

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

TO THE BOARD OF DIRECTORS

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Thai Central Chemical Public Company Limited and its subsidiaries and the separate statement of financial position of Thai Central Chemical Public Company Limited as at June 30, 2020, and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2020, and the related consolidated and separate statements of changes in shareholders' equity, and cash flows for the six-month period ended June 30, 2020, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

BANGKOK
August 14, 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

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	4,349,934	3,507,123	4,231,255	3,399,179
Current investments	2.6 and 7.1	-	2,675,452	-	2,500,000
Trade and other current receivables	5.1	1,232,834	559,126	1,229,315	579,801
Inventories	6	2,636,776	1,755,555	2,396,363	1,539,088
Other current financial assets	2.6 and 7.1	1,100,708	-	950,000	-
Other current assets		3,780	588	3,582	525
Total Current Assets		9,324,032	8,497,844	8,810,515	8,018,593
NON-CURRENT ASSETS					
Investment in an associate	22.1.1	136,714	136,569	98,000	98,000
Investments in subsidiaries	22.1.2	-	-	552,855	552,855
Investment properties	8	29,213	29,213	39,527	39,527
Property, plant and equipment	9	1,655,248	1,702,143	1,414,586	1,453,818
Leashold right	10	-	73,095	-	-
Right-of-use assets	10	146,502	-	66,793	-
Other intangible assets other than goodwill	11	546,120	546,454	545,901	545,901
Deferred tax assets	12	43,387	39,983	37,110	33,623
Other non-current assets		6,421	6,632	5,113	5,354
Total Non-current Assets		2,563,605	2,534,089	2,759,885	2,729,078
TOTAL ASSETS		11,887,637	11,031,933	11,570,400	10,747,671

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2020

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	13	182,181	90,986	-	-
Trade and other current payables	14	1,159,674	541,376	1,086,053	470,629
Current portion of lease liabilities	16	18,778	3,810	16,837	1,177
Corporate income tax payable		180,125	131,481	177,383	127,872
Current provision for employee benefits	17	17,789	19,520	7,806	11,611
Other current financial liabilities		28,754	-	27,073	-
Other current liabilities		25,155	23,618	10,650	11,708
Total Current Liabilities		<u>1,612,456</u>	<u>810,791</u>	<u>1,325,802</u>	<u>622,997</u>
NON-CURRENT LIABILITIES					
Lease liabilities	16	51,583	3,010	49,934	575
Deferred tax liabilities	12	116,609	116,609	109,180	109,180
Non-current provision for employee benefits	17	149,556	153,838	129,043	130,834
Other non-current liabilities		17,306	14,293	16,034	11,734
Total Non-current Liabilities		<u>335,054</u>	<u>287,750</u>	<u>304,191</u>	<u>252,323</u>
TOTAL LIABILITIES		<u>1,947,510</u>	<u>1,098,541</u>	<u>1,629,993</u>	<u>875,320</u>

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2020

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
584,716,118 ordinary shares of Baht 3 each,		1,754,148	1,754,148	1,754,148	1,754,148
Issued and paid-up share capital					
584,714,068 ordinary shares of Baht 3 each, fully paid		1,754,142	1,754,142	1,754,142	1,754,142
DISCOUNT ON ORDINARY SHARES	20	(43,570)	(43,570)	(43,570)	(43,570)
RETAINED EARNINGS					
Appropriated					
Legal reserve		175,415	175,415	175,415	175,415
Unappropriated		8,026,021	8,015,150	8,054,420	7,986,364
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		(55,124)	(59,663)	-	-
TOTAL ATTRIBUTIONS TO OWNERS					
OF THE PARENT		9,856,884	9,841,474	9,940,407	9,872,351
NON-CONTROLLING INTERESTS		83,243	91,918	-	-
TOTAL SHAREHOLDERS' EQUITY		9,940,127	9,933,392	9,940,407	9,872,351
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		11,887,637	11,031,933	11,570,400	10,747,671

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues from sales		3,194,399	3,121,587	3,069,662	3,003,223
Revenues from services		28,947	35,465	-	-
Cost of sales of goods		(2,325,707)	(2,498,964)	(2,215,232)	(2,398,568)
Cost of rendering of services		(9,325)	(15,815)	-	-
Gross profit		888,314	642,273	854,430	604,655
Other income	18	23,166	22,528	47,363	45,785
Profit before expenses		911,480	664,801	901,793	650,440
Selling expenses		(71,832)	(104,623)	(59,025)	(88,182)
Administrative expenses		(102,348)	(84,753)	(77,298)	(62,065)
Managements' remuneration	22.2.2	(10,110)	(9,165)	(9,642)	(9,147)
Total expenses		(184,290)	(198,541)	(145,965)	(159,394)
Profit from operating activities		727,190	466,260	755,828	491,046
Finance costs		(1,533)	(1,488)	(675)	(108)
Share of profit from investment in an associate	22.1.1	67	74	-	-
PROFIT BEFORE INCOME TAX EXPENSE		725,724	464,846	755,153	490,938
INCOME TAX EXPENSE		(154,643)	(94,667)	(152,892)	(92,328)
PROFIT FOR THE PERIOD		571,081	370,179	602,261	398,610

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2020	2019	2020	2019	
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translation of financial statements of a foreign subsidiary	(11,254)	(10,427)	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	559,827	359,752	602,261	398,610	
PROFIT ATTRIBUTABLE TO					
Owners of the parent	567,553	367,716	-	-	
Non-controlling interests	3,528	2,463	-	-	
	571,081	370,179	-	-	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent	556,299	357,289	-	-	
Non-controlling interests	3,528	2,463	-	-	
	559,827	359,752	-	-	
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE	BAHT	0.97	0.63	1.03	0.68
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	THOUSAND SHARES	584,714	584,714	584,714	584,714

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues from sales		4,327,607	4,356,745	4,143,121	4,199,442
Revenues from services		60,485	67,691	-	-
Cost of sales of goods		(3,260,656)	(3,546,651)	(3,093,511)	(3,418,519)
Cost of rendering of services		(20,027)	(29,086)	-	-
Gross profit		1,107,409	848,699	1,049,610	780,923
Other income	18	51,797	49,071	78,400	75,586
Profit before expenses		1,159,206	897,770	1,128,010	856,509
Selling expenses		(139,783)	(158,662)	(113,337)	(128,397)
Administrative expenses		(156,510)	(164,536)	(109,014)	(121,622)
Managements' remuneration	22.2.2	(19,062)	(18,084)	(18,576)	(18,048)
Total expenses		(315,355)	(341,282)	(240,927)	(268,067)
Profit from operating activities		843,851	556,488	887,083	588,442
Finance costs		(2,599)	(2,512)	(928)	(181)
Share of profit from investment in an associate	22.1.1	145	151	-	-
PROFIT BEFORE INCOME TAX EXPENSE		841,397	554,127	886,155	588,261
INCOME TAX EXPENSE	12	(179,172)	(114,651)	(174,914)	(110,182)
PROFIT FOR THE PERIOD		662,225	439,476	711,241	478,079

