

## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

### **Opinion**

We have audited the consolidated financial statements of Thai Central Chemical Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Thai Central Chemical Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Thai Central Chemical Public Company Limited and its subsidiaries and of Thai Central Chemical Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

### **Basis for opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Key Audit Responses
<p><b>Revenue recognition</b></p> <p>As described in Note 15 to the financial statements, sales of fertilizer under the fertilizer notes are recorded as “deferred sales” and it will be reclassified as “advance received from customers” upon receiving payments from customers. Revenue from sales will be recognized when the Company delivers fertilizer to customers. Therefore, there is a risk that sale transactions recorded during the year did not yet occur and revenue from sales are not recorded in the proper period at year end.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding and assessing the appropriateness of the Company’s revenue recognition accounting policies and compliance with TFRSs.</li> <li>• Evaluating the Company’s design and implementation of controls and testing the operating effectiveness of such controls over recording of sales during the year and the revenue recognition as of year end.</li> <li>• Performing substantive analytical procedures on revenue.</li> <li>• Performing substantive tests of details of sales balance with the related supporting documents.</li> <li>• Testing sales transactions occurring near the end of accounting period with the related supporting documents.</li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

## Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BANGKOK**  
February 24, 2020

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 DECEMBER 31, 2019**

**UNIT : BAHT**

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	3,507,122,939	5,516,734,014	3,399,178,817	5,443,612,405
Current investments	5	2,675,452,137	175,324,495	2,500,000,000	-
Trade and other current receivables	6	559,126,178	419,238,653	579,800,706	425,672,594
Inventories	7 and 15	1,755,554,746	2,347,286,103	1,539,087,665	2,110,633,429
Other current assets		588,646	447,271	525,900	394,875
Total Current Assets		<u>8,497,844,646</u>	<u>8,459,030,536</u>	<u>8,018,593,088</u>	<u>7,980,313,303</u>
<b>NON-CURRENT ASSETS</b>					
Investment in an associate	25.1.1	136,568,733	136,247,216	98,000,000	98,000,000
Investments in subsidiaries	25.1.2	-	-	552,854,981	552,854,981
Investment properties	8 and 30	29,212,697	25,810,280	39,527,022	36,124,605
Property, plant and equipment	9 and 30	1,702,143,081	1,836,019,586	1,453,818,296	1,556,689,198
Leasehold right	10	73,095,093	80,508,466	-	-
Intangible asset	11	546,453,480	547,255,886	545,900,757	545,900,757
Deferred tax assets	12	39,983,199	36,561,545	33,622,760	31,898,209
Other non-current assets		6,632,439	5,919,186	5,354,589	4,001,501
Total Non-current Assets		<u>2,534,088,722</u>	<u>2,668,322,165</u>	<u>2,729,078,405</u>	<u>2,825,469,251</u>
<b>TOTAL ASSETS</b>		<u><u>11,031,933,368</u></u>	<u><u>11,127,352,701</u></u>	<u><u>10,747,671,493</u></u>	<u><u>10,805,782,554</u></u>

Notes to the financial statements form an integral part of these statements

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT DECEMBER 31, 2019**

**UNIT : BAHT**

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	13	90,986,317	35,332,981	-	-
Trade and other current payables	14	541,375,905	728,569,005	470,629,482	662,790,665
Current portion of liabilities under					
finance lease agreements	16	3,809,517	5,424,023	1,177,068	2,556,382
Current income tax payable		131,481,026	125,993,206	127,872,129	123,279,777
Current provision for					
employee benefit	17	19,519,679	12,293,544	11,610,600	7,762,812
Other current liabilities		23,618,790	28,161,951	11,707,997	14,907,782
Total Current Liabilities		<u>810,791,234</u>	<u>935,774,710</u>	<u>622,997,276</u>	<u>811,297,418</u>
<b>NON-CURRENT LIABILITIES</b>					
Liabilities under finance lease agreements	16	3,010,455	4,532,355	574,499	1,751,405
Deferred tax liabilities	12	116,608,579	116,608,579	109,180,151	109,180,151
Non-current provision for employee benefit	17	153,837,968	123,634,686	130,833,946	105,105,834
Other non-current liabilities		14,293,120	20,072,441	11,734,120	15,835,441
Total Non-current Liabilities		<u>287,750,122</u>	<u>264,848,061</u>	<u>252,322,716</u>	<u>231,872,831</u>
<b>TOTAL LIABILITIES</b>		<u>1,098,541,356</u>	<u>1,200,622,771</u>	<u>875,319,992</u>	<u>1,043,170,249</u>

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT DECEMBER 31, 2019**

**UNIT : BAHT**

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
584,716,118 ordinary shares of Baht 3 each		<u>1,754,148,354</u>	<u>1,754,148,354</u>	<u>1,754,148,354</u>	<u>1,754,148,354</u>
Issued and paid-up share capital					
584,714,068 ordinary shares of Baht 3 each, fully paid		1,754,142,204	1,754,142,204	1,754,142,204	1,754,142,204
SHARE DISCOUNT ON ORDINARY SHARES	21	(43,570,340)	(43,570,340)	(43,570,340)	(43,570,340)
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	175,414,835	175,414,835	175,414,835	175,414,835
Unappropriated		8,015,149,709	7,984,498,731	7,986,364,802	7,876,625,606
OTHER COMPONENTS					
OF SHAREHOLDERS' EQUITY		<u>(59,662,780)</u>	<u>(37,489,572)</u>	<u>-</u>	<u>-</u>
TOTAL ATTRIBUTIONS TO OWNERS					
OF THE PARENT		9,841,473,628	9,832,995,858	9,872,351,501	9,762,612,305
NON-CONTROLLING INTERESTS		<u>91,918,384</u>	<u>93,734,072</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>9,933,392,012</u>	<u>9,926,729,930</u>	<u>9,872,351,501</u>	<u>9,762,612,305</u>
<b>TOTAL LIABILITIES</b>					
<b>AND SHAREHOLDERS' EQUITY</b>		<u>11,031,933,368</u>	<u>11,127,352,701</u>	<u>10,747,671,493</u>	<u>10,805,782,554</u>

Notes to the financial statements form an integral part of these statements

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenues from sales		8,680,885,312	10,205,274,049	8,283,402,584	9,920,142,563
Revenues from services		133,707,059	116,783,350	-	-
Costs of the sales of goods		(6,975,417,101)	(7,989,679,684)	(6,629,453,769)	(7,769,859,204)
Costs of the rendering of services		(48,159,347)	(46,669,951)	-	-
<b>Gross profit</b>		<b>1,791,015,923</b>	<b>2,285,707,764</b>	<b>1,653,948,815</b>	<b>2,150,283,359</b>
Other income	19	106,378,257	135,417,169	136,769,557	166,753,820
<b>Profit before expenses</b>		<b>1,897,394,180</b>	<b>2,421,124,933</b>	<b>1,790,718,372</b>	<b>2,317,037,179</b>
Selling expenses		(354,297,237)	(350,609,524)	(295,777,691)	(299,085,955)
Administrative expenses		(313,613,887)	(328,618,806)	(219,989,575)	(229,620,330)
Managements' remuneration	25.2.2	(36,530,711)	(36,208,779)	(36,008,711)	(35,836,779)
Total Expenses		(704,441,835)	(715,437,109)	(551,775,977)	(564,543,064)
<b>Profit before finance costs and income tax expense</b>		<b>1,192,952,345</b>	<b>1,705,687,824</b>	<b>1,238,942,395</b>	<b>1,752,494,115</b>
Finance costs		(5,207,362)	(2,018,354)	(326,969)	(564,347)
Share of profit from investment in an associate	25.1.1	321,517	285,587	-	-
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		<b>1,188,066,500</b>	<b>1,703,955,057</b>	<b>1,238,615,426</b>	<b>1,751,929,768</b>
Income tax expense	12	(248,687,105)	(354,411,018)	(238,430,587)	(342,758,955)
<b>PROFIT FOR THE YEAR</b>		<b>939,379,395</b>	<b>1,349,544,039</b>	<b>1,000,184,839</b>	<b>1,409,170,813</b>



**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**UNIT : BAHT**

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Component of other comprehensive income</b>					
<b>that will be reclassified subsequently to profit and loss</b>					
Exchange differences on translation of					
financial statements of foreign subsidiary		(22,173,208)	(3,723,574)	-	-
<b>Components of other comprehensive income</b>					
<b>that will not be reclassified subsequently to profit and loss</b>					
Gains (losses) on remeasurements of					
defined benefit plans	17	(18,872,474)	3,112,577	(16,718,176)	4,562,180
Income tax relating to component of					
other comprehensive income that will not be					
reclassified subsequently to profit or loss	12	3,774,495	(622,515)	3,343,635	(912,436)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>FOR THE YEAR - NET OF INCOME TAX</b>		<u>(37,271,187)</u>	<u>(1,233,512)</u>	<u>(13,374,541)</u>	<u>3,649,744</u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>FOR THE YEAR</b>		<u>902,108,208</u>	<u>1,348,310,527</u>	<u>986,810,298</u>	<u>1,412,820,557</u>
<b>PROFIT ATTRIBUTABLE TO</b>					
Owners of parent		922,293,694	1,331,139,455	-	-
Non-controlling interests		17,085,701	18,404,584	-	-
		<u>939,379,395</u>	<u>1,349,544,039</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>ATTRIBUTABLE TO</b>					
Owners of parent		885,548,872	1,330,185,107	-	-
Non-controlling interests		16,559,336	18,125,420	-	-
		<u>902,108,208</u>	<u>1,348,310,527</u>	<u>-</u>	<u>-</u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	1.58	2.28	1.71	2.41
<b>WEIGHTED AVERAGE NUMBER</b>					
<b>OF ORDINARY SHARES</b>	<b>SHARES</b>	584,714,068	584,714,068	584,714,068	584,714,068

