

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, 2020, 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, 2020, 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>Revenue recognition</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"> • Understanding and assessing the appropriateness of the Company’s revenue recognition accounting policies and compliance with TFRSs. • 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. • Performing substantive analytical procedures on revenue. • Performing substantive tests of details of sales balance with the related supporting documents. • Testing sales transactions occurring near the end of accounting period with the related supporting documents.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor’s report thereon, 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 management and those charged with governance for correction of the misstatement.

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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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, 2021

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, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	2,902,744,150	3,507,122,939	2,716,667,957	3,399,178,817
Current investments	7.1	-	2,675,452,137	-	2,500,000,000
Trade and other current receivables	5	628,284,075	559,126,178	645,778,464	579,800,706
Inventories	6 and 15	1,654,081,657	1,755,554,746	1,470,672,508	1,539,087,665
Other current financial assets	7	4,497,354,417	-	4,351,060,752	-
Other current assets		717,284	588,646	600,386	525,900
Total Current Assets		<u>9,683,181,583</u>	<u>8,497,844,646</u>	<u>9,184,780,067</u>	<u>8,018,593,088</u>
NON-CURRENT ASSETS					
Investment in an associate	24.1.1	136,807,196	136,568,733	98,000,000	98,000,000
Investments in subsidiaries	24.1.2	-	-	552,854,981	552,854,981
Investment properties	8	29,212,697	29,212,697	39,527,022	39,527,022
Property, plant and equipment	9	1,563,377,476	1,702,143,081	1,338,289,982	1,453,818,296
Leasehold right	10	-	73,095,093	-	-
Right-of-use assets	10	136,807,791	-	61,490,529	-
Other intangible assets other than goodwill	11	545,900,757	546,453,480	545,900,757	545,900,757
Deferred tax assets	12	45,635,125	39,983,199	39,695,381	33,622,760
Other non-current assets		6,308,500	6,632,439	5,039,560	5,354,589
Total Non-current Assets		<u>2,464,049,542</u>	<u>2,534,088,722</u>	<u>2,680,798,212</u>	<u>2,729,078,405</u>
TOTAL ASSETS		<u><u>12,147,231,125</u></u>	<u><u>11,031,933,368</u></u>	<u><u>11,865,578,279</u></u>	<u><u>10,747,671,493</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, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	13	162,261,868	90,986,317	-	-
Trade and other current payables	14	623,790,143	541,375,905	571,032,694	470,629,482
Current portion of lease liabilities	10	19,421,755	3,809,517	18,038,727	1,177,068
Current income tax payable		200,479,223	131,481,026	196,259,609	127,872,129
Current provision for employee benefits	16	8,389,689	19,519,679	3,998,530	11,610,600
Other current financial liabilities	7	1,415,027	-	-	-
Other current liabilities		24,119,978	23,618,790	11,510,884	11,707,997
Total Current Liabilities		<u>1,039,877,683</u>	<u>810,791,234</u>	<u>800,840,444</u>	<u>622,997,276</u>
NON-CURRENT LIABILITIES					
Lease liabilities	10	45,368,964	3,010,455	44,316,036	574,499
Deferred tax liabilities	12	116,608,579	116,608,579	109,180,151	109,180,151
Non-current provision for employee benefit	16	161,303,711	153,837,968	136,885,246	130,833,946
Other non-current liabilities		17,850,479	14,293,120	16,010,479	11,734,120
Total Non-current Liabilities		<u>341,131,733</u>	<u>287,750,122</u>	<u>306,391,912</u>	<u>252,322,716</u>
TOTAL LIABILITIES		<u>1,381,009,416</u>	<u>1,098,541,356</u>	<u>1,107,232,356</u>	<u>875,319,992</u>