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2020	2019	2020	2019	
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translation of financial statements of a foreign subsidiary	4,539	(17,461)	-	-	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	666,764	422,015	711,241	478,079	
PROFIT ATTRIBUTABLE TO					
Owners of the parent	654,056	432,703	-	-	
Non-controlling interests	8,169	6,773	-	-	
	662,225	439,476	-	-	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent	658,595	415,242	-	-	
Non-controlling interests	8,169	6,773	-	-	
	666,764	422,015	-	-	
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE	BAHT	1.12	0.74	1.22	0.82
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	THOUSAND SHARES	584,714	584,714	584,714	584,714

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	Note	Attributions to owners of the parent				Total attributions to owners of the parent	Non-controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Discount on ordinary shares	Retained earnings Appropriated Legal reserve	Unappropriated				Other components of shareholders' equity Exchange differences on translation of financial statements of a foreign subsidiary
Beginning balances as at January 1, 2019		1,754,142	(43,570)	175,415	7,984,499	(37,490)	9,832,996	93,734	9,926,730
Dividends paid	21	-	-	-	(877,071)	-	(877,071)	-	(877,071)
Dividends to non-controlling interests of subsidiaries		-	-	-	-	-	-	(18,375)	(18,375)
Total comprehensive income for the period		-	-	-	432,703	(17,461)	415,242	6,773	422,015
Ending balances as at June 30, 2019		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,540,131</u>	<u>(54,951)</u>	<u>9,371,167</u>	<u>82,132</u>	<u>9,453,299</u>
Beginning balances as at January 1, 2020		1,754,142	(43,570)	175,415	8,015,150	(59,663)	9,841,474	91,918	9,933,392
Dividends paid	21	-	-	-	(643,185)	-	(643,185)	-	(643,185)
Dividends to non-controlling interests of subsidiaries		-	-	-	-	-	-	(16,844)	(16,844)
Total comprehensive income for the period		-	-	-	654,056	4,539	658,595	8,169	666,764
Ending balances as at June 30, 2020		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>8,026,021</u>	<u>(55,124)</u>	<u>9,856,884</u>	<u>83,243</u>	<u>9,940,127</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEPARATE FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	Note	Issued and paid-up share capital	Discount on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
Beginning balances as at January 1, 2019		1,754,142	(43,570)	175,415	7,876,626	9,762,613
Dividends paid	21	-	-	-	(877,071)	(877,071)
Total comprehensive income for the period		-	-	-	478,079	478,079
Ending balances as at June 30, 2019		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>7,477,634</u>	<u>9,363,621</u>
Beginning balances as at January 1, 2020		1,754,142	(43,570)	175,415	7,986,364	9,872,351
Dividends paid	21	-	-	-	(643,185)	(643,185)
Total comprehensive income for the period		-	-	-	711,241	711,241
Ending balances as at June 30, 2020		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>8,054,420</u>	<u>9,940,407</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	841,397	554,127	886,155	588,261
Adjusted by				
Doubtful debts	10,467	8,391	10,309	8,403
Loss on diminution in value of inventories (Reversal)	1,131	(1,442)	1,131	(1,442)
Reversal of loss on diminution in value of investment property	-	(3,402)	-	(3,402)
Depreciation and amortization	131,420	122,849	113,700	105,444
Gain on sales of property, plant and equipment	(1,230)	(692)	(745)	(275)
Loss on write-off property, plant and equipment	-	17	-	-
Employee benefit obligations expense	6,864	7,955	6,015	3,855
Share of profit from investment in an associate	(145)	(151)	-	-
Unrealized (gain) loss on foreign exchange rate	12,694	(8,712)	11,832	(9,006)
Dividend income	-	-	(20,531)	(21,125)
Interest income	(32,258)	(32,309)	(31,121)	(31,054)
Finance costs	2,599	2,512	928	181
Total adjustments from reconciliation of gain balances	972,939	649,143	977,673	639,840
Changes in operating assets and liabilities				
Increase in trade and other current receivables	(695,043)	(799,348)	(669,964)	(758,101)
Increase in inventories	(882,352)	(892,938)	(858,406)	(852,402)
(Increase) decrease in other current assets	(3,192)	342	(3,057)	369
(Increase) decrease in other non-current assets	211	224	241	(73)
Increase in trade and other current payables	623,280	689,555	615,339	662,995
Increase in other current financial liabilities	16,581	-	16,512	-
Increase (decrease) in other current liabilities	1,537	17,979	(1,057)	19,647
Cash paid for employee benefit obligations	(12,877)	(8,200)	(11,611)	(7,763)
Increase (decrease) in other non-current liabilities	3,013	26	4,300	(45)
Net cash provided by (used in) operations	24,097	(343,217)	69,970	(295,533)
Cash paid for income tax	(133,931)	(128,938)	(128,891)	(124,134)
Net cash used in operating activities	(109,834)	(472,155)	(58,921)	(419,667)

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in current investments	2.6	2,675,452	14,999	2,500,000	-
Increase in other current financial assets - Time deposits					
with maturity date over 3 months but less than 1 year	2.6	(1,100,708)	-	(950,000)	-
Cash paid for purchases of property, plant and equipment		(83,863)	(94,029)	(70,533)	(86,626)
Proceeds from sales of property, plant and equipment		3,222	1,795	2,237	1,038
Dividend received from subsidiaries		-	-	20,531	21,125
Interest received		41,546	35,159	39,993	34,052
Net cash provided by (used in) investing activities		<u>1,535,649</u>	<u>(42,076)</u>	<u>1,542,228</u>	<u>(30,411)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from bank overdrafts and					
short-term borrowings from financial institutions		91,951	133,972	-	-
Cash repayment for lease agreements		(8,597)	(3,865)	(7,119)	(1,641)
Cash payment for dividend		(643,184)	(877,071)	(643,184)	(877,071)
Cash payment for dividend - subsidiaries		(16,844)	(18,375)	-	-
Interest paid		(4,462)	(1,790)	(928)	(85)
Net cash used in financing activities		<u>(581,136)</u>	<u>(767,129)</u>	<u>(651,231)</u>	<u>(878,797)</u>
Exchange differences on translation of financial statements					
of a foreign subsidiary		(1,868)	(2,352)	-	-
Net increase (decrease) in cash and cash equivalents		842,811	(1,283,712)	832,076	(1,328,875)
Cash and cash equivalents as at January 1,		3,507,123	5,516,734	3,399,179	5,443,612
Cash and cash equivalents as at June 30,	4.3	<u>4,349,934</u>	<u>4,233,022</u>	<u>4,231,255</u>	<u>4,114,737</u>

See condensed notes to the financial statements

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2020
“Unaudited”**

1. OPERATIONS AND GENERAL INFORMATION

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

1.1 The operation of the Company

Thai Central Chemical Public Company Limited (the “Company”) is a listed company in The Stock Exchange of Thailand with its head office located at 944 Mitrtown Office Tower, 8th Floor, Room No. 801-806 and 809-810, Rama 4 Road, Wangmai, Pathumwan, Bangkok.

The Company is a manufacturer, importer, exporter and distributor of various chemical fertilizer compound. The major shareholders of the Company are Sojitz Corporation holding 43.92% and ISTS (Thailand) Co., Ltd. holding 39.53%.