Notes to the financial statements form an integral part of these statements

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

UNIT : BAHT

	Note	Attributions to owners of the parent					Non-	Total	
		Issued and	Discount on	Retained earnings		Other components of shareholders' equity	Total	Non-	Total
		paid-up	ordinary	Appropriated	Unappropriated	Exchange differences	attributions to	controlling	shareholders'
		share capital	shares	Legal reserve		on translation of financial statements	owners of parent	interests	equity
						of foreign subsidiary			
Beginning balances as at January 1, 2018		1,754,142,204	(43,570,340)	175,414,835	7,820,018,186	(33,765,998)	9,672,238,887	88,471,212	9,760,710,099
Dividends	24	-	-	-	(1,169,428,136)	-	(1,169,428,136)	-	(1,169,428,136)
Dividend paid to non-controlling interests of subsidiaries	24	-	-	-	-	-	-	(12,862,560)	(12,862,560)
Total comprehensive income for the year		-	-	-	1,333,908,681	(3,723,574)	1,330,185,107	18,125,420	1,348,310,527
Ending balances as at December 31, 2018		1,754,142,204	(43,570,340)	175,414,835	7,984,498,731	(37,489,572)	9,832,995,858	93,734,072	9,926,729,930
Beginning balances as at January 1, 2019		1,754,142,204	(43,570,340)	175,414,835	7,984,498,731	(37,489,572)	9,832,995,858	93,734,072	9,926,729,930
Dividends	24	-	-	-	(877,071,102)	-	(877,071,102)	-	(877,071,102)
Dividend paid to non-controlling interests of subsidiaries	24	-	-	-	-	-	-	(18,375,024)	(18,375,024)
Total comprehensive income for the year		-	-	-	907,722,080	(22,173,208)	885,548,872	16,559,336	902,108,208
Ending balances as at December 31, 2019		1,754,142,204	(43,570,340)	175,414,835	8,015,149,709	(59,662,780)	9,841,473,628	91,918,384	9,933,392,012

Notes to the financial statements form an integral part of these statements

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

UNIT : 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		1,754,142,204	(43,570,340)	175,414,835	7,633,233,185	9,519,219,884
Dividends	24	-	-	-	(1,169,428,136)	(1,169,428,136)
Total comprehensive income for the year		-	-	-	1,412,820,557	1,412,820,557
<b>Ending balances as at December 31, 2018</b>		<u>1,754,142,204</u>	<u>(43,570,340)</u>	<u>175,414,835</u>	<u>7,876,625,606</u>	<u>9,762,612,305</u>
Beginning balances as at January 1, 2019		1,754,142,204	(43,570,340)	175,414,835	7,876,625,606	9,762,612,305
Dividends	24	-	-	-	(877,071,102)	(877,071,102)
Total comprehensive income for the year		-	-	-	986,810,298	986,810,298
<b>Ending balances as at December 31, 2019</b>		<u>1,754,142,204</u>	<u>(43,570,340)</u>	<u>175,414,835</u>	<u>7,986,364,802</u>	<u>9,872,351,501</u>

Notes to the financial statements form an integral part of these statements

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**UNIT : BAHT**

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax expense		1,188,066,500	1,703,955,057	1,238,615,426	1,751,929,768
Adjusted by					
Doubtful accounts (reversal)		115,637	(6,341,186)	155,137	(6,269,585)
Reversal of loss for diminution in value of inventories		(1,554,670)	(5,340,188)	(1,554,670)	(5,070,613)
Reversal of loss for diminution in value of investment property		(3,402,417)	-	(3,402,417)	-
Depreciation		251,396,633	225,129,654	215,155,142	194,472,133
Amortization - Leasehold right		1,705,605	1,775,261	-	-
Amortization - Intangible assets		731,658	436,331	-	-
Gain on sales of property, plant and equipment		(1,411,395)	(4,936,314)	-	(2,868,399)
Loss on write off property, plant and equipment		-	3,618,340	573,240	-
Employee benefit obligations expense		28,710,637	27,413,593	21,652,386	24,736,385
Share of profit from investment in an associate		(321,517)	(285,587)	-	-
Unrealized (gain) loss on exchange rate		(351,839)	3,417,402	(645,329)	2,763,053
Dividend income		-	-	(21,124,976)	(18,387,440)
Interest income		(71,406,577)	(57,608,905)	(68,776,945)	(55,371,780)
Interest expenses		5,207,362	1,506,356	326,969	301,175
Profit from operations before change in operating assets and liabilities		1,397,485,617	1,892,739,814	1,380,973,963	1,886,234,697
(Increase) decrease in trade and other current receivables		(135,381,325)	378,872,894	(150,345,786)	303,112,696
(Increase) decrease in inventories		593,286,027	(299,889,850)	573,100,434	(169,958,259)
(Increase) decrease in other current assets		(141,375)	141,072	(131,025)	121,026
(Increase) decrease in other non-current assets		(713,253)	96,573	(1,353,088)	796,562
Decrease in trade and other current payables		(182,214,232)	(146,520,920)	(184,908,356)	(150,868,491)
Decrease in other current liabilities		(3,665,512)	(9,162,355)	(2,011,157)	(5,004,670)
Cash paid for provision for employee benefit		(10,153,694)	(19,341,228)	(8,794,662)	(13,286,008)
Increase (decrease) in other non-current liabilities		(5,779,321)	4,227,000	(4,101,321)	290,000
Cash received from operations		1,652,722,932	1,801,163,000	1,602,429,002	1,851,437,553
Cash paid for income tax		(242,846,444)	(441,530,738)	(232,219,151)	(429,043,390)
Net cash provided by operating activities		1,409,876,488	1,359,632,262	1,370,209,851	1,422,394,163

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**UNIT : BAHT**

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Increase) decrease in temporary investments		(2,500,127,642)	797,940,582	(2,500,000,000)	800,000,000
Cash payments for purchase property, plant and equipment		(136,502,943)	(221,995,724)	(122,895,485)	(162,778,413)
Proceeds from sales of property, plant and equipment		5,493,766	8,521,616	2,733,000	5,991,194
Cash payments for purchase intangible assets		-	(139,239)	-	-
Dividend received from subsidiaries		-	-	21,124,976	18,387,440
Interest received		66,195,510	59,819,273	64,296,183	57,191,639
Net cash provided by (used in) investing activities		<u>(2,564,941,309)</u>	<u>644,146,508</u>	<u>(2,534,741,326)</u>	<u>718,791,860</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from bank overdrafts					
and short-term borrowings from financial institutions		55,719,676	26,364,644	-	-
Cash payments for liabilities under					
finance lease agreements		(6,743,306)	(7,995,415)	(2,556,220)	(4,204,738)
Interest paid		(5,836,323)	(1,506,356)	(326,969)	(301,175)
Dividend paid		(877,018,924)	(1,169,330,659)	(877,018,924)	(1,169,330,659)
Dividends paid - subsidiaries		(18,375,024)	(12,862,560)	-	-
Net cash used in financing activities		<u>(852,253,901)</u>	<u>(1,165,330,346)</u>	<u>(879,902,113)</u>	<u>(1,173,836,572)</u>
Exchange rate differences					
on translation of financial statements					
of foreign subsidiary		(2,292,353)	(1,644,678)	-	-
Net increase (decrease) in cash and cash equivalents		(2,009,611,075)	836,803,746	(2,044,433,588)	967,349,451
Cash and cash equivalents as at January 1,		5,516,734,014	4,679,930,268	5,443,612,405	4,476,262,954
<b>Cash and cash equivalents as at December 31,</b>	4.1	<u><u>3,507,122,939</u></u>	<u><u>5,516,734,014</u></u>	<u><u>3,399,178,817</u></u>	<u><u>5,443,612,405</u></u>

Notes to the financial statements form an integral part of these statements

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. OPERATIONS AND GENERAL INFORMATION**

**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%.

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

**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. 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 be a producer, importer and distribute various chemical fertilizer compound.

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

- 2.1 The Group and the Company maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and General Accepted Accounting Principal in Thailand.
- 2.2 The Group’s and the Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2019 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding “the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560”, and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No.2) B.E. 2559” dated October 11, 2016.

- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.
- 2.4.1) During the year, the Group and 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, 2019. 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, except the revenue recognition under the Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” that requires the Group and the Company 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 policy regarding revenue recognition. However, the adoption of this financial reporting standard does not have any significant impact on the Group’s and the Company’s financial statements.
- 2.4.2) 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 Standard 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 Standards (“TAS”)**

TAS 32	Financial Instruments: Presentation
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**Thai Financial Reporting Standards (“TFRS”)**

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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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.

The Group's and the Company's management has assessed the impact of these Financial Instruments Standards and believed that it will not have any material impact on the financial statements of the Group and the Company in the period of initial application.

#### Thai Financial Reporting Standards No. 16 "Leases"

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment 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.

The Group's and Company's management has assessed the impact of this TFRS and believed that it will not have any material impact on the financial statements of the Group and the Company in the period of initial application.

#### 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.

- 2.5 The consolidated financial statements include the account balances of the Company and its subsidiaries, after eliminating intercompany transactions and balances for the years ended December 31, The Company's holdings in subsidiaries are as follows:

	<b>2019</b> <b>% holding</b>	<b>2018</b> <b>% holding</b>
N.I.M. Company Limited	51.00	51.00
MC Agro-Chemicals Company Limited	99.99	99.99
TCCC Myanmar Limited	99.99	99.99

- 2.6 The consolidated and separate financial statements are prepared in English version from the consolidated and separate 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 consolidated and separate financial statements in accordance with Thailand law will be superseded.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies as follows:

#### **3.1 Cash and cash equivalents**

Cash and cash equivalents are cash on hand, deposits at banks' savings accounts and current accounts, and short-term highly liquid investments with maturities within three months from the date of acquisition, excluding cash at banks used as collateral (if any).

#### **3.2 Current investments**

Current investments consist of time deposits at banks with original maturities later than 3 months but not later than 1 year which are stated at cost.

#### **3.3 Trade receivables**

Trade receivables are presented at original invoice amount less allowance for doubtful account based on a review of all outstanding amounts which are uncollectible at the statement of financial position date. Such estimated losses are based on the Group's and the Company's collection experience.

The amount of the allowance for doubtful account, is the difference between the carrying amount of the trade receivable and the amount expected to be collectible.

Bad debts which are identified during the year are recognized as expense in the statement of comprehensive income.

### 3.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a weighted average method. Except for a subsidiary, MC Agro-Chemicals Company Limited, which cost is determined on a first-in, first-out method. If the inventories of such subsidiary have been determined on the same basis as that of the parent company, the difference would not be materially affected to the consolidated financial statements.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the estimated costs necessary to make sale. Allowance is made by the Group and the Company, where necessary, for obsolete and slow-moving inventories (if any).

### 3.5 Investments in an associate and subsidiaries

Investments in an associate and subsidiaries are presented by the cost method for the separate financial statements.

Investment in an associate is presented by the equity method for the consolidated financial statements.

If impairment in value of investment has occurred, the resultant loss on investment in all classifications is recognized in the statement of comprehensive income immediately.

### 3.6 Investment properties

Investment properties consist of land held to earn rentals and non-operating land which are stated at cost less allowance for impairment.

The Group and the Company test impairment of investment properties and allowance for impairment has to be made by comparing the fair value which is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using comparative market price method to assess the value of land held to earn rentals and non-operating land.

### 3.7 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation is calculated by reference to their costs on the straight-line method, based on the estimated useful lives of the assets as follows:

Land improvement	10 years
Buildings	20 years
Machinery and equipment	5 - 20 years
Furniture and office equipment	3 - 20 years
Vehicles	5 - 10 years

Dismantling, moving and renovating assets location cost in which the Group and the Company obligate when receiving such asset. The Group and the Company recognize them at the cost of assets and depreciated them.