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
584,716,118 ordinary shares of Baht 3 each		<u>1,754,148,354</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	20	(43,570,340)	(43,570,340)	(43,570,340)	(43,570,340)
RETAINED EARNINGS					
Appropriated					
Legal reserve	22	175,414,835	175,414,835	175,414,835	175,414,835
Unappropriated		8,846,011,230	8,015,149,709	8,872,359,224	7,986,364,802
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		<u>(59,318,155)</u>	<u>(59,662,780)</u>	<u>-</u>	<u>-</u>
TOTAL ATTRIBUTIONS TO OWNERS					
OF THE PARENT		10,672,679,774	9,841,473,628	10,758,345,923	9,872,351,501
NON-CONTROLLING INTERESTS		<u>93,541,935</u>	<u>91,918,384</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>10,766,221,709</u>	<u>9,933,392,012</u>	<u>10,758,345,923</u>	<u>9,872,351,501</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>12,147,231,125</u>	<u>11,031,933,368</u>	<u>11,865,578,279</u>	<u>10,747,671,493</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, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues from sales		9,313,164,204	8,680,885,312	8,803,859,087	8,283,402,584
Revenues from services		121,137,698	133,707,059	-	-
Costs of the sales of goods		(6,954,308,306)	(6,975,417,101)	(6,520,420,825)	(6,629,453,769)
Costs of the rendering of services		(43,183,214)	(48,159,347)	-	-
Gross profit		2,436,810,382	1,791,015,923	2,283,438,262	1,653,948,815
Interest income		53,131,226	71,406,577	51,338,795	68,776,945
Other income	18	54,982,740	34,971,680	88,151,054	67,992,612
Profit before expenses		2,544,924,348	1,897,394,180	2,422,928,111	1,790,718,372
Selling expenses		(323,342,757)	(354,297,237)	(268,490,908)	(295,777,691)
Administrative expenses		(308,128,924)	(313,613,887)	(217,532,750)	(219,989,575)
Managements' remuneration	24.2.2	(38,592,372)	(36,530,711)	(38,070,372)	(36,008,711)
Total Expenses		(670,064,053)	(704,441,835)	(524,094,030)	(551,775,977)
Profit from operating activities		1,874,860,295	1,192,952,345	1,898,834,081	1,238,942,395
Finance costs		(4,807,865)	(5,207,362)	(2,154,894)	(326,969)
Share of profit from investment in an associate	24.1.1	238,463	321,517	-	-
PROFIT BEFORE INCOME TAX EXPENSE		1,870,290,893	1,188,066,500	1,896,679,187	1,238,615,426
Income tax expense	12	(379,908,900)	(248,687,105)	(369,060,918)	(238,430,587)
PROFIT FOR THE YEAR		1,490,381,993	939,379,395	1,527,618,269	1,000,184,839

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE 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 foreign subsidiary		344,625	(22,173,208)	-	-
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on remeasurements of defined benefit plans	16	2,665,425	(18,872,474)	1,952,035	(16,718,176)
Income tax relating to items that will not be reclassified subsequently to profit or loss	12	(533,085)	3,774,495	(390,407)	3,343,635
OTHER COMPREHENSIVE INCOME (LOSS)					
FOR THE YEAR - NET OF INCOME TAX		<u>2,476,965</u>	<u>(37,271,187)</u>	<u>1,561,628</u>	<u>(13,374,541)</u>
TOTAL COMPREHENSIVE INCOME					
FOR THE YEAR		<u>1,492,858,958</u>	<u>902,108,208</u>	<u>1,529,179,897</u>	<u>986,810,298</u>
PROFIT ATTRIBUTABLE TO					
Owners of the parent		1,472,324,649	922,293,694	-	-
Non-controlling interests		18,057,344	17,085,701	-	-
		<u>1,490,381,993</u>	<u>939,379,395</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of the parent		1,474,391,621	885,548,872	-	-
Non-controlling interests		18,467,337	16,559,336	-	-
		<u>1,492,858,958</u>	<u>902,108,208</u>	<u>-</u>	<u>-</u>
BASIC EARNINGS PER SHARE	BAHT	2.52	1.58	2.61	1.71
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	SHARES	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, 2020

UNIT : BAHT

	Note	Attributions to owners of the parent					Non-	Total	
		Issued and	Discount on	Retained earnings		Other components of shareholders' equity	Total	controlling	
		paid-up	ordinary	Appropriated	Unappropriated	Exchange differences	attributions to	interests	
		share capital	shares	Legal reserve		on translation of financial statements	owners of parent	equity	
						of foreign subsidiary			
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	23	-	-	-	(877,071,102)	-	(877,071,102)	-	(877,071,102)
Dividend paid to non-controlling interests of subsidiaries	23	-	-	-	-	-	-	(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
Beginning balances as at January 1, 2020		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
Dividends	23	-	-	-	(643,185,475)	-	(643,185,475)	-	(643,185,475)
Dividend paid to non-controlling interests of subsidiaries	23	-	-	-	-	-	-	(16,843,786)	(16,843,786)
Total comprehensive income for the year		-	-	-	1,474,046,996	344,625	1,474,391,621	18,467,337	1,492,858,958
Ending balances as at December 31, 2020		1,754,142,204	(43,570,340)	175,414,835	8,846,011,230	(59,318,155)	10,672,679,774	93,541,935	10,766,221,709