1.2 The operations of subsidiaries

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

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

1.2.3 TCCC Myanmar Limited was registered in the republic of the union of Myanmar with its office located at Lot No. C-15 & C-18 Thilawa SEZ zone A, Yangon Region, the republic of the union of Myanmar. The company’s main business is to manufacture, import and distribute various chemical fertilizer compound.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the business environment. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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

- 2.1 These consolidated and separate interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard (“TAS”) No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to the interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards (“TFRS”), but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2020, should be read in conjunction with the audited financial statements for the year ended December 31, 2019.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month and six-month periods ended June 30, 2020, have included the subsidiaries’ interim financial statements for the three-month and six-month periods ended June 30, 2020 which were reviewed.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standards which become effective for fiscal year and involve changes to key principles are summarized below:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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.

The Group’s management has assessed the impact of such Financial Instruments Standards for the classification of financial assets and financial liabilities as follows:

	Consolidated financial statements			Unit : Thousand Baht
	(i)	(ii)	(iii) = (i)+(ii)	
	Carrying amount as of December 31, 2019	Reclassifications	Carrying amount as of January 1, 2020	Category
Current investments				
Time deposits with maturity date over 3 months but less than 1 year	2,675,452	(2,675,452)	-	
Other current assets				
Derivative assets - forward exchange contracts	196	(196)	-	
Other current financial assets				
Time deposits with maturity date over 3 months but less than 1 year	-	2,675,452	2,675,452	Financial asset measured at amortized cost
Derivative assets - forward exchange contracts	-	196	196	Financial assets FVTPL
Total	-	2,675,648	2,675,648	
Other current liabilities				
Derivative liabilities - forward exchange contracts	300	(300)	-	
Other current financial liabilities				
Derivative liabilities - forward exchange contracts	-	300	300	Financial liabilities FVTPL

Unit : Thousand Baht

	(i)	Separate financial statements		Category
	Carrying amount as of December 31, 2019	(ii) Reclassifications	(iii) = (i)+(ii) Carrying amount as of January 1, 2020	
Current investments				
Time deposits with maturity date over 3 months but less than 1 year	2,500,000	(2,500,000)	-	
Other current assets				
Derivative assets - forward exchange contracts	196	(196)	-	
Other current financial assets				
Time deposits with maturity date over 3 months but less than 1 year	-	2,500,000	2,500,000	Financial asset measured at amortized cost
Derivative assets - forward exchange contracts	-	196	196	Financial assets FVTPL
Total	-	2,500,196	2,500,196	

As at June 30, 2020, current investments of Baht 1,100.71 million and Baht 950.00 million are classified as other current financial assets in the consolidated and separate financial statements, respectively (see Note 7).

Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

TFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. This TFRS superseded 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”.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application of TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except short-term leases and leases of low-value assets as noted in c), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36.

c) Short-term leases and leases at low-value assets

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented in the statement of comprehensive income.

The Group has used the following practical expedients to leases previously classified as operating leases applying TAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognized under TAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying TAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from January 1, 2020.

Financial impact of the initial application of TFRS 16

The Group's management has applied TFRS 16 which the comparative information has not been restated and is presented under TAS 17 and TFRIC 4.

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 3.56%.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments at December 31, 2019	45,865	36,813
Short-term leases and leases of low-value assets	(20,108)	(11,056)
Effect of discounting the above amounts	(1,328)	(1,328)
Lease liabilities recognized at January 1, 2020	<u>24,429</u>	<u>24,429</u>

The Group has recognized the right-of-use assets at amount equal to the lease liability of Baht 24.43 million in the consolidated and separate financial statements, and reclassified leasehold right of Baht 73.10 million as at January 31, 2020 as right-of-use assets, upon the transition to TFRS 16 (see Note 10).

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020. The Group elected to apply one Accounting Treatment Guidance, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.

2.7 The consolidated interim financial statements include the account balances of the Company and the subsidiaries, after eliminating intercompany transactions and balances. The Company’s shareholdings in subsidiaries are as follows:

	As at June 30, 2020		2019	As at December 31, 2019	
	Percentage of shareholding		Percentage of shareholding	Percentage of shareholding	
N.I.M. Company Limited	51.00	51.00	51.00	51.00	51.00
MC Agro-Chemicals Company Limited	99.99	99.99	99.99	99.99	99.99
TCCC Myanmar Limited	99.99	99.99	99.99	99.99	99.99

2.8 The interim consolidated and separate financial statements are prepared in English version followed the consolidated and separate interim financial statements prepared in Thai language under Thai laws. In the event of any conflict or different interpretation in the two languages, the Thai version of interim consolidated and separate financial statements will prevail.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2. Accounting policies which significantly changed are as follows:

Financial instruments

Financial assets and financial liabilities are recognized in the Group's consolidated and separate statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets

The Group's financial asset represents time deposits with maturity date over 3 months but less than 1 year which is measured subsequently in their entirety at either amortized.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Leases

The Group's management has applied TFRS 16 which the comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

a) Policies applicable from January 1, 2020

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets i.e. personal computers. For these leases, the Group recognizes the lease payments in the statement of comprehensive income on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and decrease in book value to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and recognizes the identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of comprehensive income.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and recognized the lease and associated non-lease components as a single arrangement instead. The Group has used this practical expedient.

b) Policies applicable prior to January 1, 2020

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 an 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 are accounted for as a finance lease. The Group 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.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Purchases of property, plant and equipment for the six-month periods ended June 30, 2020 and 2019 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2020	Financial Statements 2019	Financial Statements 2020	Financial Statements 2019
Payables - asset acquisitions as at January 1,	8,649	13,054	5,749	13,054
<u>Add</u> Purchases of property, plant and equipment	81,045	86,720	70,615	76,986
<u>Less</u> Purchases of property, plant and equipment under finance lease agreements	-	(2,306)	-	-
<u>Less</u> Cash payments	(83,863)	(94,029)	(70,533)	(86,626)
Payables - asset acquisitions as at June 30,	<u>5,831</u>	<u>3,439</u>	<u>5,831</u>	<u>3,414</u>
Finance lease liabilities recognized under TAS 17 (including current portion) at January 1,	6,820	9,956	1,752	4,307
<u>Add</u> Lease liabilities recognized at January 1, 2020 (see Note 2.6)	24,429	-	24,429	-
Lease liabilities (including current portion) as at January 1,	31,249	9,956	26,181	4,307
<u>Add</u> Lease liabilities during the periods	47,709	2,306	47,709	-
<u>Less</u> Cash payments	(8,597)	(3,865)	(7,119)	(1,641)
Lease liabilities (including current portion) as at June 30,	<u>70,361</u>	<u>8,397</u>	<u>66,771</u>	<u>2,666</u>