In case of impairment in value of property, plant and equipment has occurred, the resultant loss on impairment is recognized by the Group and the Company as expense in the statement of comprehensive income.

### 3.8 Leasehold right

Leasehold right consists of leasehold right for land in the Republic of the union of Myanmar, which is stated at cost less accumulated amortization.

Amortization of leasehold right for land is calculated by using the straight-line method over the lease periods as follow:

Leasehold right for land	48 years
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### 3.9 Impairment

The carrying amounts of the assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amounts of asset is estimated.

The Group and the Company recognize impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use. The Group and the Company determine the value by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. The calculation reflects the amount that the Group and the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Group and the Company recognize an impairment loss as expense in the statement of comprehensive income.

Reversal of an impairment loss

The Group and the Company will reverse impairment loss of asset (if any), which had been recognized in the prior periods, if there is an indicator for impairment may no longer exist or may have decreased which the recoverable amount must be estimated.

### 3.10 Intangible assets

Intangible assets with definite life consist of right and license for other operations which are stated at cost less accumulated amortization.

Amortization is calculated by reference to their costs on the straight-line method, based on the estimated useful lives of the assets over the period of 5 - 10 years.

Intangible asset with indefinite life consists of right for use of trademarks is stated at cost, net of allowance for impairment (if any) which tested for impairment annually and allowance for impairment (if any) will be made and recorded as expense in the statement of comprehensive income.

The Group and the Company test for impairment of intangible assets annually and allowance for impairment has to be made (if any). The Group and the Company engages an independent appraiser to determine the fair value of the right to use the trademarks in accordance with the Notification of the Stock Exchange Commission dated April 30, 2004 regarding the opinion for accounting treatment for intangible assets by using the Discounted Cash Flow Approach.

### 3.11 Provision for employee benefit

Provision for employee benefit is the provision for benefit obligation for employees who are entitled to receive it upon retirement under the Thai Labor Protection Act. The provision is assessed by an independent actuary and based on actuarial assumptions using Projected Unit Credit Method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service, discount rate and compensation increase.

### 3.12 Foreign currency transactions

3.12.1 Transactions denominated in foreign currencies are translated into Baht at rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies and forward exchange contracts at the end of reporting period are converted into Baht at the reference exchange rates established by the Bank of Thailand on that date.

Gains or losses on foreign exchange rate are recognized as an income or expense in the statement of comprehensive income.

3.12.2 The Group and the Company enter into forward exchange contracts in asset and liability management activities to control exposure of the fluctuation in foreign exchange rates.

Gains or losses on contracts designated as hedges of existing assets and liabilities are recognized as an income or expense in the statement of comprehensive income.

Premium or discount on forward exchange contracts are deferred and amortized over the lives of the related contracts as an income or expense in the statement of comprehensive income.

### 3.13 Revenue recognition

Revenue from sales is recognized when the Group and the Company have transferred the control of the goods to the customer.

Revenue from services is recognized when the Group and the Company have satisfied a performance obligation in the contract.

Interest income and rental income are recognized as income on an accrual basis.

Dividend income is recognized as income when dividend is declared.

Other income is recognized as income on an accrual basis.

### 3.14 Lease agreement

#### Operating lease

Lease in which substantially all the risk and reward of ownership of assets remains with the lessor is accounted for as operating lease. Rentals applicable to such operating lease are charged as expense to the statement of comprehensive income over the lease term.

#### Finance lease

Lease in which substantially all the risk and reward of ownership, other than legal title is transferred to the Group and the Company are accounted for as a finance lease. The Group and the Company capitalized the leased asset at the lower of estimated present value of the underlying lease payments or at the fair value of the leased asset at the contractual date. The leased asset is depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is calculated by the effective interest rate method over the term of contract. Interest or financial charge and depreciation are recognized as expenses in the statement of comprehensive income.

### 3.15 Provident Fund

The contribution for employee provident fund is recorded as expense when incurred.

### 3.16 Taxation

Tax expense comprises the sum amount of current tax in respect of the current year and deferred tax.

#### 3.16.1 Current income tax

Current income tax represents tax currently payable which is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's and Company's current income tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Foreign subsidiary applied the tax rate of each country for calculating corporate income tax expense and deferred income tax.

#### 3.16.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed by the Group and the Company at each of the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured by the Group and the Company at the tax rates that are expected to apply in the period in which the asset is recognized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax asset against current tax liabilities and the Group and the Company intend to settle such current tax liability and asset on a net basis or intends to recognize the asset and settle the liability simultaneously.

### 3.17 Basic earnings per share

Basic earnings per share are computed by dividing net profit for the year which attributed to the Company's shareholders (excluded other comprehensive income) by the weighted average number of ordinary shares outstanding at the end of the reporting period. In case of a capital increase, the number of shares is weighted average according to time of registration of issued and paid-up share capital.

### 3.18 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for leasing transactions that are within the scope of TAS 17 (Revised 2018), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in TAS 2 (Revised 2018) or value in use in TAS 36 (Revised 2018).

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.19 Accounting estimated and source of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standards also requires the management of the Group and the Company to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

## 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

### 4.1 Cash and cash equivalents

Cash and cash equivalents as at December 31, consist of the following:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Cash on hand	1,076,237	1,088,186	560,000	641,365
Bank deposits in savings and current accounts	1,953,136,148	2,291,919,733	1,848,616,801	2,221,978,524
Cheque on hand	2,908,538	3,724,079	-	990,500
Time deposits with maturity not more than 3 months (interest rates 1.13 - 1.50% p.a.)	<u>1,550,002,016</u>	<u>3,220,002,016</u>	<u>1,550,002,016</u>	<u>3,220,002,016</u>
	<u>3,507,122,939</u>	<u>5,516,734,014</u>	<u>3,399,178,817</u>	<u>5,443,612,405</u>

### 4.2 Purchases of property, plant and equipment for the years ended December 31, are as follows:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Payables-Assets acquisition brought forward	13,054,307	33,785,219	13,054,307	18,077,294
<u>Add</u> Purchases of fixed assets	<u>135,704,837</u>	<u>203,573,472</u>	<u>115,590,480</u>	<u>158,138,486</u>
<u>Less</u> Purchases of fixed assets under finance lease agreements	<u>(3,606,900)</u>	<u>(2,308,660)</u>	<u>-</u>	<u>(383,060)</u>
<u>Less</u> Cash payments	<u>(136,502,943)</u>	<u>(221,995,724)</u>	<u>(122,895,485)</u>	<u>(162,778,413)</u>
Payables - Assets acquisition carried forward	<u>8,649,301</u>	<u>13,054,307</u>	<u>5,749,302</u>	<u>13,054,307</u>

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements (including current portion)				
Balance brought forward	9,956,378	15,643,133	4,307,787	8,129,465
<u>Add</u> Purchases of fixed assets under finance lease agreements	3,606,900	2,308,660	-	383,060
<u>Less</u> Cash payments	(6,743,306)	(7,995,415)	(2,556,220)	(4,204,738)
Balance carried forward	<u>6,819,972</u>	<u>9,956,378</u>	<u>1,751,567</u>	<u>4,307,787</u>

4.3 The cash flows from bank overdrafts and short-term borrowings from financial institutions for the year ended December 31, are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Bank overdrafts and short-term borrowings from financial institutions as at January 1,	35,332,981	9,460,963	-	-
<u>Add</u> Cash received	55,719,676	26,364,644	-	-
<u>Less</u> Unrealized loss on foreign exchange rate	(66,340)	(492,626)	-	-
Bank overdrafts and short-term borrowings from financial institutions as at December 31,	<u>90,986,317</u>	<u>35,332,981</u>	<u>-</u>	<u>-</u>

## 5. CURRENT INVESTMENTS

Current investments as at December 31, consist of the following:

		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
Maturity Date		Interest rate (percentage per annum)			
		2019	2018	2019	2018
Time deposits at banks	Maturity date over				
	3 months but less than 1 year	1 - 1.75	1 - 1.53	<u>2,675,452,137</u>	<u>175,324,495</u>
Maturity Date		Interest rate (percentage per annum)			
		2019	2018	2019	2018
Time deposits at banks	Maturity date over				
	3 months but less than 1 year	1.50 - 1.75	-	<u>2,500,000,000</u>	<u>-</u>



## 6. TRADE AND OTHER CURRENT RECEIVABLES

6.1 Trade and other current receivables as at December 31, consist of the following:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Trade receivables	499,156,471	345,204,938	527,842,987	359,562,438
Other receivables	4,563,176	11,147,592	5,562,849	12,469,832
Prepaid expenses	43,668,929	47,161,160	36,011,805	38,703,003
Accrued income	11,517,968	5,970,000	10,383,065	5,570,024
Advance payments	219,634	471,516	-	83,850
Advance payment for bidding	-	9,283,447	-	9,283,447
	<u>559,126,178</u>	<u>419,238,653</u>	<u>579,800,706</u>	<u>425,672,594</u>

6.2 Trade receivables as at December 31, are classified by aging as follows:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Number of trade receivables	<u>341</u>	<u>349</u>	<u>165</u>	<u>135</u>
Other companies				
Current	452,184,894	335,514,814	418,390,945	277,643,779
Overdue				
Less than or up to 3 months	48,191,907	13,704,851	45,616,809	12,880,620
More than 3 months up to 6 months	-	144,000	-	-
More than 6 months up to 12 months	-	-	-	-
More than 12 months	23,317,419	24,647,107	22,428,325	23,718,513
	<u>523,694,220</u>	<u>374,010,772</u>	<u>486,436,079</u>	<u>314,242,912</u>
Related companies				
Current	4,518,688	134,966	69,574,251	62,875,318
Overdue				
Less than or up to 3 months	-	-	-	10,456,414
	<u>4,518,688</u>	<u>134,966</u>	<u>69,574,251</u>	<u>73,331,732</u>
	<u>528,212,908</u>	<u>374,145,738</u>	<u>556,010,330</u>	<u>387,574,644</u>
<u>Less</u> Allowance for doubtful accounts	<u>(29,056,437)</u>	<u>(28,940,800)</u>	<u>(28,167,343)</u>	<u>(28,012,206)</u>
	<u>499,156,471</u>	<u>345,204,938</u>	<u>527,842,987</u>	<u>359,562,438</u>

## 7. INVENTORIES

Inventories as at December 31, consist of the following:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Finished products	737,054,202	799,825,990	536,713,936	606,891,684
Work in process	10,486,150	47,576,954	14,745,244	23,901,807
Raw materials	849,378,524	1,233,957,109	846,810,181	1,231,289,184
Supplies	64,017,585	65,509,855	53,193,167	54,711,439
Goods in transit	95,230,798	202,583,378	88,237,650	196,006,498
	<u>1,756,167,259</u>	<u>2,349,453,286</u>	<u>1,539,700,178</u>	<u>2,112,800,612</u>
<u>Less</u> Allowance for diminution in value of inventories	<u>(612,513)</u>	<u>(2,167,183)</u>	<u>(612,513)</u>	<u>(2,167,183)</u>
	<u><u>1,755,554,746</u></u>	<u><u>2,347,286,103</u></u>	<u><u>1,539,087,665</u></u>	<u><u>2,110,633,429</u></u>

Costs of inventories recognized as cost of the sales of goods in the consolidated financial statements for the years ended December 31, 2019 and 2018 are Baht 6,976.97 million and Baht 7,994.75 million, respectively.