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, 2020

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, 2019		1,754,142,204	(43,570,340)	175,414,835	7,876,625,606	9,762,612,305
Dividends	23	-	-	-	(877,071,102)	(877,071,102)
Total comprehensive income for the year		-	-	-	986,810,298	986,810,298
Ending balances as at December 31, 2019		<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>
Beginning balances as at January 1, 2020		1,754,142,204	(43,570,340)	175,414,835	7,986,364,802	9,872,351,501
Dividends	23	-	-	-	(643,185,475)	(643,185,475)
Total comprehensive income for the year		-	-	-	1,529,179,897	1,529,179,897
Ending balances as at December 31, 2020		<u>1,754,142,204</u>	<u>(43,570,340)</u>	<u>175,414,835</u>	<u>8,872,359,224</u>	<u>10,758,345,923</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, 2020

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		1,490,381,993	939,379,395	1,527,618,269	1,000,184,839
Adjusted by					
Income tax expense		379,908,900	248,687,105	369,060,918	238,430,587
Expected credit losses (reversal)		(1,780,237)	115,637	(2,078,796)	155,137
Loss on diminution in value of inventories (reversal)		8,398,976	(1,554,670)	8,398,976	(1,554,670)
Reversal of loss for diminution in value of investment property		-	(3,402,417)	-	(3,402,417)
Depreciation and amortization		268,931,227	253,833,896	233,591,314	215,155,142
(Gain) loss on disposal of property, plant and equipment		(929,188)	(1,411,395)	(1,303,142)	573,240
Employee benefit obligations expense		16,232,051	28,710,637	12,001,865	21,652,386
Share of profit from investment in an associate		(238,463)	(321,517)	-	-
Unrealized (gain) loss on exchange rate		1,166,065	(351,839)	465,020	(645,329)
Dividend income		-	-	(20,531,214)	(21,124,976)
Interest income		(53,131,226)	(71,406,577)	(51,338,795)	(68,776,945)
Finance costs		4,807,865	5,207,362	2,154,894	326,969
Total adjustments from reconciliation of profit		2,113,747,963	1,397,485,617	2,078,039,309	1,380,973,963
Changes in operating assets and liabilities					
(Increase) decrease in trade and other current receivables		(75,738,684)	(135,381,325)	(70,998,943)	(150,345,786)
(Increase) decrease in inventories		93,074,113	593,286,027	60,016,181	573,100,434
(Increase) decrease in other current assets		(128,638)	(141,375)	(74,486)	(131,025)
(Increase) decrease in other non-current assets		323,939	(713,253)	315,029	(1,353,088)
(Increase) decrease in trade and other current payables		82,400,421	(182,214,232)	95,372,952	(184,908,356)
(Increase) decrease in other current liabilities		501,188	(3,665,512)	(197,113)	(2,011,157)
Cash paid for provision for employee benefit		(17,230,873)	(10,153,694)	(11,610,600)	(8,794,662)
Increase (decrease) in other non-current liabilities		3,557,359	(5,779,321)	4,276,359	(4,101,321)
Net cash provided by operations		2,200,506,788	1,652,722,932	2,155,138,688	1,602,429,002
Cash paid for income tax		(317,095,711)	(242,846,444)	(307,136,466)	(232,219,151)
Net cash provided by operating activities		1,883,411,077	1,409,876,488	1,848,002,222	1,370,209,851