4.2 The cash flows from bank overdrafts and short-term borrowings from financial institutions for the six-month periods ended June 30, 2020 and 2019 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Bank overdrafts and short-term borrowings from financial institutions as at January 1,	90,986	35,333	-	-
<u>Add</u> Cash received	91,951	133,972	-	-
<u>Less</u> Unrealized gain on foreign exchange rate	(756)	(625)	-	-
Bank overdrafts and short-term borrowings from financial institutions as at June 30,	<u>182,181</u>	<u>168,680</u>	<u>-</u>	<u>-</u>

4.3 Cash and cash equivalents

Cash and cash equivalents as at June 30, 2020 and December 31, 2019, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Cash on hand	983	1,076	560	560
Bank deposits in savings and current accounts	2,298,949	1,953,136	2,180,693	1,848,617
Cheque on hand	-	2,909	-	-
Time deposits with maturity within 3 months (interest rates 0.4% - 0.8% per annum)	<u>2,050,002</u>	<u>1,550,002</u>	<u>2,050,002</u>	<u>1,550,002</u>
	<u>4,349,934</u>	<u>3,507,123</u>	<u>4,231,255</u>	<u>3,399,179</u>

5. TRADE AND OTHER CURRENT RECEIVABLES

5.1 Trade and other current receivables as at June 30, 2020 and December 31, 2019, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Trade receivables (see Note 5.2)	1,197,565	499,156	1,200,123	527,843
Other receivables	5,416	4,563	6,712	5,563
Prepaid expenses	25,589	43,669	19,358	36,012
Accrued income	2,364	11,518	1,645	10,383
Advance payments	<u>1,900</u>	<u>220</u>	<u>1,477</u>	<u>-</u>
	<u>1,232,834</u>	<u>559,126</u>	<u>1,229,315</u>	<u>579,801</u>

5.2 Trade receivables as at June 30, 2020 and December 31, 2019, are classified by aging as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Number of outstanding trade receivables	585	341	209	165
Other companies				
Current	1,144,143	452,185	1,063,670	418,391
Overdue				
Less than or up to 3 months	65,314	48,192	63,426	45,617
More than 3 months up to 6 months	935	-	935	-
More than 6 months up to 12 months	3,470	-	3,470	-
More than 12 months	23,227	23,317	22,338	22,428
	<u>1,237,089</u>	<u>523,694</u>	<u>1,153,839</u>	<u>486,436</u>
Related companies (see Note 22.2.1)				
Current	-	4,519	84,760	69,574
Overdue				
Less than or up to 3 months	-	-	-	-
	<u>-</u>	<u>4,519</u>	<u>84,760</u>	<u>69,574</u>
Total trade receivables	1,237,089	528,213	1,238,599	556,010
<u>Less</u> Loss allowance for trade receivables	(39,524)	(29,057)	(38,476)	(28,167)
	<u>1,197,565</u>	<u>499,156</u>	<u>1,200,123</u>	<u>527,843</u>

6. INVENTORIES

Inventories as at June 30, 2020 and December 31, 2019, consist of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Inventories	2,638,519	1,756,167	2,398,106	1,539,700
<u>Less</u> Allowance for diminution in value of inventories	(1,743)	(612)	(1,743)	(612)
	<u>2,636,776</u>	<u>1,755,555</u>	<u>2,396,363</u>	<u>1,539,088</u>

As at June 30, 2020 and December 31, 2019, inventories in the consolidated financial statements included inventories which were under obligation that the Company and a subsidiary have to delivery of fertilizer to the holders of the delivery orders (the “fertilizer notes”) which have been issued by the Company and a subsidiary to their customers of Baht 221.48 million and Baht 184.96 million, respectively (see Note 15).

8. INVESTMENT PROPERTIES

As at June 30, 2020 and December 31, 2019, the Group's investment properties in the consolidated financial statement represent land received from debt settlement and purchased by the Company of which the book value were Baht 29.21 million.

As at June 30, 2020 and December 31, 2019, the Company's investment properties in the separate financial statement represent land held to earn rentals and non-operating land which were received from debt settlement and purchased by the Company of which the book value were Baht 39.53 million.

9. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the six-month period ended June 30, 2020, are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Property, plant and equipment - net as at December 31, 2019	1,702,143	1,453,818
<u>Less</u> Equipment under finance leases - net as at December 31, 2019 (see Note 10)	<u>(10,381)</u>	<u>(2,822)</u>
Property, plant and equipment - net as at January 1, 2020	1,691,762	1,450,996
<u>Add</u> Purchase during the period	81,045	70,615
<u>Add</u> Transfer equipment from right-of-use assets (see Note 10)	1,795	1,289
<u>Less</u> Disposal during the period	(1,992)	(1,492)
Depreciation for the period	(121,913)	(106,822)
Exchange differences on translation of financial statements of a foreign subsidiary	<u>4,551</u>	<u>-</u>
Property, plant and equipment - net as at June 30, 2020	<u><u>1,655,248</u></u>	<u><u>1,414,586</u></u>

As at June 30, 2020 and December 31, 2019, costs of assets which are fully depreciated but still in use as the following:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Gross carrying amount of plant and equipment which are fully depreciated but still in use	<u>2,808,733</u>	<u>2,804,153</u>	<u>2,512,997</u>	<u>2,510,200</u>

As at June 30, 2020 and December 31, 2019, the Company used certain land, land improvements and buildings which have total net book value of Baht 453.53 million and Baht 467.12 million, respectively, as collateral with a local financial institution for guarantee credit facilities (see Note 23.3).

As at June 30, 2020 and December 31, 2019, a subsidiary used all land and buildings which have total net book value of Baht 21.56 million as collateral with local financial institutions for guarantee bank overdrafts and credit facilities (see Notes 13 and 23.3).

10. LEASEHOLD RIGHT AND RIGHT-OF-USE ASSETS

Movements of right-of-use assets for the six-month period ended June 30, 2020, are follow:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Right-of-use assets - net as at December 31, 2019	-	-
<u>Add</u> Leasehold right as at January 1, 2020 (see Note 2.6)	73,095	-
<u>Add</u> Right-of-use assets - net from operating leases under TAS 17 as at January 1, 2020 (see Note 2.6)	24,429	24,429
<u>Add</u> Right-of-use assets - net from equipment under finance leases (see Note 9)	10,381	2,822
Right-of-use assets - net as at January 1, 2020	107,905	27,251
<u>Add</u> Purchase during the period	47,709	47,709
<u>Less</u> Transfer to equipment (see Note 9)	(1,795)	(1,289)
<u>Less</u> Amortization for the period	(9,149)	(6,878)
Exchange differences on translation of financial statements of a foreign subsidiary	1,832	-
Right-of-use assets - net as at June 30, 2020	146,502	66,793

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 included in right-of-use assets in the consolidated financial statements as at June 30, 2020 and it will be expired on June 4, 2064.

11. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Other intangible assets other than goodwill consist of right to use the trademarks and right to use software. For the right to use the trademarks, the Company engaged an independent appraiser to determine the fair value of the right to use the trademarks referred to above in accordance with the Notification of the Stock Exchange Commission dated April 30, 2004 regarding the opinion for accounting treatment for intangible assets. According to the report of the independent appraiser dated January 14, 2020, the appraisal values of the fair value of such right as at January 2, 2020 by using the Relief from Royalty Method. It showed that the fair value was higher than the carrying values.