Costs of inventories recognized as cost of the sales of goods in the separate financial statements for the years ended December 31, 2019 and 2018 are Baht 6,631.01 million and Baht 7,774.93 million, respectively.

For the years ended December 31, 2019 and 2018, cost of inventories of the Company and its subsidiaries recognized the reversal of loss on diminution in value of inventories of Baht (1.55) million and Baht (5.34) million, respectively, as costs of the sales of goods in the consolidated financial statements.

For the years ended December 31, 2019 and 2018, cost of inventories of the Company recognized the reversal loss diminution in value of inventories of Baht (1.55) million and Baht (5.07) million, respectively, as costs of the sales of goods in the separate financial statements.

As at December 31, 2019 and 2018, inventories in the consolidated financial statement 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 184.96 million and Baht 254.83 million, respectively (see Note 15).

As at December 31, 2019 and 2018, inventories in the separate financial statement 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 171.77 million and Baht 240.15 million, respectively (see Note 15).

## 8. INVESTMENT PROPERTIES

Investment properties are as follows:

### Consolidated Financial Statements

As at December 31, 2019

	Balances as at January 1, 2019	Increases	Decreases	Unit : Baht Balances as at December 31, 2019
<b>Cost :</b>				
Land	29,212,697	-	-	29,212,697
<u>Less</u> Allowance for impairment	(3,402,417)	-	3,402,417	-
<b>Investment properties</b>	<u>25,810,280</u>			<u>29,212,697</u>
<b>Fair value</b>	<u>89,590,250</u>			<u>57,297,000</u>

As at December 31, 2018

	Balances as at January 1, 2018	Increases	Decreases	Unit : Baht Balances as at December 31, 2018
<b>Cost :</b>				
Land	29,212,697	-	-	29,212,697
<u>Less</u> Allowance for impairment	(3,402,417)	-	-	(3,402,417)
<b>Investment properties</b>	<u>25,810,280</u>			<u>25,810,280</u>
<b>Fair value</b>	<u>89,590,250</u>			<u>89,590,250</u>

### Separate Financial Statements

As at December 31, 2019

	Balances as at January 1, 2019	Increases	Decreases	Unit : Baht Balances as at December 31, 2019
<b>Cost :</b>				
Land	39,527,022	-	-	39,527,022
<u>Less</u> Allowance for impairment	(3,402,417)	-	3,402,417	-
<b>Investment properties</b>	<u>36,124,605</u>			<u>39,527,022</u>
<b>Fair value</b>	<u>425,002,217</u>			<u>392,708,967</u>

**Separate Financial Statements (Continued)**

**As at December 31, 2018**

	<b>Balances as at January 1, 2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Unit : Baht Balances as at December 31, 2018</b>
<b>Cost :</b>				
Land	39,527,022	-	-	39,527,022
<u>Less</u> Allowance for impairment	<u>(3,402,417)</u>	<u>-</u>	<u>-</u>	<u>(3,402,417)</u>
<b>Investment properties</b>	<b><u>36,124,605</u></b>			<b><u>36,124,605</u></b>
<b>Fair value</b>	<b><u>425,022,217</u></b>			<b><u>425,002,217</u></b>

As at December 31, 2019 and 2018, investment properties in the consolidate financial statements represent non-operating land.

As at December 31, 2019 and 2018, investment properties in the separate financial statements represent land that is leased to a related party and non-operating land.

The fair value of investment properties is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand).

**9. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment, consist of the following:

**Consolidated Financial Statements**

**As at December 31, 2019**

	<b>Balances as at January 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfer in/ (out)</b>	<b>Exchange differences on translation of financial statements of foreign subsidiary</b>	<b>Unit : Baht Balances as at December 31, 2019</b>
<b>Cost :</b>						
Land	293,349,876	-	-	-	-	293,349,876
Land improvements	159,375,378	-	(185,952)	1,331,645	(1,726,981)	158,794,090
Buildings	1,892,720,385	1,944,483	(127,759)	(1,728,955)	(8,286,929)	1,884,521,225
Machinery and equipment	2,368,053,530	9,046,724	(50,883,338)	52,635,724	(3,772,491)	2,375,080,149
Furniture and office equipment	427,210,427	9,216,061	(8,986,245)	20,860,888	(2,478,507)	445,822,624
Vehicles	179,844,083	6,971,433	(15,609,108)	6,567,660	(300,260)	177,473,808
Total cost	<u>5,320,553,679</u>	<u>27,178,701</u>	<u>(75,792,402)</u>	<u>79,666,962</u>	<u>(16,565,168)</u>	<u>5,335,041,772</u>
<b>Accumulated depreciation :</b>						
Land improvements	(74,036,464)	(5,639,934)	1,896	(394,959)	125,265	(79,944,196)
Buildings	(1,416,082,443)	(43,872,678)	46,585	780,427	888,204	(1,458,239,905)
Machinery and equipment	(1,672,074,446)	(139,964,383)	50,113,379	(163,978)	575,126	(1,761,514,302)
Furniture and office equipment	(261,968,046)	(45,017,916)	8,105,643	(221,490)	825,305	(298,276,504)
Vehicles	<u>(123,985,581)</u>	<u>(16,901,722)</u>	<u>13,473,557</u>	<u>-</u>	<u>48,931</u>	<u>(127,364,815)</u>
Total accumulated depreciation	<u>(3,548,146,980)</u>	<u>(251,396,633)</u>	<u>71,741,060</u>	<u>-</u>	<u>2,462,831</u>	<u>(3,725,339,722)</u>
Building under construction and equipment under installation	<u>63,612,887</u>	<u>108,526,136</u>	<u>(31,030)</u>	<u>(79,666,962)</u>	<u>-</u>	<u>92,441,031</u>
<b>Property, plant and equipment</b>	<b><u>1,836,019,586</u></b>					<b><u>1,702,143,081</u></b>

Consolidated Financial Statements (Continued)

As at December 31, 2018

	Balances as at January 1, 2018	Increases	Decreases	Transfer in/ (out)	Exchange differences on translation of financial statements of foreign subsidiary	Unit : Baht Balances as at December 31, 2018
<b>Cost :</b>						
Land	293,349,876	-	-	-	-	293,349,876
Land improvements	77,884,837	68,238	(137,176)	81,614,458	(54,979)	159,375,378
Buildings	1,915,568,913	-	(4,573,437)	(17,221,836)	(1,053,255)	1,892,720,385
Machinery and equipment	2,139,831,420	17,840,897	(34,749,799)	245,252,639	(121,627)	2,368,053,530
Furniture and office equipment	360,176,943	14,787,213	(2,269,451)	54,626,697	(110,975)	427,210,427
Vehicles	177,951,985	8,442,561	(13,147,084)	6,606,539	(9,918)	179,844,083
Total cost	<u>4,964,763,974</u>	<u>41,138,909</u>	<u>(54,876,947)</u>	<u>370,878,497</u>	<u>(1,350,754)</u>	<u>5,320,553,679</u>
<b>Accumulated depreciation :</b>						
Land improvements	(72,178,143)	(1,863,170)	3,458	-	1,391	(74,036,464)
Buildings	(1,365,107,341)	(55,430,313)	4,432,186	-	23,025	(1,416,082,443)
Machinery and equipment	(1,594,079,014)	(112,236,870)	34,230,400	-	11,038	(1,672,074,446)
Furniture and office equipment	(225,665,426)	(37,934,266)	1,615,254	-	16,392	(261,968,046)
Vehicles	<u>(116,614,421)</u>	<u>(17,665,035)</u>	<u>10,293,220</u>	<u>-</u>	<u>655</u>	<u>(123,985,581)</u>
Total accumulated depreciation	<u>(3,373,644,345)</u>	<u>(225,129,654)</u>	<u>50,574,518</u>	<u>-</u>	<u>52,501</u>	<u>(3,548,146,980)</u>
Building under construction and equipment under installation	270,504,360	143,439,060	(2,887,688)	(347,287,653)	(155,192)	63,612,887
Machinery in transit	<u>4,608,797</u>	<u>18,995,503</u>	<u>(13,525)</u>	<u>(23,590,844)</u>	<u>69</u>	<u>-</u>
<b>Property, plant and equipment</b>	<u>1,866,232,786</u>					<u>1,836,019,586</u>
<b>Depreciation for the years ended December 31,</b>						
2019						<u>251,396,633</u>
2018						<u>225,129,654</u>
<b>Gross carrying amount of plant and equipment which are fully depreciated and still in use as at December 31,</b>						
2019						<u>2,804,152,925</u>
2018						<u>2,736,536,281</u>

**Separate Financial Statements**

**As at December 31, 2019**

	<b>Unit : Baht</b>			
	<b>Balances as at January 1, 2019</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfer in/ (out)</b>
	<b>Balances as at December 31, 2019</b>			
<b>Cost :</b>				
Land	261,479,164	-	-	-
Land improvements	127,519,506	-	-	-
Buildings	1,576,521,945	-	-	1,033,749
Machinery and equipment	2,209,744,117	6,370,077	(48,452,666)	51,071,970
Furniture and office equipment	381,023,177	7,496,084	(7,785,158)	20,163,967
Vehicles	135,894,513	1,795,533	(7,119,081)	6,567,660
Total cost	4,692,182,422	15,661,694	(63,356,905)	78,837,346
<b>Accumulated depreciation :</b>				
Land improvements	(66,301,313)	(3,404,450)	-	-
Buildings	(1,219,501,059)	(33,972,682)	-	-
Machinery and equipment	(1,574,202,718)	(131,448,936)	47,682,776	-
Furniture and office equipment	(243,985,349)	(34,624,198)	7,044,346	-
Vehicles	(94,773,000)	(11,704,876)	5,323,543	-
Total accumulated depreciation	(3,198,763,439)	(215,155,142)	60,050,665	-
Building under construction and equipment under installation	63,270,215	99,928,786	-	(78,837,346)
<b>Property, plant and equipment</b>	<b>1,556,689,198</b>			<b>1,453,818,296</b>