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in time deposit		(1,820,841,528)	(2,500,127,642)	(1,850,000,000)	(2,500,000,000)
Cash payments for purchase property, plant and equipment	4.2	(116,799,532)	(136,502,943)	(98,452,753)	(122,895,485)
Proceeds from sales of property, plant and equipment		5,129,801	5,493,766	3,659,940	2,733,000
Dividend received from subsidiaries		-	-	20,531,214	21,124,976
Interest received		57,387,594	66,195,510	54,770,272	64,296,183
Net cash used in investing activities		(1,875,123,665)	(2,564,941,309)	(1,869,491,327)	(2,534,741,326)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from bank overdrafts					
and short-term borrowings from financial institutions	4.3	74,694,982	55,719,676	-	-
Cash repayment for lease agreements	4.2	(18,398,440)	(6,743,306)	(15,765,991)	(2,556,220)
Cash payment for dividend		(643,100,870)	(877,018,924)	(643,100,870)	(877,018,924)
Cash payment for dividend - subsidiaries		(16,843,786)	(18,375,024)	-	-
Interest paid		(6,800,954)	(5,836,323)	(2,154,894)	(326,969)
Net cash used in financing activities		(610,449,068)	(852,253,901)	(661,021,755)	(879,902,113)
Exchange rate differences on translation of financial statements of foreign subsidiary		(2,217,133)	(2,292,353)	-	-
Net increase (decrease) in cash and cash equivalents		(604,378,789)	(2,009,611,075)	(682,510,860)	(2,044,433,588)
Cash and cash equivalents as at January 1,		3,507,122,939	5,516,734,014	3,399,178,817	5,443,612,405
Cash and cash equivalents as at December 31,	4.1	2,902,744,150	3,507,122,939	2,716,667,957	3,399,178,817

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, 2020

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 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%.

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 284 Moo 1, Pakklong Bangplakod Sub-district, Prasadutjedi District, Samutprakan Province. 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 environment in which the group operates. 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 FINANCIAL STATEMENTS

- 2.1 The Group 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 financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2020 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 Statement (No.3) B.E. 2562" dated December 26, 2019.
- 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.

During the year, 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. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

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

				Unit : Million Baht
	(i)	Consolidated financial statements (ii)	(iii) = (i)+(ii)	Category
	Carrying amount as of December 31, 2019	Reclassifications	Carrying amount as of January 1, 2020	
Current investments				
Time deposits with maturity date over 3 months but less than 1 year	2,675.45	(2,675.45)	-	
Other current assets				
Derivative assets - forward exchange contracts	0.20	(0.20)	-	
Other current financial assets				
Time deposits with maturity date over 3 months but less than 1 year	-	2,675.45	2,675.45	Financial asset measured at amortized cost
Derivative assets - forward exchange contracts	-	0.20	0.20	Financial assets FVTPL
Total	-	2,675.65	2,675.65	
Other current liabilities				
Derivative liabilities - forward exchange contracts	0.30	(0.30)	-	
Other current financial liabilities				
Derivative liabilities - forward exchange contracts	-	0.30	0.30	Financial liabilities FVTPL

Unit : Million 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	2,500.00	(2,500.00)	-	
Other current assets				
Derivative assets - forward exchange contracts	0.20	(0.20)	-	
Other current financial assets				
Time deposits with maturity date over 3 months but less than 1 year	-	2,500.00	2,500.00	Financial asset measured at amortized cost
Derivative assets - forward exchange contracts	-	0.20	0.20	Financial assets FVTPL
Total	-	2,500.20	2,500.20	

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 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% per annum.

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 : Million Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments at December 31, 2019	45.87	36.81
Short-term leases and leases of low-value assets	(20.11)	(11.05)
Effect of discounting the above amounts	(1.33)	(1.33)
Lease liabilities recognized at January 1, 2020	<u>24.43</u>	<u>24.43</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.

As at January 1, 2020, the Group reclassified property, plant and equipment to be right-of-use assets of Baht 10.38 million and Baht 2.82 million in the consolidated and separate financial statements, respectively, (see Note 9) and reclassified leasehold right to be right-of-use assets of Baht 73.10 million in the consolidated financial statements (see Note 10), upon the transition to TFRS 16.

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. Only one of Accounting Treatment Guidance is applicable to the Group as following detail:

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 not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

2.5 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from 1 June 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation 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, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No.3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 "Presentation of Financial Statements" and Thai Accounting Standards No.8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 "Financial Instruments" and Thai Financial Reporting Standard No.7 "Financial Instruments: Disclosures".

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

- 2.7 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:

	2020	2019
	% holding	% holding
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

- 2.8 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 Trade receivables

Policies applicable from January 1, 2020

Trade receivables are presented at original invoice amount less allowance for expected credit losses.