12. DEFERRED INCOME TAX AND INCOME TAX EXPENSE

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes issued by the same taxation authority. Deferred income tax as at June 30, 2020 and December 31, 2019, consist of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements As at June 30, 2020	Financial Statements As at December 31, 2019	Financial Statements As at June 30, 2020	Financial Statements As at December 31, 2019
Deferred tax assets	43,387	39,983	37,110	33,623
Deferred tax liabilities	116,609	116,609	109,180	109,180

Movements of deferred tax assets and liabilities for the six-month periods ended June 30, 2020 and 2019 are as follows:

Consolidated Financial Statements
As at June 30, 2020

	Unit : Thousand Baht		
	Balances as at January 1, 2020	Recognized in profit or loss	Balances as at June 30, 2020
Loss allowance for trade receivables	5,811	2,062	7,873
Allowance for diminution in value of inventories	123	226	349
Provision for sale promotions	1,700	(4)	1,696
Provision for employee benefits	32,349	1,120	33,469
Total deferred tax assets	<u>39,983</u>	<u>3,404</u>	<u>43,387</u>
Gain on fair value adjustment from investment in a subsidiary to an associate	7,429	-	7,429
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>116,609</u>	<u>-</u>	<u>116,609</u>

As at June 30, 2019

	Unit : Thousand Baht		
	Balances as at January 1, 2019	Recognized in profit or loss	Balances as at June 30, 2019
Allowance for doubtful debt	5,788	1,678	7,466
Allowance for diminution in value of inventories	434	(289)	145
Provision for sale promotions	4,161	(3,687)	474
Allowance for impairment of investment properties	680	(680)	-
Provision for employee benefits	25,499	1,638	27,137
Total deferred tax assets	<u>36,562</u>	<u>(1,340)</u>	<u>35,222</u>
Gain on fair value adjustment from investment in subsidiaries to an associate	7,429	-	7,429
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>116,609</u>	<u>-</u>	<u>116,609</u>

**Separate Financial Statements
As at June 30, 2020**

	Unit : Thousand Baht		
	Balances as at January 1, 2020	Recognized in profit or loss	Balances as at June 30, 2020
Loss allowance for trade receivables	5,633	2,062	7,695
Allowance for diminution in value of inventories	123	226	349
Provision for sale promotions	1,700	(4)	1,696
Provision for employee benefits	26,167	1,203	27,370
Total deferred tax assets	<u>33,623</u>	<u>3,487</u>	<u>37,110</u>
Accumulated amortization - right for use of trademarks	<u>109,180</u>	-	<u>109,180</u>
Total deferred tax liabilities	<u>109,180</u>	-	<u>109,180</u>

As at June 30, 2019

	Unit : Thousand Baht		
	Balances as at January 1, 2019	Recognized in profit or loss	Balances as at June 30, 2019
Allowance for doubtful debt	5,602	1,681	7,283
Allowance for diminution in value of inventories	434	(289)	145
Provision for sale promotions	4,161	(3,687)	474
Allowance for impairment of investment properties	680	(680)	-
Provision for employee benefits	21,021	771	21,792
Total deferred tax assets	<u>31,898</u>	<u>(2,204)</u>	<u>29,694</u>
Accumulated amortization - right for use of trademarks	<u>109,180</u>	-	<u>109,180</u>
Total deferred tax liabilities	<u>109,180</u>	-	<u>109,180</u>

Income tax expense for the six-month periods ended June 30, 2020 and 2019 consists of the following:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Current tax expense in respect of the current period	182,576	113,311	178,401	107,978
Deferred tax relating to temporary differences	(3,404)	1,340	(3,487)	2,204
Income tax expense	<u>179,172</u>	<u>114,651</u>	<u>174,914</u>	<u>110,182</u>

The income tax expense for the six-month periods ended June 30, 2020 and 2019 can be reconciled to the accounting profit as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Profit before income tax expense	841,397	554,127	886,155	588,261
Income tax calculated at 20%	168,279	110,825	177,231	117,652
Tax effects of transactions that are not taxable income and expenses	10,893	3,826	(2,317)	(7,470)
Income tax expense	179,172	114,651	174,914	110,182
	%	%	%	%
Effective tax rate	21.29	20.69	19.74	18.73

For the six-month periods ended June 30, 2020 and 2019, the Company and subsidiaries in Thailand have applied the tax rate of 20% for calculating tax expense and deferred income tax.

For the six-month periods ended June 30, 2020 and 2019, the foreign subsidiary applied the tax rate of each country for calculating tax expense and deferred income tax.

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

Bank overdrafts and short-term borrowings from financial institutions as at June 30, 2020 and December 31, 2019, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019
Bank overdrafts and short-term borrowings from financial institutions	182,181	90,986	-	-

As at June 30, 2020 and December 31, 2019, a subsidiary has credit lines from local financial institutions for overdrafts and other facilities which carried interest during 1.80% - 2.75% and 2.65% - 2.70% per annum, respectively and mortgaged by all land and buildings (see Note 9).

As at June 30, 2020 and December 31, 2019, a subsidiary has credit lines from foreign financial institutions for short-term borrowings and other facilities with interest rate during 0.72% - 1.53% and 2.31% - 2.36% per annum, respectively, and guaranteed by the Company (see Note 23.5).

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 2020 and December 31, 2019, consist of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Trade payables	749,735	157,153	703,382	131,895
Other payables	81,472	62,434	78,814	58,209
Accrued dividends	2,333	2,332	2,333	2,332
Accrued expenses	104,653	134,494	83,070	106,426
Advance received from customers (see Note 15)	56,162	74,217	55,945	74,175
Deferred sales (see Note 15)	165,319	110,746	162,509	97,592
	<u>1,159,674</u>	<u>541,376</u>	<u>1,086,053</u>	<u>470,629</u>

15. DEFERRED SALES AND ADVANCE RECEIVED FROM CUSTOMERS

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

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

While inventories in the consolidated and separate financial statements as at June 30, 2020 and December 31, 2019, 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 6). The Company and a subsidiary have recorded such transactions as “Deferred sales” and “Advance received from customers”, respectively (see Note 14).