**Separate Financial Statements (Continued)**

**As at December 31, 2018**

	<b>Unit : Baht</b>			
	<b>Balances as at January 1, 2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfer in/ (out)</b>
	<b>Balances as at December 31, 2018</b>			
<b>Cost :</b>				
Land	261,479,164	-	-	-
Land improvements	69,721,861	-	-	57,797,645
Buildings	1,564,045,648	-	(4,558,878)	17,035,175
Machinery and equipment	2,033,467,492	13,783,819	(34,504,437)	196,997,243
Furniture and office equipment	340,897,166	5,623,369	(1,367,124)	35,869,766
Vehicles	135,095,513	3,573,500	(8,124,500)	5,350,000
Total cost	<u>4,404,706,844</u>	<u>22,980,688</u>	<u>(48,554,939)</u>	<u>313,049,829</u>
<b>Accumulated depreciation :</b>				
Land improvements	(65,503,221)	(798,092)	-	-
Buildings	(1,180,266,651)	(43,666,594)	4,432,186	-
Machinery and equipment	(1,502,652,895)	(105,534,866)	33,985,043	-
Furniture and office equipment	(214,160,567)	(31,171,372)	1,346,590	-
Vehicles	(87,140,116)	(13,301,209)	5,668,325	-
Total accumulated depreciation	<u>(3,049,723,450)</u>	<u>(194,472,133)</u>	<u>45,432,144</u>	<u>-</u>
Building under construction and equipment under installation	236,553,450	116,425,510	-	(289,708,745)
Machinery in transit	<u>4,608,796</u>	<u>18,732,288</u>	<u>-</u>	<u>(23,341,084)</u>
<b>Property, plant and equipment</b>	<u><u>1,596,145,640</u></u>			<u><u>1,556,689,198</u></u>
<b>Depreciation for the years ended December 31,</b>				
2019				<u><u>215,155,142</u></u>
2018				<u><u>194,472,133</u></u>
<b>Gross carrying amount of plant and equipment which are fully depreciated and still in use as at December 31,</b>				
2019				<u><u>2,510,200,510</u></u>
2018				<u><u>2,441,608,871</u></u>

As at December 31, 2019 and 2018, the Company used certain lands, land improvements and buildings as collateral with a financial institute for guarantee credit facilities which have total net book values of Baht 467.12 million and Baht 495.56 million, respectively. (see Note 27.3)

As at December 31, 2019 and 2018, land and buildings of a subsidiary are used as collateral with a financial institute for guarantee credit facilities, which has the same amount of total net book values of Baht 21.56 million. (see Notes 13 and 27.3)

As at December 31, 2019 and 2018, leased assets included above, where the Company and its subsidiaries are lessee under finance leases, comprise vehicles and office equipment are as follows:

	<b>Consolidated Financial Statements</b>		<b>Unit : Baht Separate Financial Statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Cost - assets under finance lease agreement	20,415,294	32,102,166	4,876,699	16,272,726
<u>Less</u> Accumulated depreciation	<u>(10,034,262)</u>	<u>(15,477,843)</u>	<u>(2,055,189)</u>	<u>(8,885,956)</u>
Net book value	<u>10,381,032</u>	<u>16,624,323</u>	<u>2,821,510</u>	<u>7,386,770</u>

## 10. LEASEHOLD RIGHT

Leasehold right as at December 31, consists of the following:

As at December 31, 2019

	<b>Consolidated Financial Statement</b>			<b>Unit : Baht</b>
	<b>Balance as at January 1, 2019</b>	<b>Increases</b>	<b>Exchange differences on translation of financial statements of foreign subsidiary</b>	<b>Balance as at December 31, 2019</b>
<b>Cost :</b>				
Leasehold right for land	84,268,956	-	(6,038,694)	78,230,262
Total Cost	84,268,956	-	(6,038,694)	78,230,262
<b>Accumulated amortization :</b>				
Leasehold right for land	(3,760,490)	(1,705,605)	330,926	(5,135,169)
Total Accumulated amortization	(3,760,490)	(1,705,605)	330,926	(5,135,169)
<b>Leasehold right</b>	<u>80,508,466</u>			<u>73,095,093</u>



As at December 31, 2018

	Consolidated Financial Statement			Unit : Baht
	Balance as at January 1, 2018	Increases	Exchange differences on translation of financial statements of foreign subsidiary	Balance as at December 31, 2018
<b>Cost :</b>				
Leasehold right for land	84,901,907	-	(632,951)	84,268,956
Total Cost	84,901,907	-	(632,951)	84,268,956
<b>Accumulated amortization :</b>				
Leasehold right for land	(2,004,363)	(1,775,261)	19,134	(3,760,490)
Total Accumulated amortization	(2,004,363)	(1,775,261)	19,134	(3,760,490)
<b>Leasehold right</b>	<u>82,897,544</u>			<u>80,508,466</u>
<b>Amortization for the years ended December 31,</b>				
2019				<u>1,705,605</u>
2018				<u>1,775,261</u>

As at November 17, 2016, TCCC Myanmar Limited entered into the land leasehold agreement with a local supplier 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.

## 11. INTANGIBLE ASSETS

Intangible assets, consists of the following:

Consolidated Financial Statements  
As at December 31, 2019

	Balance as at January 1, 2019	Increase	Total	Amortization	Exchange differences on translation of financial statements of foreign subsidiary	Unit : Baht Balance as at December 31, 2019
Right for use of trademarks - net	545,900,757	-	545,900,757	-	-	545,900,757
Right for use of software - net	1,355,129	-	1,355,129	(731,658)	(70,748)	552,723
	<u>547,255,886</u>	<u>-</u>	<u>547,255,886</u>	<u>(731,658)</u>	<u>(70,748)</u>	<u>546,453,480</u>

**Consolidated Financial Statements (Continued)**  
**As at December 31, 2018**

	<b>Balance as at January 1, 2018</b>	<b>Increase</b>	<b>Total</b>	<b>Amortization</b>	<b>Exchange differences on translation of financial statements of foreign subsidiary</b>	<b>Unit : Baht Balance as at December 31, 2018</b>
Right for use of trademarks - net	545,900,757	-	545,900,757	-	-	545,900,757
Right for use of software - net	1,663,924	139,239	1,803,163	(436,331)	(11,703)	1,355,129
	<u>547,564,681</u>	<u>139,239</u>	<u>547,703,920</u>	<u>(436,331)</u>	<u>(11,703)</u>	<u>547,255,886</u>

**Amortization for the years ended December 31,**

2019	<u>731,658</u>
2018	<u>436,331</u>

**Separate Financial Statements**  
**As at December 31, 2019**

	<b>Balance as at January 1, 2019</b>	<b>Increase</b>	<b>Total</b>	<b>Amortization</b>	<b>Unit : Baht Balance as at December 31, 2019</b>
Right for use of trademarks - net	545,900,757	-	545,900,757	-	545,900,757
	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>

**As at December 31, 2018**

	<b>Balance as at January 1, 2018</b>	<b>Increase</b>	<b>Total</b>	<b>Amortization</b>	<b>Unit : Baht Balance as at December 31, 2018</b>
Right for use of trademarks - net	545,900,757	-	545,900,757	-	545,900,757
	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>

**Amortization for the years ended December 31,**

2019	<u>-</u>
2018	<u>-</u>

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 reports of the independent appraiser dated January 14, 2020 and January 21, 2019, the appraisal values of the fair value of such right as at January 2, 2020 and January 2, 2019, respectively, by using the Relief from Royalty Method are higher than the carrying values.

For the years ended December 31, 2019 and 2018, sale under these trademarks were approximately 95% and 97% of the Company's total revenue from sales, respectively.

## 12. DEFERRED INCOME TAX AND TAX EXPENSE

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes issued by the same taxation authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated and separate statements of financial position as at December 31, as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Deferred tax assets	39,983,199	36,561,545	33,622,760	31,898,209
Deferred tax liabilities	116,608,579	116,608,579	109,180,151	109,180,151

Movements of deferred tax assets and liabilities for the years ended December 31, are as follows:

### Consolidated Financial Statements

As at December 31, 2019

	Balances	Recognized in	Recognized in	Unit : Baht
	as at	profit or loss	Other	Balances
	January 1,		Comprehensive	as at
	2019		Income (loss)	December 31, 2019
Allowance for doubtful accounts	5,788,160	23,127	-	5,811,287
Allowance for diminution in value of inventories	433,437	(310,934)	-	122,503
Provision for sale promotions	4,160,681	(2,460,681)	-	1,700,000
Allowance for impairment of investment properties	680,483	(680,483)	-	-
Provision for employee benefit	25,498,784	3,076,130	3,774,495	32,349,409
Total deferred tax assets	36,561,545	(352,841)	3,774,495	39,983,199
Gain on fair value adjustment from investment in a subsidiary to an associate	7,428,428	-	-	7,428,428
Accumulated amortization - right for use of trademarks	109,180,151	-	-	109,180,151
Total deferred tax liabilities	116,608,579	-	-	116,608,579

**Consolidated Financial Statements (Continued)**

**As at December 31, 2018**

	<b>Balances as at January 1, 2018</b>	<b>Recognized in profit or loss</b>	<b>Recognized in Other Comprehensive Income (loss)</b>	<b>Unit : Baht Balances as at December 31, 2018</b>
Allowance for doubtful accounts	7,056,397	(1,268,237)	-	5,788,160
Allowance for diminution in value of inventories	1,501,474	(1,068,037)	-	433,437
Provision for sale promotions	8,648,764	(4,488,083)	-	4,160,681
Allowance for impairment of investment properties	680,483	-	-	680,483
Provision for employee benefit	23,536,487	2,584,812	(622,515)	25,498,784
Deferred benefits for energy saving	1,561,059	(1,561,059)	-	-
Total deferred tax assets	<u>42,984,664</u>	<u>(5,800,604)</u>	<u>(622,515)</u>	<u>36,561,545</u>
Gain on fair value adjustment from investment in a subsidiary to an associate	7,428,428	-	-	7,428,428
Accumulated amortization - right for use of trademarks	<u>109,180,151</u>	<u>-</u>	<u>-</u>	<u>109,180,151</u>
Total deferred tax liabilities	<u>116,608,579</u>	<u>-</u>	<u>-</u>	<u>116,608,579</u>