Allowance for expected credit losses ("ECL") has recognized for trade receivables. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Policies applicable prior to January 1, 2020

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.

3.3 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, where necessary, for obsolete and slow-moving inventories (if any).

3.4 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 amortized costs.

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.

Derivative financial instruments

The Group enters into derivative financial instruments including foreign exchange forward contracts to manage its exposure foreign exchange rate risks. Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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 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 obligate when receiving such asset. The Group 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 as expense in the statement of comprehensive income.

3.8 Leases

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 incentive receivables;
- 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.

The right-of-use assets of the Group including leasehold right for land of a subsidiary 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.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

When a contract includes both lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

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 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 the contract. Interest or financial charge and depreciation are recognized as expenses in the statement of comprehensive income.

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 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 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 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 recognize an impairment loss as expense in the statement of comprehensive income.

Reversal of an impairment loss

The Group 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 Other intangible assets other than goodwill

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 test for impairment of intangible assets annually and allowance for impairment has to be made (if any). The Group 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

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.

3.13 Revenue recognition

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

Revenue from services is recognized when the Group 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 Provident Fund

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

3.15 Taxation

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

3.15.1 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.

3.15.2 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 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 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 intend to settle such current tax liability and asset on a net basis or intends to recognize the asset and settle the liability simultaneously.

3.16 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.

3.17 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 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.

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.

3.18 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 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:

	Consolidated		Unit : Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Cash on hand	896,405	1,076,237	560,000	560,000
Bank deposits in savings and current accounts	2,501,187,622	1,953,136,148	2,316,105,941	1,848,616,801
Cheque on hand	658,107	2,908,538	-	-
Time deposits with maturity not more than 3 months (2020: interest rates 0.60% p.a., 2019: interest rates 1.13 - 1.50% p.a.)	<u>400,002,016</u>	<u>1,550,002,016</u>	<u>400,002,016</u>	<u>1,550,002,016</u>
	<u>2,902,744,150</u>	<u>3,507,122,939</u>	<u>2,716,667,957</u>	<u>3,399,178,817</u>

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

	Consolidated		Unit : Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Payables - acquisitions of property, plant and equipment as at January 1,	8,649,301	13,054,307	5,749,302	13,054,307
<u>Add</u> Purchases of property, plant and equipment	120,987,920	135,704,837	105,541,140	115,590,480
<u>Less</u> Purchases of property, plant and equipment under finance lease agreements	-	(3,606,900),	-	-
<u>Less</u> Cash payments	<u>(116,799,532)</u>	<u>(136,502,943)</u>	<u>(98,452,753)</u>	<u>(122,895,485)</u>
Payables - asset acquisitions of property, plant and equipment as at December 31,	<u>12,837,689</u>	<u>8,649,301</u>	<u>12,837,689</u>	<u>5,749,302</u>
Finance lease liabilities recognized under TAS 17 (including current portion) at January 1,	6,819,972	9,956,378	1,751,567	4,307,787
<u>Add</u> Lease liabilities recognized at January 1, 2020 (see Note 2.4)	<u>24,429,106</u>	<u>-</u>	<u>24,429,106</u>	<u>-</u>
Lease liabilities (including current portion) as at January 1,	31,249,078	9,956,378	26,180,673	4,307,787
<u>Add</u> Lease liabilities during the periods	<u>51,940,081</u>	<u>3,606,900</u>	<u>51,940,081</u>	<u>-</u>
<u>Less</u> Cash payments	<u>(18,398,440)</u>	<u>(6,743,306)</u>	<u>(15,765,991)</u>	<u>(2,556,220)</u>
Lease liabilities (including current portion) as at December 31,	<u>64,790,719</u>	<u>6,819,972</u>	<u>62,354,763</u>	<u>1,751,567</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 Financial Statements		Unit : Baht Separate Financial Statements	
	2020	2019	2020	2019
Bank overdrafts and short-term borrowings from financial institutions as at January 1,	90,986,317	35,332,981	-	-
<u>Add</u> Cash received	74,694,982	55,719,676	-	-
<u>Less</u> Unrealized loss on foreign exchange rate	(3,419,431)	(66,340)	-	-
Bank overdrafts and short-term borrowings from financial institutions as at December 31,	<u>162,261,868</u>	<u>90,986,317</u>	<u>-</u>	<u>-</u>

5. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2020	2019	2020	2019
Trade receivables	573,177,411	499,156,471	599,376,998	527,842,987
Other receivables	1,097,275	4,563,176	2,281,102	5,562,849
Prepaid expenses	46,462,998	43,668,929	37,183,237	36,011,805
Accrued income	7,238,118	11,517,968	6,928,107	10,383,065
Advance payments	308,273	219,634	9,020	-
	<u>628,284,075</u>	<u>559,126,178</u>	<u>645,778,464</u>	<u>579,800,706</u>

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

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2020	2019	2020	2019
Number of trade receivables	<u>575</u>	<u>341</u>	<u>171</u>	<u>165</u>
Other companies				
Current	558,249,274	452,184,894	483,927,149	418,390,945
Overdue				
Less than or up to 3 months	10,914,577	48,191,907	8,634,100	45,616,809
More than 3 months up to 6 months	-	-	-	-
More than 6 months up to 12 months	934,680	-	934,680	-
More than 12 months	19,861,580	23,317,419	18,972,485	22,428,325
	<u>589,960,111</u>	<u>523,694,220</u>	<u>512,468,414</u>	<u>486,436,079</u>
Related companies				
Current	10,493,500	4,518,688	112,997,131	69,574,251
	<u>10,493,500</u>	<u>4,518,688</u>	<u>112,997,131</u>	<u>69,574,251</u>
	600,453,611	528,212,908	625,465,545	556,010,330
<u>Less</u> Allowance for expected credit losses	<u>(27,276,200)</u>	<u>(29,056,437)</u>	<u>(26,088,547)</u>	<u>(28,167,343)</u>
	<u>573,177,411</u>	<u>499,156,471</u>	<u>599,376,998</u>	<u>527,842,987</u>

6. INVENTORIES

Inventories as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Finished products	545,517,286	737,054,202	382,509,475	536,713,936
Work in process	25,080,131	10,486,150	19,630,718	14,745,244
Raw materials	857,924,867	849,378,524	856,580,717	846,810,181
Supplies	57,243,430	64,017,585	48,246,733	53,193,167
Goods in transit	177,327,432	95,230,798	172,716,354	88,237,650
	<u>1,663,093,146</u>	<u>1,756,167,259</u>	<u>1,479,683,997</u>	<u>1,539,700,178</u>
<u>Less</u> Allowance for diminution in value of inventories	<u>(9,011,489)</u>	<u>(612,513)</u>	<u>(9,011,489)</u>	<u>(612,513)</u>
	<u><u>1,654,081,657</u></u>	<u><u>1,755,554,746</u></u>	<u><u>1,470,672,508</u></u>	<u><u>1,539,087,665</u></u>

Costs of inventories recognized as cost of the sales of goods in the consolidated financial statements for the years ended December 31, 2020 and 2019 are Baht 6,945.86 million and Baht 6,976.97 million, respectively.

Costs of inventories recognized as cost of the sales of goods in the separate financial statements for the years ended December 31, 2020 and 2019 are Baht 6,511.97 million and Baht 6,631.01 million, respectively.

For the years ended December 31, 2020 and 2019, cost of the sales of goods in the consolidated financial statements included the of loss on diminution in value of inventories of Baht 8.40 million and the reversal of loss on diminution in value of inventories o Baht (1.55) million, respectively.

For the year ended December 31, 2020 and 2019, cost of the sales of goods in the separate financial statements included the of loss on diminution in value of inventories of Baht 8.40 million and the reversal of loss on diminution in value of inventories of Baht (1.55) million, respectively.

As at December 31, 2020 and 2019, 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 191.62 million and Baht 184.96 million, respectively (see Note 15).

As at December 31, 2020 and 2019, 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 201.35 million and Baht 171.77 million, respectively (see Note 15).