16. LEASE LIABILITIES

Lease liabilities as at June 30, 2020 and December 31, 2019, consist of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Current portion of lease liabilities	18,778	3,810	16,837	1,177
Lease liabilities	<u>51,583</u>	<u>3,010</u>	<u>49,934</u>	<u>575</u>
Present value of minimum lease payments	<u>70,361</u>	<u>6,820</u>	<u>66,771</u>	<u>1,752</u>

17. PROVISION FOR EMPLOYEE BENEFITS

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

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefit obligations due upon retirement for the six-month periods ended June 30, 2020 and 2019 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Current service cost	5,762	6,379	5,135	2,596
Interest cost	1,102	1,576	880	1,259
	<u>6,864</u>	<u>7,955</u>	<u>6,015</u>	<u>3,855</u>

Movements in provision for employee benefits for the six-month periods ended June 30, 2020 and 2019 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Provision for employee benefits as at January 1, (Including current portion)	173,358	135,928	142,445	112,869
Current service cost	5,762	6,379	5,135	2,596
Interest cost	1,102	1,576	880	1,259
Benefit paid	<u>(12,877)</u>	<u>(8,200)</u>	<u>(11,611)</u>	<u>(7,763)</u>
Provision for employee benefits as at June 30, (Including current portion)	<u>167,345</u>	<u>135,683</u>	<u>136,849</u>	<u>108,961</u>

The principal actuarial assumptions used to calculate the provision for employee benefits as at June 30, 2020 and December 31, 2019, are as follows:

	Consolidated and Separate	
	Financial Statements	
	As at June 30, 2020 (% p.a.)	As at December 31, 2019 (% p.a.)
Discount rate	1.50	1.50
Turnover rate	0 - 6	0 - 6
	Depend on range of employee age	Depend on range of employee age
Expected rate of salary increase	4 - 5	4 - 5
Future gold price growth	3	3
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017

18. OTHER INCOME

Other income for the three-month and six-month periods ended June 30, 2020 and 2019 consist of:

For the three-month periods ended June 30,

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Interest income	15,631	16,753	15,096	16,104
Rental income	1,505	1,338	4,893	4,577
Gain on sale of property, plant and equipment	655	126	698	126
Dividend income	-	-	20,531	21,125
Others	5,375	4,311	6,145	3,853
	<u>23,166</u>	<u>22,528</u>	<u>47,363</u>	<u>45,785</u>

For the six-month periods ended June 30,

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Interest income	32,258	32,309	31,121	31,054
Rental income	3,229	2,586	10,249	9,267
Gain on sale of property, plant and equipment	1,230	692	745	275
Gain on foreign exchange rate - net	9,515	2,327	9,081	2,637
Dividend income	-	-	20,531	21,125
Others	5,565	11,157	6,673	11,228
	<u>51,797</u>	<u>49,071</u>	<u>78,400</u>	<u>75,586</u>

19. EXPENSES BY NATURE

Significant expenses by nature for the three-month and six-month periods ended June 30, 2020 and 2019 consist of:

For the three-month periods ended June 30,

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Changes in finished goods and work in process	(14,207)	(62,512)	(30,573)	(72,422)
Cost of finished goods purchased	30,194	21,977	-	-
Raw materials used	2,048,448	2,267,541	2,030,340	2,265,189
Employee benefit expenses	125,459	125,507	100,946	100,705
Depreciation and amortization	66,828	62,324	57,878	53,554
Loss for diminution in value of inventories (Reversal)	366	(990)	366	(990)
Doubtful debts	10,790	7,056	10,632	7,057

For the six-month periods ended June 30,

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Changes in finished goods and work in process	(190,795)	(433,409)	(183,332)	(329,220)
Cost of finished goods purchased	64,662	66,826	-	-
Raw materials used	2,942,325	3,370,322	2,893,064	3,367,970
Employee benefit expenses	247,138	249,003	199,805	200,937
Depreciation and amortization	131,420	122,849	113,700	105,444
Loss for diminution in value of inventories (Reversal)	1,131	(1,442)	1,131	(1,442)
Doubtful debts	10,467	8,391	10,309	8,403

20. DISCOUNT ON ORDINARY SHARES

Discount on ordinary shares as at June 30, 2020 and December 31, 2019, consist of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Premium on ordinary shares	2,280,000	2,280,000	2,280,000	2,280,000
Discount on ordinary shares	(2,323,570)	(2,323,570)	(2,323,570)	(2,323,570)
	<u>(43,570)</u>	<u>(43,570)</u>	<u>(43,570)</u>	<u>(43,570)</u>

21. DIVIDENDS

On March 24, 2020, the Board of Directors' meeting of the Company approved interim dividend payment as an appropriation of profit for the year 2019 at Baht 1.10 per share, totaling Baht 643.20 million. Such interim dividend was paid in April 2020.

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

The Annual General Shareholders' meetings of subsidiaries passed a resolution to distribute annual dividends as an appropriation of profit for the year 2019 to ordinary shareholders as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Dividend paid to		Total amount
			Owners of parent	Non- controlling interests	
N.I.M. Company Limited	April 23, 2020	2.75	17,531	16,844	34,375
MC Agro-Chemicals Company Limited	April 21, 2020	6.00	3,000	-	3,000
			<u>20,531</u>	<u>16,844</u>	<u>37,375</u>

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

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

22. TRANSACTIONS BETWEEN RELATED PARTIES

Transactions between related parties are as follows:

22.1 Investments

22.1.1 Investment in an associate

As at June 30, 2020

Company name	Type of business	Paid-up capital	Ownership %	Investment		Dividend received
				Cost Method	Equity Method	
Central Pacific (Thailand) Corporation Limited	Lease out warehouse	200,000	49.00	<u>98,000</u>	<u>136,714</u>	<u>-</u>

As at December 31, 2019

Company name	Type of business	Paid-up capital	Ownership %	Investment		Dividend received
				Cost Method	Equity Method	
Central Pacific (Thailand) Corporation Limited	Lease out warehouse	200,000	49.00	<u>98,000</u>	<u>136,569</u>	<u>-</u>

Aggregate information of an associate is not individually material.

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

	Unit : Thousand Baht Consolidated Financial Statements	
	2020	2019
Share of profit from investment in an associate	<u>67</u>	<u>74</u>

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

	Unit : Thousand Baht Consolidated Financial Statements	
	2020	2019
Share of profit from investment in an associate	<u>145</u>	<u>151</u>

22.1.2 Investments in subsidiaries

Company name	Type of business	Paid-up capital		Ownership %		Unit : Thousand Baht Cost	
		As at	As at	As at	As at	As at	As at
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
N.I.M. Company Limited	Lease out tank yard for containing liquid chemicals	125,000	125,000	51.00	51.00	63,750	63,750
MC Agro-Chemicals Company Limited	Manufacture, import and distribute Chemical products	50,000	50,000	99.99	99.99	49,999	49,999
TCCC Myanmar Limited	Manufacture, import and distribute various chemical fertilizer compound	439,106	439,106	99.99	99.99	<u>439,106</u>	<u>439,106</u>
						<u>552,855</u>	<u>552,855</u>

22.2 Business transactions with related parties

22.2.1 Balances as at June 30, 2020 and December 31, 2019, consist of:

Account name/ Company's name	Relationship	Consolidated		Unit : Thousand Baht Separate	
		Financial Statements		Financial Statements	
		As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Trade receivables					
TCCC Myanmar Limited	Subsidiary	-	-	84,760	65,055
Atlas fertilizer corporation	Related Company	-	4,519	-	4,519
		<u>-</u>	<u>4,519</u>	<u>84,760</u>	<u>69,574</u>
Other receivables					
N.I.M. Company Limited	Subsidiary	-	-	822	718
MC Agro-Chemicals Company Limited	Subsidiary	-	-	20	45
TCCC Myanmar Limited	Subsidiary	-	-	676	513
		<u>-</u>	<u>-</u>	<u>1,518</u>	<u>1,276</u>
Trade payables					
Sojitz Corporation Group	Major shareholder	<u>308</u>	<u>2,883</u>	<u>-</u>	<u>-</u>
Other payables					
Metro Systems Corporation Public Company Limited	Related Company	<u>181</u>	<u>216</u>	<u>163</u>	<u>197</u>