**Separate Financial Statements**

**As at December 31, 2019**

	<b>Balances as at January 1, 2019</b>	<b>Recognized in profit or loss</b>	<b>Recognized in Other Comprehensive Income (loss)</b>	<b>Unit : Baht Balances as at December 31, 2019</b>
Allowance for doubtful accounts	5,602,441	31,027	-	5,633,468
Allowance for diminution in value of inventories	433,437	(310,934)	-	122,503
Provision for sale promotions	4,160,681	(2,460,681)	-	1,700,000
Allowance for impairment of investment properties	680,483	(680,483)	-	-
Provision for employee benefit	21,021,167	1,801,987	3,343,635	26,166,789
Total deferred tax assets	<u>31,898,209</u>	<u>(1,619,084)</u>	<u>3,343,635</u>	<u>33,622,760</u>
Accumulated amortization - right for use of trademarks	<u>109,180,151</u>	<u>-</u>	<u>-</u>	<u>109,180,151</u>
Total deferred tax liabilities	<u>109,180,151</u>	<u>-</u>	<u>-</u>	<u>109,180,151</u>

**As at December 31, 2018**

	<b>Balances as at January 1, 2018</b>	<b>Recognized in profit or loss</b>	<b>Recognized in Other Comprehensive Income (loss)</b>	<b>Unit : Baht Balances as at December 31, 2018</b>
Allowance for doubtful accounts	6,856,358	(1,253,917)	-	5,602,441
Allowance for diminution in value of inventories	1,447,559	(1,014,122)	-	433,437
Provision for sale promotions	8,648,764	(4,488,083)	-	4,160,681
Allowance for impairment of investment properties	680,483	-	-	680,483
Provision for employee benefit	18,538,888	3,394,715	(912,436)	21,021,167
Deferred benefit for energy saving	1,561,059	(1,561,059)	-	-
Total deferred tax assets	<u>37,733,111</u>	<u>(4,922,466)</u>	<u>(912,436)</u>	<u>31,898,209</u>
Accumulated amortization - right for use of trademarks	<u>109,180,151</u>	<u>-</u>	<u>-</u>	<u>109,180,151</u>
Total deferred tax liabilities	<u>109,180,151</u>	<u>-</u>	<u>-</u>	<u>109,180,151</u>

For the years ended December 31, 2019 and 2018, the Group and the Company have applied the tax rate of 20% for calculating tax expense and deferred income tax.

For the years ended December 31, 2019 and 2018, the foreign subsidiary applied the tax rate of each country for calculating tax expense and deferred income tax.

Tax expense for the year ended December 31, consist of the following:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current tax expense				
in respect of the current period	248,334,264	348,610,414	236,811,503	337,836,489
Deferred taxes relating to				
temporary differences	352,841	5,800,604	1,619,084	4,922,466
Tax expense	<u>248,687,105</u>	<u>354,411,018</u>	<u>238,430,587</u>	<u>342,758,955</u>
Income tax relating to the components				
of other comprehensive income (loss)				
Deferred tax relating to actuarial				
gains (loss)	<u>3,774,495</u>	<u>(622,515)</u>	<u>3,343,635</u>	<u>(912,436)</u>

Tax expense for the years ended December 31, can be reconciled to the accounting profit as follows:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Profit before tax expense	<u>1,188,066,500</u>	<u>1,703,955,057</u>	<u>1,238,615,426</u>	<u>1,751,929,768</u>
Income tax calculated at 20%	237,613,300	340,791,011	247,723,085	350,385,954
Effect of transactions that are not				
taxable income and expenses	<u>11,073,805</u>	<u>13,620,007</u>	<u>(9,292,498)</u>	<u>(7,626,999)</u>
Tax expense per the statement				
of comprehensive income	248,687,105	354,411,018	238,430,587	342,758,955
Tax income (tax expense) relating to the				
origination and reversal of temporary				
differences	<u>(352,841)</u>	<u>(5,800,604)</u>	<u>(1,619,084)</u>	<u>(4,922,466)</u>
Income tax per income tax return form	<u>248,334,264</u>	<u>348,610,414</u>	<u>236,811,503</u>	<u>337,836,489</u>
	%	%	%	%
Effective tax rate	20.90	20.46	19.12	19.28

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

Bank overdrafts and short-term borrowings from financial institutions as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Bank overdraft and short-term borrowings from financial institutions	90,986,317	35,332,981	-	-

As at December 31, 2019 and 2018, a subsidiary entered bank overdraft from financial institution with carried interest rate Minimum Overdraft Rate (MOR), which mortgaged by land and buildings (see Note 9).

As at December 31, 2019, a subsidiary has credit lines from foreign institutions for short-term borrowings and other facilities with interest rate during 2.31% - 2.36% per annum and guaranteed by the Company (2018 : nil) (see Note 27.5).

### 14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as of December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Trade payables	157,152,637	253,037,189	131,895,187	228,043,094
Other payables	62,434,138	64,255,653	58,208,826	63,184,451
Accrued dividends	2,331,815	2,279,637	2,331,815	2,279,637
Accrued expenses	134,494,174	154,169,680	106,425,854	129,132,344
Advance received from customers (see Note 15)	74,217,382	149,164,981	74,175,585	149,163,125
Deferred sales (see Note 15)	110,745,759	105,661,865	97,592,215	90,988,014
	<u>541,375,905</u>	<u>728,569,005</u>	<u>470,629,482</u>	<u>662,790,665</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 the delivery orders (the “fertilizer notes”) which have been issued by the Company and a subsidiary to their 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 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 and a subsidiary are unable to cancel the undelivered fertilizer notes.

While inventories in the consolidated and separate financial statements as at December 31, 2019 and 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 December 31, consist of the following:

### Consolidated Financial Statements

	Minimum lease payments		Unit : Baht Present value of minimum lease payments	
	2019	2018	2019	2018
Not later than one year	4,038,430	5,800,968	3,809,517	5,424,023
Later than one year and not later than five years	3,153,172	4,718,941	3,010,455	4,532,355
	7,191,602	10,519,909	6,819,972	9,956,378
<u>Less</u> Deferred interest	<u>(371,630)</u>	<u>(563,531)</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	<u>6,819,972</u>	<u>9,956,378</u>	<u>6,819,972</u>	<u>9,956,378</u>
			<b>2019</b>	<b>2018</b>
Presented in the statements of financial position as follows:				
Current portion of liabilities under finance lease agreements			3,809,517	5,424,023
Liabilities under finance lease agreements			3,010,455	4,532,355
			<u>6,819,972</u>	<u>9,956,378</u>

### Separate Financial Statements

	Minimum lease payments		Unit : Baht Present value of minimum lease payments	
	2019	2018	2019	2018
Not later than one year	1,226,546	2,710,940	1,177,068	2,556,382
Later than one year and not later than five years	609,001	1,821,315	574,499	1,751,405
	1,835,547	4,532,255	1,751,567	4,307,787
<u>Less</u> Deferred interest	<u>(83,980)</u>	<u>(224,468)</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	<u>1,751,567</u>	<u>4,307,787</u>	<u>1,751,567</u>	<u>4,307,787</u>
			<b>2019</b>	<b>2018</b>
Presented in the statements of financial position as follows:				
Current portion of liabilities under finance lease agreements			1,177,068	2,556,382
Liabilities under finance lease agreements			574,499	1,751,405
			<u>1,751,567</u>	<u>4,307,787</u>

## 17. PROVISION FOR EMPLOYEE BENEFIT

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.

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2019	2018	2019	2018
Presented in the statements of financial position as follows:				
Current provision for employee benefit	19,519,679	12,293,544	11,610,600	7,762,812
Non-current provision for employee benefit	<u>153,837,968</u>	<u>123,634,686</u>	<u>130,833,946</u>	<u>105,105,834</u>
Total	<u>173,357,647</u>	<u>135,928,230</u>	<u>142,444,546</u>	<u>112,868,646</u>

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefit obligation due upon retirement for the years ended December 31, are as follows:

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2019	2018	2019	2018
Current service cost	26,998,180	24,557,628	20,279,267	22,567,589
Interest cost	1,712,457	2,855,965	1,373,119	2,168,796
Actuarial (gains) loss	<u>18,872,474</u>	<u>(3,112,577)</u>	<u>16,718,176</u>	<u>(4,562,180)</u>
	<u>47,583,111</u>	<u>24,301,016</u>	<u>38,370,562</u>	<u>20,174,205</u>

Movements in provision for employee benefit for the years ended December 31, are as follows:

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2019	2018	2019	2018
Beginning provision for employee benefit	135,928,230	130,968,442	112,868,646	105,980,449
Current service cost	26,998,180	24,557,628	20,279,267	22,567,589
Interest cost	1,712,457	2,855,965	1,373,119	2,168,796
Actuarial (gains) loss	18,872,474	(3,112,577)	16,718,176	(4,562,180)
Benefit paid	<u>(10,153,694)</u>	<u>(19,341,228)</u>	<u>(8,794,662)</u>	<u>(13,286,008)</u>
Ending provision for employee benefit	<u>173,357,647</u>	<u>135,928,230</u>	<u>142,444,546</u>	<u>112,868,646</u>



The principal actuarial assumptions used to calculate the provision for employee benefit as at December 31, are as follows:

	<b>Consolidated and Separate Financial Statements</b>	
	<b>2019</b>	<b>2018</b>
	<b>(% p.a.)</b>	<b>(% p.a.)</b>
Discount rate	1.50	2.75
Turnover rate	0 - 6	0 - 6
	Depend on range of employee age	Depend on range of employee age
Salary increasing rate	4 - 5	0 - 6
Gold price rate	22,000	19,500
Future gold price growth	3	3

The sensitivity analysis of the above actuarial assumptions impacted in present value of the provision for employee benefit as at December 31, 2019 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Million Baht Separate Financial Statements</b>
Discount rate		
Discount rate, decrease of 0.5 percent	12.59	10.97
Discount rate, increase of 0.5 percent	(11.11)	(9.63)
Turnover rates		
Turnover rates, decrease of 1 percent	12.84	11.21
Turnover rates, increase of 1 percent	(10.60)	(9.18)
Salary increasing rates		
Salary growth rates, decrease of 1 percent	(10.35)	(8.96)
Salary growth rates, increase of 1 percent	13.55	11.83
Future gold price rate		
Gold price growth rates, decrease of 1 percent	(11.58)	(10.07)
Gold price growth rates, increase of 1 percent	11.70	10.18

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. PROVIDENT FUND

The Company and its subsidiaries have a contributory provident fund for those employees. The contributions from employees are deducted from the monthly salaries, with the Company and its subsidiaries matching the individual's contributions. The provident fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2019 and 2018, the Company's contribution and subsidiaries' contribution to provident fund which were recorded as expenses in the consolidated financial statements in amounts of Baht 15.45 million and Baht 16.11 million, respectively.

For the years ended December 31, 2019 and 2018, the Company's contribution to provident fund which was recorded as expenses in the separate financial statements in amounts of Baht 12.65 million and Baht 13.19 million, respectively.