7. OTHER CURRENT FINANCIAL ASSETS, OTHER CURRENT INVESTMENTS AND OTHER CURRENT FINANCIAL LIABILITIES

7.1 Other current financial assets and other current financial liabilities as at December 31, consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Unit : Baht				
Other current financial assets				
Time deposits (see Note 7.2)	4,496,293,665	-	4,350,000,000	-
Derivatives - Forward exchange contracts	1,060,752	-	1,060,752	-
	<u>4,497,354,417</u>	<u>-</u>	<u>4,351,060,752</u>	<u>-</u>
Other current investments				
Time deposits (see Note 7.2)	<u>-</u>	<u>2,675,452,137</u>	<u>-</u>	<u>2,500,000,000</u>
Other current financial liabilities				
Derivatives - Forward exchange contracts	1,415,027	-	-	-
	<u>1,415,027</u>	<u>-</u>	<u>-</u>	<u>-</u>

7.2 Time deposits as at December 31, consist of the following:

		Consolidated Financial Statements	
		2020	2019
Unit : Baht			
Maturity Date		Interest rate (percentage per annum)	
2020	2019	2020	2019
Time deposits at banks	Maturity date over		
	3 months but less than 1 year	0.25 - 0.85	1 - 1.75
		<u>4,496,293,665</u>	<u>2,675,452,137</u>
Maturity Date		Interest rate (percentage per annum)	
2020	2019	2020	2019
Time deposits at banks	Maturity date over		
	3 months but less than 1 year	0.40 - 0.85	1.50 - 1.75
		<u>4,350,000,000</u>	<u>2,500,000,000</u>

8. INVESTMENT PROPERTIES

Investment properties are as follows:

Consolidated Financial Statements

As at December 31, 2020

	Balances as at January 1, 2020	Increases	Decreases	Unit : Baht Balances as at December 31, 2020
Cost :				
Land	29,212,697	-	-	29,212,697
<u>Less</u> Allowance for impairment	-	-	-	-
Investment properties	<u>29,212,697</u>			<u>29,212,697</u>
Fair value	<u>57,297,000</u>			<u>57,297,000</u>

As at December 31, 2019

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

Separate Financial Statements

As at December 31, 2020

	Balances as at January 1, 2020	Increases	Decreases	Unit : Baht Balances as at December 31, 2020
Cost :				
Land	39,527,022	-	-	39,527,022
<u>Less</u> Allowance for impairment	-	-	-	-
Investment properties	<u>39,527,022</u>			<u>39,527,022</u>
Fair value	<u>392,708,967</u>			<u>392,708,967</u>

Separate Financial Statements (Continued)

As at December 31, 2019

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

As at December 31, 2020 and 2019, investment properties in the consolidate financial statements represent non-operating land.

As at December 31, 2020 and 2019, 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, 2020

	Balances as at January 1, 2020	Increases	Decreases	Transfer in/ (out)	Exchange differences on translation of financial statements of foreign subsidiary	Unit : Baht Balances as at December 31, 2020
Cost :						
Land	293,349,876	-	-	-	-	293,349,876
Land improvements	158,794,090	-	-	-	(84,905)	158,709,185
Buildings	1,884,521,225	239,044	(559,985)	11,155,090	(381,724)	1,894,973,650
Machinery and equipment	2,375,080,149	11,011,768	(17,286,875)	47,593,416	(189,373)	2,416,209,085
Furniture and office equipment	445,822,624	4,219,934	(30,188,329)	63,437,906	(127,165)	483,164,970
Vehicles	177,473,808	5,443,682	(6,425,967)	4,776,081	(226,910)	181,040,694
Total cost	<u>5,335,041,772</u>	<u>20,914,428</u>	<u>(54,461,156)</u>	<u>126,962,493</u>	<u>(1,010,077)</u>	<u>5,427,447,460</u>
Accumulated depreciation :						
Land improvements	(79,944,196)	(4,981,503)	-	-	75,048	(84,850,651)
Buildings	(1,458,239,905)	(40,968,526)	298,177	-	423,464	(1,498,486,790)
Machinery and equipment	(1,761,514,302)	(137,925,641)	17,091,937	-	317,284	(1,882,030,722)
Furniture and office equipment	(298,276,504)	(50,555,890)	30,145,410	570,955	463,188	(317,652,841)
Vehicles	(127,364,815)	(13,774,371)	4,754,690	3,336,843	64,277	(132,983,376)
Total accumulated depreciation	<u>(3,725,339,722)</u>	<u>(248,205,931)</u>	<u>52,290,214</u>	<u>3,907,798</u>	<u>1,343,261</u>	<u>(3,916,004,380)</u>
Building under construction and equipment under installation	<u>92,441,031</u>	<u>100,073,492</u>	<u>(2,029,669)</u>	<u>(138,550,458)</u>	<u>-</u>	<u>51,934,396</u>
Property, plant and equipment	<u>1,702,143,081</u>					<u>1,563,377,476</u>