22.2.2 Transactions with related parties for the three-month and six-month periods ended June 30, 2020 and 2019 consist of:

For the three-month periods ended June 30,

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2020	2019	2020	2019
Revenues from sales and services					
Sojitz Corporation Group	Major shareholder	-	808	-	-
TCCC Myanmar Limited	Subsidiary	-	-	35,703	33,270
		<u>-</u>	<u>808</u>	<u>35,703</u>	<u>33,270</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	3,724	3,620
MC Agro-Chemicals Company Limited	Subsidiary	-	-	13	8
TCCC Myanmar Limited	Subsidiary	-	-	954	711
		<u>-</u>	<u>-</u>	<u>4,691</u>	<u>4,339</u>
Dividend income					
N.I.M. Company Limited	Subsidiary	-	-	17,531	19,125
MC Agro-Chemicals Company Limited	Subsidiary	-	-	3,000	2,000
		<u>-</u>	<u>-</u>	<u>20,531</u>	<u>21,125</u>
Purchases					
Sojitz Corporation Group	Major shareholder	310	306	-	-
Other expenses					
Metro Systems Corporation Public Company Limited	Related Company	508	604	457	553
Managements' remuneration					
	Directors	10,110	9,165	9,642	9,147

For the six-month periods ended June 30,

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2020	2019	2020	2019
Revenues from sales and services					
Sojitz Corporation Group	Major shareholder	-	2,157	-	-
TCCC Myanmar Limited	Subsidiary	-	-	81,531	85,061
		<u>-</u>	<u>2,157</u>	<u>81,531</u>	<u>85,061</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	7,656	7,352
MC Agro-Chemicals Company Limited	Subsidiary	-	-	18	14
TCCC Myanmar Limited	Subsidiary	-	-	1,771	1,221
		<u>-</u>	<u>-</u>	<u>9,445</u>	<u>8,587</u>
Dividend income					
N.I.M. Company Limited	Subsidiary	-	-	17,531	19,125
MC Agro-Chemicals Company Limited	Subsidiary	-	-	3,000	2,000
		<u>-</u>	<u>-</u>	<u>20,531</u>	<u>21,125</u>
Purchases					
Sojitz Corporation Group	Major shareholder	625	6,373	-	-
Other expenses					
Metro Systems Corporation Public Company Limited	Related Company	1,028	1,210	915	1,108
Managements' remuneration					
	Directors	19,062	18,084	18,576	18,048

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

23. COMMITMENTS AND LETTERS OF GUARANTEE

23.1 The Company has capital expenditure commitment as at June 30, 2020 and December 31, 2019, of Baht 17.20 million and Baht 15.21 million, respectively.

A subsidiary has capital expenditure commitments as at December 31, 2019, of Baht 7.25 million (as at June 30, 2020: nil).

23.2 For the six-month period ended June 30, 2020, the Group recognized rental for short-term leases and leases of low-value assets in the consolidated and separate interim financial statements of Baht 14.17 million and Baht 6.50 million, respectively.

As at June 30, 2020, the Group has commitments according to short-term leases and leases of low-value assets in the consolidated and separate interim financial statements of Baht 9.68 million and Baht 4.78 million, respectively.

23.3 As at June 30, 2020 and December 31, 2019, the Group is granted credit facilities from local financial institutions which consisted of bank overdrafts and short-term borrowings, letters of credit, forward contracts and letters of guarantee. The Company and a subsidiary used land, land improvements and buildings as collateral (see Note 9).

As at June 30, 2020 and December 31, 2019, the unused credit facilities, consist of:

	Currency	Consolidated		Unit : Million Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Credit facilities*	Baht	10,253.69	11,623.62	10,071.47	11,426.96
	USD	37.00	39.50	30.00	30.00
Forward exchange contracts	Baht	2,082.10	2,656.77	2,064.91	2,636.77
	USD	152.85	166.24	146.69	159.66
Letters of guarantee	Baht	91.34	91.34	91.34	91.34

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

23.4 As at June 30, 2020 and December 31, 2019, the Company and a subsidiary have letters of guarantee issued by banks which are unsecured as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Letters of guarantee for electricity	8,831	8,831	8,656	8,656

23.5 As at June 30, 2020 and 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 to Baht 372.79 million) and USD 12.00 million (or equivalent to Baht 363.98 million), respectively (see Note 13).

As at June 30, 2020 and 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 0.32 million (or equivalent to Baht 9.99 million) and USD 3.09 million (or equivalent to Baht 95.07 million), respectively.

23.6 As at June 30, 2020 and December 31, 2019, the Company has commitment with a bank regarding the outstanding letters of credit of USD 13.82 million (or equivalent to Baht 429.29 million) and USD 6.35 million (or equivalent to Baht 192.61 million), respectively.

As at June 30, 2020 and December 31, 2019, a subsidiary has commitment with a bank regarding the outstanding letters of credit of USD 0.05 million (or equivalent to Baht 1.41 million) and USD 0.04 million (or equivalent to Baht 1.15 million), respectively.

24. SEASONALITY OF OPERATION

The Company's main business is to manufacture, import, export and distribute various chemical fertilizer compound. The main revenues of the Company are received seasonally within a financial year especially in the second and third quarters of each year. Such main revenues are recognized when incur in each quarter. For supplementary financial information, total revenues, cost of sales and total comprehensive income for the twelve-month periods ended June 30, 2020 and 2019 were shown as below:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Revenues from sales of goods	8,651,747	9,050,252	8,227,082	8,702,762
Revenues from rendering of services	126,501	125,451	-	-
Costs of sales of goods	6,689,422	7,321,458	6,304,446	7,041,743
Costs of rendering of services	39,100	53,810	-	-
Total comprehensive income	1,143,647	923,912	1,233,345	991,959

25. BUSINESS SEGMENT INFORMATION

The Company's main business is to manufacture, import, export and distribute various chemical fertilizer compound. The subsidiaries' main businesses are to manufacture, import and distribute various chemical fertilizer compound, solvents, chemical products, rental services and others. The business segment information of the Company and its subsidiaries classified by industries is as follows:

For the three-month period ended June 30, 2020

	Recognized at the point of time	Recognized over time	Revenues and other income	Unit : Thousand Baht	
				Total comprehensive income (loss)	Assets employed
Fertilizer section					
- Revenues from sales of goods	3,160,467	-	3,160,467		
- Other income	11,555	19,989	31,544		
	<u>3,172,022</u>	<u>19,989</u>	<u>3,192,011</u>	713,831	12,017,941
Rental services section					
- Revenues from rendering of service	-	27,549	27,549		
- Other income	137	481	618		
	<u>137</u>	<u>28,030</u>	<u>28,167</u>	9,001	226,715
Others section					
- Revenues from sales of goods	69,244	1,399	70,643		
- Other income	-	54	54		
	<u>69,244</u>	<u>1,453</u>	<u>70,697</u>	2,892	263,091
<u>Less</u> Intersegment revenues			<u>(44,296)</u>		
Total revenues			<u>3,246,579</u>		
Profit before income tax expense				725,724	
<u>Less</u> Income tax expense				<u>(154,643)</u>	
Total comprehensive income				<u>571,081</u>	
					<u>12,507,747</u>
<u>Less</u> Intersegment assets					<u>(620,110)</u>
Total assets					<u>11,887,637</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(3,528)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>(11,254)</u>	
Total comprehensive income attributable to owners of the parent				<u>556,299</u>	
Consolidated assets as at June 30, 2020					<u>11,887,637</u>