## 19. OTHER INCOME

Other income for the years ended December 31, consists of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Interest income	71,406,577	57,608,905	68,776,945	55,371,780
Rental income	5,852,205	6,242,138	19,079,875	19,467,115
Dividend income	-	-	21,124,976	18,387,440
Gain on sale of property, plant and equipment	1,411,395	4,936,314	-	2,868,399
Gain on foreign exchange rate-net	8,968,822	41,014,040	9,161,830	44,400,751
Others	18,739,258	25,615,772	18,625,931	26,258,335
	<u>106,378,257</u>	<u>135,417,169</u>	<u>136,769,557</u>	<u>166,753,820</u>

## 20. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, have been arrived at the following significant expenses:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Changes in finished goods and work in process	99,862,592	88,135,552	79,334,312	222,592,434
Cost of finished goods purchased	139,543,240	327,183,362	-	-
Raw materials used	5,995,780,925	6,860,255,935	5,833,029,853	6,855,974,668
Employee benefit expenses	510,481,061	513,335,315	416,102,401	426,793,276
Depreciation and amortization	253,833,896	227,341,246	215,155,142	194,472,133
Reversal of loss on diminution in value of inventories	(1,554,670)	(5,340,188)	(1,554,670)	(5,070,613)
Doubtful accounts (reversal)	115,637	(6,341,186)	155,137	(6,269,585)

## 21. SHARE DISCOUNT ON ORDINARY SHARES

Share discount on ordinary shares as at December 31, consist of the following:

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2019	2018	2019	2018
Share premium on ordinary shares	2,280,000,000	2,280,000,000	2,280,000,000	2,280,000,000
Share discount on ordinary shares	<u>(2,323,570,340)</u>	<u>(2,323,570,340)</u>	<u>(2,323,570,340)</u>	<u>(2,323,570,340)</u>
	<u>(43,570,340)</u>	<u>(43,570,340)</u>	<u>(43,570,340)</u>	<u>(43,570,340)</u>

## 22. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company does not apply any financial ratio to monitor its capital whilst manages its capital to be sufficient for its working capital.

## 23. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net income deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital. Such reserve fund is not available for distribution as dividend.

## 24. 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 net profit for 2018. Such dividends were subsequently 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 net profit for 2017. Such dividends were subsequently paid in April 2018.

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)	Dividend paid to		Unit : Baht
			Owners of parent	Non-controlling interests	Total amount
N.I.M. Company Limited	April 18, 2019	3.00	19,125,000	18,375,000	37,500,000
MC Agro-Chemicals Company Limited	April 24, 2019	4.00	<u>1,999,976</u>	<u>24</u>	<u>2,000,000</u>
			<u>21,124,976</u>	<u>18,375,024</u>	<u>39,500,000</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)	Dividend paid to		Unit : Baht
			Owners of parent	Non-controlling interests	Total amount
N.I.M. Company Limited	March 30, 2018	2.10	13,387,500	12,862,500	26,250,000
MC Agro-Chemicals Company Limited	March 30, 2018	10.00	<u>4,999,940</u>	<u>60</u>	<u>5,000,000</u>
			<u>18,387,440</u>	<u>12,862,560</u>	<u>31,250,000</u>

## 25. TRANSACTIONS BETWEEN RELATED PARTIES

Transactions between related parties are as follows:

### 25.1 Investments

#### 25.1.1 Investment in an associate

As at December 31, 2019

AS at December 31, 2019							Unit : Baht
Company name	Type of business	Relationship	Paid-up capital	Ownership %	Cost	Investment	Dividend received
						Equity	
ASSOCIATED COMPANY							
Central Pacific (Thailand) Corporation Limited	Leased out warehouse	Associate	200,000,000	49.00	98,000,000	136,568,733	-

As at December 31, 2018

AS at December 31, 2016							Unit : Baht
Company name	Type of business	Relationship	Paid-up capital	Ownership %	Cost	Investment	Dividend received
						Equity	
ASSOCIATED COMPANY							
Central Pacific (Thailand) Corporation Limited	Leased out warehouse	Associate	200,000,000	49.00	98,000,000	136,247,216	-

Aggregate information of an associate that is not individually material

Share of profit from investment in an associate for the years ended December 31, consist of the following:

	<b>Unit : Baht</b>	
	<b>Consolidated</b>	
	<b>Financial Statements</b>	
	<b>2019</b>	<b>2018</b>
Share of profit from investment in an associate	<u>321,517</u>	<u>285,587</u>

## 25.1.2 Investments in subsidiaries

							Unit : Thousand Baht	
Company name	Type of business	Relationship	Paid-up capital		Ownership % (Direct and Indirect)		Cost	
			2019	2018	2019	2018	2019	2018
SUBSIDIARIES								
N.I.M. Company Limited	Leased out tank yard for containing chemical	Subsidiary	125,000	125,000	51.00	51.00	63,750	63,750
MC Agro-Chemicals Company Limited	Manufacture, import and distribute agriculture chemicals	Subsidiary	50,000	50,000	99.99	99.99	49,999	49,999
TCCC Myanmar Limited	Manufacture, import and distribute various chemical fertilizer compound	Subsidiary	439,106	439,106	99.99	99.99	439,106	439,106
							552,855	552,855

## 25.2 Business transactions with related parties

### 25.2.1 Balances with related parties as at December 31, consist of the following:

Account name/ Company's name	Relationship	<b>Unit : Baht</b>			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>Financial Statements</b>	<b>Financial Statements</b>	<b>Financial Statements</b>	<b>Financial Statements</b>
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Trade receivables</b>					
Sojitz Corporation Group	Major shareholder	-	134,966	-	-
TCCC Myanmar Limited	Subsidiary	-	-	65,055,563	73,331,732
Atlas Fertilizer Corporation	Related Company	<u>4,518,688</u>	<u>-</u>	<u>4,518,688</u>	<u>-</u>
		<u>4,518,688</u>	<u>134,966</u>	<u>69,574,251</u>	<u>73,331,732</u>
<b>Other receivables</b>					
N.I.M. Company Limited	Subsidiary	-	-	717,691	552,010
MC Agro-Chemicals Company Limited	Subsidiary	-	-	45,514	86,567
TCCC Myanmar Limited	Subsidiary	<u>-</u>	<u>-</u>	<u>512,824</u>	<u>711,637</u>
		<u>-</u>	<u>-</u>	<u>1,276,029</u>	<u>1,350,214</u>
<b>Trade payables</b>					
Sojitz Corporation Group	Major shareholder	<u>2,882,687</u>	<u>6,523,205</u>	<u>-</u>	<u>-</u>
<b>Other payables</b>					
Metro Systems Corporation Public Company Limited	Related Company	<u>215,659</u>	<u>216,729</u>	<u>197,469</u>	<u>198,539</u>
<b>Other current liabilities</b>					
TCCC Myanmar Limited	Subsidiary	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,186</u>

25.2.2 Transactions with related parties for the years ended December 31, consist of the following:

Account name/ Company's name	Relationship	Unit : Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
<b>Revenues from sales and services</b>					
Sojitz Corporation Group	Major shareholder	3,690,425	7,895,169	-	-
TCCC Myanmar Limited	Subsidiary	-	-	156,427,870	252,876,594
Atlas Fertilizer Corporation	Related Company	4,549,578	-	4,549,578	-
		<u>8,240,003</u>	<u>7,895,169</u>	<u>160,977,448</u>	<u>252,876,594</u>
<b>Other income</b>					
N.I.M. Company Limited	Subsidiary	-	-	14,512,430	14,318,447
MC Agro-Chemicals Company Limited	Subsidiary	-	-	30,374	69,788
TCCC Myanmar Limited	Subsidiary	-	-	2,530,521	2,938,308
		<u>-</u>	<u>-</u>	<u>17,073,325</u>	<u>17,326,543</u>
<b>Dividend income</b>					
N.I.M. Company Limited	Subsidiary	-	-	19,125,000	13,387,500
MC Agro-Chemicals Company Limited	Subsidiary	-	-	1,999,976	4,999,940
		<u>-</u>	<u>-</u>	<u>21,124,976</u>	<u>18,387,440</u>
<b>Purchases</b>					
Sojitz Corporation Group	Major shareholder	9,622,067	12,948,760	-	-
<b>Purchase assets</b>					
Metro Systems Corporation Public Company Limited	Related Company	3,384,450	-	3,384,450	-
<b>Other expenses</b>					
Metro Systems Corporation Public Company Limited	Related Company	2,437,600	2,432,600	2,215,600	2,226,600
<b>Managements' remuneration</b>					
	Directors	36,530,711	36,208,779	36,008,711	35,836,779

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.

## 26. SIGNIFICANT AGREEMENTS

### 26.1 Technical assistance agreement

The Company has a technical assistance agreement with a company in Japan. The Company is obligated to pay a basic retaining fee of USD 50,000 per annum. The agreement is in effect for a period of one year and shall be automatically renewed on a yearly basis unless either party expresses its intention not to renew the agreement by written notice to other party at least three months before the expiring date.

### 26.2 Energy performance agreement

The Company entered into Energy Performance Contract (EPC) with a company. The Company will be advised to improve the efficiency of energy saving and has to pay monthly advisory fees based on percentage of the electricity power saving value in each month as specified in the agreement. The period of payment starts when the cogeneration project is complete and will pay some saving amount according to Energy Performance Contract.

## 27. COMMITMENTS AND CONTINGENT LIABILITIES

27.1 The Company has capital commitments for capital expenditure as at December 31, 2019 and 2018, of Baht 15.21 million and Baht 37.29 million, respectively.

A foreign subsidiary has capital commitment for capital expenditure as at December 31, 2018, of USD 0.01 million (or equivalent Baht 0.34 million) (2019: nil).

A subsidiary has capital commitment for capital expenditure as at December 31, 2019 of Baht 7.25 million (2018: nil).

27.2 As at December 31, the Company and its subsidiaries have leased office buildings, warehouse, vehicles and office equipment under operating lease agreements. The future lease payments are summarized as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Not later than one year	24,248,181	39,520,048	16,055,060	29,975,693
Later than one year but not later five years	21,617,044	25,165,112	20,757,478	25,049,612
	<u>45,865,225</u>	<u>64,685,160</u>	<u>36,812,538</u>	<u>55,025,305</u>

Unit : Baht

For the years ended December 31, 2019 and 2018, the Company and its subsidiaries recognized rental fees from operating lease agreements of Baht 39.40 million and Baht 57.71 million in the consolidated financial statements, respectively, and for the separate financial statements of Baht 30.92 million and Baht 41.57 million, respectively.

27.3 The Company and its subsidiaries are granted credit facilities from financial institutions which consisted of bank overdrafts and short-term borrowings, letters of credit, forward contracts and letters of guarantee.

