461
	MMK	132,832

	Unit : Thousand	
	Foreign liabilities	
	Currency	Amount
As at September 30, 2019		
The Company	USD	7,985
	EUR	21
Subsidiaries	USD	594
As at December 31, 2018		
The Company	USD	5,325
Subsidiaries	USD	1,681

27. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved for issuance by the authorized directors of the Company on November 14, 2019.