For the six-month period ended June 30, 2020

	Unit : Thousand Baht				
	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income (loss)	Assets employed
Fertilizer section					
- Revenues from sales of goods	4,302,070	-	4,302,070		
- Other income	38,271	41,376	79,647		
	<u>4,340,341</u>	<u>41,376</u>	<u>4,381,717</u>	822,788	12,017,941
Rental services section					
- Revenues from rendering of service	-	56,137	56,137		
- Other income	793	1,077	1,870		
	<u>793</u>	<u>57,214</u>	<u>58,007</u>	20,777	226,715
Others section					
- Revenues from sales of goods	107,068	4,348	111,416		
- Other income	204	54	258		
	<u>107,272</u>	<u>4,402</u>	<u>111,674</u>	(2,168)	263,091
<u>Less</u> Intersegment revenues			<u>(111,364)</u>		
Total revenues			<u>4,440,034</u>		
Profit before income tax expense				841,397	
<u>Less</u> Income tax expense				<u>(179,172)</u>	
Total comprehensive income				<u>662,225</u>	
					<u>12,507,747</u>
<u>Less</u> Intersegment assets					<u>(620,110)</u>
Total assets					<u>11,887,637</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(8,169)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>4,539</u>	
Total comprehensive income attributable to owners of the parent				<u>658,595</u>	
Consolidated assets as at June 30, 2020					<u><u>11,887,637</u></u>

For the three-month period ended June 30, 2019

	Unit : Thousand Baht				
	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income (loss)	Assets employed
Fertilizer section					
- Revenues from sales of goods	3,066,541	-	3,066,541		
- Other income	23,523	20,681	44,204		
	<u>3,090,064</u>	<u>20,681</u>	<u>3,110,745</u>	450,679	11,551,315
Rental services section					
- Revenues from rendering of service	-	26,994	26,994		
- Other income	369	604	973		
	<u>369</u>	<u>27,598</u>	<u>27,967</u>	6,282	209,498
Others section					
- Revenues from sales of goods	88,314	8,471	96,785		
- Other income	35	45	80		
	<u>88,349</u>	<u>8,516</u>	<u>96,865</u>	7,885	251,680
<u>Less</u> Intersegment revenues			<u>(55,923)</u>		
Total revenues			<u>3,179,654</u>		
Profit before income tax expense				464,846	
<u>Less</u> Income tax expense				<u>(94,667)</u>	
Total comprehensive income				<u>370,179</u>	
					<u>12,012,493</u>
<u>Less</u> Intersegment assets					<u>(553,073)</u>
Total assets					<u>11,459,420</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(2,463)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>(10,427)</u>	
Total comprehensive income attributable to owners of the parent				<u>357,289</u>	
Consolidated assets as at June 30, 2019					<u><u>11,459,420</u></u>

For the six-month period ended June 30, 2019

	Unit : Thousand Baht				
	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income (loss)	Assets employed
Fertilizer section					
- Revenues from sales of goods	4,296,377	-	4,296,377		
- Other income	36,398	40,329	76,727		
	<u>4,332,775</u>	<u>40,329</u>	<u>4,373,104</u>	531,856	11,551,315
Rental services section					
- Revenues from rendering of service	-	55,379	55,379		
- Other income	612	1,225	1,837		
	<u>612</u>	<u>56,604</u>	<u>57,216</u>	17,295	209,498
Others section					
- Revenues from sales of goods	145,429	12,312	157,741		
- Other income	174	45	219		
	<u>145,603</u>	<u>12,357</u>	<u>157,960</u>	4,976	251,680
<u>Less</u> Intersegment revenues			<u>(114,622)</u>		
Total revenues			<u>4,473,658</u>		
Profit before income tax expense				554,127	
<u>Less</u> Income tax expense				<u>(114,651)</u>	
Total comprehensive income				<u>439,476</u>	
					<u>12,012,493</u>
<u>Less</u> Intersegment assets					<u>(553,073)</u>
Total assets					<u>11,459,420</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(6,773)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>(17,461)</u>	
Total comprehensive income attributable to owners of the parent				<u>415,242</u>	
Consolidated assets as at June 30, 2019					<u><u>11,459,420</u></u>

26. DISCLOSURE OF FINANCIAL INSTRUMENTS

26.1 Forward exchange contracts

As at June 30, 2020 and December 31, 2019, the Group entered into various forward exchange contracts with local financial institutions to hedge certain portions of their assets and liabilities denominated in foreign currencies. The details of such contracts, fair values and valuation techniques of the financial instruments are as follows:

Forward exchange purchase contracts				The remaining period (days)	Net fair value gain (loss) (Thousand Baht)	Fair value hierarchy	Valuation technique(s)
	Currency	Amount (Thousand)	Average Rate (Baht)				
As at June 30, 2020							
The Company	USD	28,161	31.7866	4 - 183	(27,171)	Level 2	Discounted cash flow*
Subsidiaries	USD	1,434	31.8876	4 - 182	(1,420)		
As at December 31, 2019							
The Company	USD	7,002	30.2798	7 - 185	(673)	Level 2	Discounted cash flow*
Subsidiaries	USD	917	30.3042	51 - 186	(210)		

Forward exchange sell contracts				The remaining period (days)	Net fair value gain (loss) (Thousand Baht)	Fair value hierarchy	Valuation technique(s)
	Currency	Amount (Thousand)	Average Rate (Baht)				
As at June 30, 2020							
The Company	USD	2,767	31.1238	200 - 366	98	Level 2	Discounted cash flow*
As at December 31, 2019							
The Company	USD	2,207	30.2875	87 - 155	869	Level 2	Discounted cash flow*

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

26.2 Assets and liabilities in foreign currencies

As at June 30, 2020 and December 31, 2019, the Group has assets and liabilities in foreign currencies which part of them are entered into various forward exchange contracts to hedge certain portions of their assets and liabilities denominated in foreign currencies as follows:

	Unit : Thousand	
	Currency	Amount
Foreign assets		
As at June 30, 2020		
The Company	USD	2,883
Subsidiaries	USD	906
	MMK	1,406,400
As at December 31, 2019		
The Company	USD	2,428
Subsidiaries	USD	474
	MMK	446,548

	Unit : Thousand	
	Foreign liabilities	
	Currency	Amount
As at June 30, 2020		
The Company	USD	20,589
	EUR	17
Subsidiaries	USD	4,759
As at December 31, 2019		
The Company	USD	3,106
	EUR	4
Subsidiaries	USD	3,406

27. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved for issuance by the authorized directors of the Company on August 14, 2020.