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

		Consolidated Financial Statements		Separate Financial Statements	
	Currency	2019	2018	2019	2018
Credit facilities*	Baht	11,623.62	11,627.23	11,426.96	11,466.53
	USD	39.50	30.00	30.00	30.00
Credit facility for forward exchange contracts	Baht	2,656.77	2,483.13	2,636.77	2,466.08
	USD	166.24	167.54	159.66	162.24
Letter of guarantee	Baht	91.34	91.34	91.34	91.34

Unit : Million

As at December 31, 2019 and 2018, credit facilities of the Company and its subsidiaries pledged by land and buildings (see Note 9).

\* The Company and its subsidiaries has been allowed by certain financial institutions to have forward exchange contracts for letters of credit and trust receipts granted under such credit.

- 27.4 The Company and its subsidiaries has commitments with banks for letters of guarantee issued as at December 31, consist of the following:

	<b>Consolidated Financial Statements</b>		<b>Unit : Baht Separate Financial Statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Letters of guarantee for electricity	<u>8,830,500</u>	<u>8,830,500</u>	<u>8,655,500</u>	<u>8,655,500</u>

- 27.5 As at December 31, 2019, the Company has commitment for being as a guarantor of short-term borrowings and other facilities for a subsidiary of USD 12.00 million or equivalent Baht 363.98 Million (2018 : nil) (see Note 13).

As at December 31, 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 95.07 million) (2018 : nil).

- 27.6 As at December 31, 2019 and 2018, the Company has commitment with a bank regarding the outstanding letters of credit amounting to USD 6.35 million (or equivalent to Baht 192.61 million) and USD 1.62 million (or equivalent to Baht 52.82 million), respectively.

As at December 31, 2019 and 2018, a subsidiary have commitment with a bank regarding the outstanding letters of credit amounting to USD 0.04 million (or equivalent to Baht 1.15 million) and USD 0.07 million (or equivalent to Baht 2.31 million), respectively.

## **28. 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.



For the year ended December 31, 2019, the business segment information of the Company and its subsidiaries classified by industries is as follows:

	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income (loss)	Unit : Baht Assets employed
Fertilizer section					
- Revenues from sales	8,598,866,025	-	8,598,866,025		
- Other income	49,875,127	87,867,765	137,742,892		
	8,648,741,152	87,867,765	8,736,608,917	1,120,382,528	11,122,513,834
Rental services section					
- Revenues from service	-	112,222,837	112,222,837		
- Other income	3,790,032	2,494,408	6,284,440		
	3,790,032	114,717,245	118,507,277	42,285,138	237,546,947
Others section					
- Revenues from sales	238,447,157	21,484,222	259,931,379		
- Other income	973,592	147,234	1,120,826		
	239,420,749	21,631,456	261,052,205	6,526,668	248,961,271
<u>Less</u> Intersegment revenues			(194,876,254)		
Total revenues			8,921,292,145		
Profit before income tax expense				1,169,194,334	
<u>Less</u> Income tax expense				(244,912,918)	
Total comprehensive income				924,281,416	
					11,609,022,052
<u>Less</u> Intersegment assets					(577,088,684)
Total assets					11,031,933,368
<u>Less</u> Non-controlling interests in total comprehensive income				(16,559,336)	
Exchange differences on translation of financial statements of foreign subsidiary				(22,173,208)	
Total comprehensive income attributable to owners of the parent				885,548,872	
Consolidated assets as at December 31, 2019					11,031,933,368

For the year ended December 31, 2018, the business segment information of the Company and its subsidiaries classified by industries is as follows:

	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income (loss)	Unit : Baht Assets employed
Fertilizer section					
- Revenues from sales	10,108,998,328	-	10,108,998,328		
- Other income	88,318,795	74,868,419	163,187,214		
	10,197,317,123	74,868,419	10,272,185,542	1,651,315,521	11,206,647,292
Rental services section					
- Revenues from service	-	116,773,890	116,773,890		
- Other income	2,868,361	2,312,642	5,181,003		
	2,868,361	119,086,532	121,954,893	46,213,228	235,556,365
Others section					
- Revenues from sales	349,152,315	9,460	349,161,772		
- Other income	2,458,353	177,105	2,635,458		
	351,610,668	186,565	351,797,233	9,538,885	282,432,303
<u>Less</u> Intersegment revenues			(288,177,513)		
Total revenues			10,457,760,155		
Profit before income tax expense				1,707,067,634	
<u>Less</u> Income tax expense				(355,033,533)	
Total comprehensive income				1,352,034,101	
					11,724,635,960
<u>Less</u> Intersegment assets					(597,283,259)
Total assets					11,127,352,701
<u>Less</u> Non-controlling interests in total comprehensive income				(18,125,420)	
Exchange differences on translation of financial statements of foreign subsidiary				(3,723,574)	
Total comprehensive income attributable to owners of the parent				1,330,185,107	
Consolidated assets as at December 31, 2018					11,127,352,701

## 29. DISCLOSURE OF FINANCIAL INSTRUMENTS

### 29.1 Credit risk

Credit risk refers to the risk that counterparty default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of a portion of allowance for doubtful accounts, represents the Company and its subsidiaries maximum exposure to credit risk. Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and their dispersion across different geographic regions in Thailand.

## 29.2 Interest rate risk

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Company and its subsidiaries in the current reporting period and in the future years. In case the interest rate is higher, it may have an impact to the Company's and subsidiaries' operations due to a subsidiary's has significant loans.

## 29.3 Fair value of financial instruments

### CONSOLIDATED FINANCIAL STATEMENTS

	Unit : Thousand Baht		
	As at December 31, 2019		Fair value
	Carrying Amount	Fair Value	hierarchy
<u>Financial assets</u>			
Cash and cash equivalents	3,507,123	3,507,123	Level 3
Current investments	2,675,452	2,675,452	Level 3
Trade receivables	499,156	499,156	Level 3
<u>Financial liabilities</u>			
Bank overdrafts and short-term borrowings from financial institutions	90,986	90,986	Level 3
Trade payables	157,153	157,153	Level 3
Liabilities under finance lease agreements (including current portion)	6,820	6,374	Level 3
	Unit : Thousand Baht		
	As at December 31, 2018		Fair value
	Carrying Amount	Fair Value	hierarchy
<u>Financial assets</u>			
Cash and cash equivalents	5,516,734	5,516,734	Level 3
Current investments	175,324	175,324	Level 3
Trade receivables	345,205	345,205	Level 3
<u>Financial liabilities</u>			
Bank overdrafts and short-term borrowings from financial institutions	35,333	35,333	Level 3
Trade payables	253,037	253,037	Level 3
Liabilities under finance lease agreements (including current portion)	9,956	9,282	Level 3

SEPARATE FINANCIAL STATEMENTS

		Unit : Thousand Baht	
		As at December 31, 2019	Fair value
		Carrying Amount	hierarchy
<u>Financial assets</u>			
Cash and cash equivalents		3,399,179	Level 3
Current investments		2,500,000	Level 3
Trade receivables		527,373	Level 3
<u>Financial liabilities</u>			
Trade payables		131,895	Level 3
Liabilities under finance lease agreements (including current portion)		1,752	Level 3

  

		Unit : Thousand Baht	
		As at December 31, 2018	Fair value
		Carrying Amount	hierarchy
<u>Financial assets</u>			
Cash and cash equivalents		5,443,612	Level 3
Trade receivables		359,562	Level 3
<u>Financial liabilities</u>			
Trade payables		228,043	Level 3
Liabilities under finance lease agreements (including current portion)		4,308	Level 3

## 29.4 Foreign exchange risk

### Forward exchange contract

As at December 31, 2019 and 2018, the Company and its subsidiaries entered into various forward exchange contracts with banks to hedge certain portions of their assets and liabilities denominated in foreign currencies. The details of such contracts are as follows:

				Unit : Baht			
Forward purchase contracts				The remaining	Net fair value	Fair value	Valuation
	Currency	Amount	Average Rate	Period day	gain (loss)	hierarchy	Technique(s)
<b>As at December 31, 2019</b>							
The Company	USD	7,002,399	30.2798	7 - 185	(673,332)	Level 2	Discontinued cash flow*
A subsidiary	USD	916,597	30.3042	51 - 186	(209,718)		

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

							Unit : Baht
Forward purchase contracts				The remaining Period day	Net fair value gain (loss)	Fair value hierarchy	Valuation Technique(s)
	Currency	Amount	Average Rate				
As at December 31, 2018							
The Company	USD	9,224,043	32.4827	5 - 272	(1,089,630)	Level 2	Discontinued cash flow*
A subsidiary	USD	2,297,798	32.8139	3 - 179	(963,918)		

Unit : Baht							
Forward sell contracts				The remaining Period (day)	Net fair value gain (loss)	Fair value hierarchy	Valuation Technique(s)
	Currency	Amount	Average Rate				
As at December 31, 2019							
The Company	USD	2,206,707	30.2875	87 - 155	869,036	Level 2	Discontinued cash flow*
As at December 31, 2018							
The Company	USD	2,562,943	32.4910	93 - 178	848,946	Level 2	Discontinued 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 contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

## Foreign assets and liabilities

As at December 31, 2019 and 2018 the Company and its subsidiaries have foreign assets and liabilities which part of forward exchange contracts with banks to hedge certain portions of their assets and liabilities denominated in foreign currencies are as follows:

			Foreign assets	
			Currency	Amount
<b>As at December 31, 2019</b>				
The Company			USD	2,428,057
Subsidiaries			USD	474,375
			MMK	446,548,103
<b>As at December 31, 2018</b>				
The Company			USD	2,709,797
			MMK	4,738,982
Subsidiaries			USD	461,429
			MMK	132,831,538
			Foreign liabilities	
			Currency	Amount
<b>As at December 31, 2019</b>				
The Company			USD	3,106,281
			EUR	4,398
Subsidiaries			USD	3,405,839
<b>As at December 31, 2018</b>				
The Company			USD	5,324,709
Subsidiaries			USD	1,680,849

### **30. RECLASSIFICATION**

A reclassification has been made in the separate statement of financial position as at December 31, 2018, to conform to the classification used in current year's separate statement of financial position. Such reclassification has no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassification is as follows:

<b>Account</b>	<b>Previous presentation</b>	<b>Current presentation</b>	<b>Amount (Baht)</b>
Land	Property, plant and equipment	Investment properties	10,314,325

### **31. EVENT AFTER THE REPORTING PERIOD**

On February 24, 2020, the Board of Directors' meeting of the Company approved annual dividend payment for the operating result of 2019 at Baht 1.10 per share, totaling Baht 643.20 million. However, the approval for the dividend shall be proposed to the Annual General Meeting of shareholders of the Company for the year 2020 for further consideration and approval.

### **32. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved for issue by the Board of Directors of the Company on February 24, 2020.