Consolidated Financial Statements (Continued)

As at December 31, 2019

	Balances as at January 1, 2019	Increases	Decreases	Transfer in/ (out)	Exchange differences on translation of financial statements of foreign subsidiary	Unit : Baht Balances as at December 31, 2019
Cost :						
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>
Accumulated depreciation :						
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	(123,985,581)	(16,901,722)	13,473,557	-	48,931	(127,364,815)
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>
Property, plant and equipment	<u><u>1,836,019,586</u></u>					<u><u>1,702,143,081</u></u>
Depreciation for the years ended December 31,						
2020						<u>248,205,931</u>
2019						<u><u>251,396,633</u></u>
Gross carrying amount of plant and equipment which are fully depreciated and still in use as at December 31,						
2020						<u>2,833,393,691</u>
2019						<u><u>2,804,152,925</u></u>

Separate Financial Statements

As at December 31, 2020

	Unit : Baht				
	Balances as at January 1, 2020	Increases	Decreases	Transfer in/ (out)	Balances as at December 31, 2020
Cost :					
Land	261,479,164	-	-	-	261,479,164
Land improvements	127,519,506	-	-	-	127,519,506
Buildings	1,577,555,694	-	(56,389)	11,155,090	1,588,654,395
Machinery and equipment	2,218,733,498	10,860,002	(17,170,305)	30,682,748	2,243,105,943
Furniture and office equipment	400,898,070	3,580,415	(28,891,191)	63,353,206	438,940,500
Vehicles	137,138,625	-	(918,752)	13,296,496	149,516,369
Total cost	4,723,324,557	14,440,417	(47,036,637)	118,487,540	4,809,215,877
Accumulated depreciation :					
Land improvements	(69,705,763)	(3,403,096)	-	-	(73,108,859)
Buildings	(1,253,473,741)	(31,933,102)	46,256	-	(1,285,360,587)
Machinery and equipment	(1,657,968,878)	(129,635,169)	16,987,994	-	(1,770,616,053)
Furniture and office equipment	(271,565,201)	(41,539,479)	28,888,092	570,955	(283,645,633)
Vehicles	(101,154,333)	(11,189,451)	787,167	1,484,233	(110,072,384)
Total accumulated depreciation	(3,353,867,916)	(217,700,297)	46,709,509	2,055,188	(3,522,803,516)
Building under construction and equipment under installation	84,361,655	91,100,723	(2,029,669)	(121,555,088)	51,877,621
Property, plant and equipment	1,453,818,296				1,338,289,982

Separate Financial Statements (Continued)

As at December 31, 2019

					Unit : Baht
	Balances as at January 1, 2019	Increases	Decreases	Transfer in/ (out)	Balances as at December 31, 2019
Cost :					
Land	261,479,164	-	-	-	261,479,164
Land improvements	127,519,506	-	-	-	127,519,506
Buildings	1,576,521,945	-	-	1,033,749	1,577,555,694
Machinery and equipment	2,209,744,117	6,370,077	(48,452,666)	51,071,970	2,218,733,498
Furniture and office equipment	381,023,177	7,496,084	(7,785,158)	20,163,967	400,898,070
Vehicles	135,894,513	1,795,533	(7,119,081)	6,567,660	137,138,625
Total cost	<u>4,692,182,422</u>	<u>15,661,694</u>	<u>(63,356,905)</u>	<u>78,837,346</u>	<u>4,723,324,557</u>
Accumulated depreciation :					
Land improvements	(66,301,313)	(3,404,450)	-	-	(69,705,763)
Buildings	(1,219,501,059)	(33,972,682)	-	-	(1,253,473,741)
Machinery and equipment	(1,574,202,718)	(131,448,936)	47,682,776	-	(1,657,968,878)
Furniture and office equipment	(243,985,349)	(34,624,198)	7,044,346	-	(271,565,201)
Vehicles	(94,773,000)	(11,704,876)	5,323,543	-	(101,154,333)
Total accumulated depreciation	<u>(3,198,763,439)</u>	<u>(215,155,142)</u>	<u>60,050,665</u>	<u>-</u>	<u>(3,353,867,916)</u>
Building under construction and equipment under installation	<u>63,270,215</u>	<u>99,928,786</u>	<u>-</u>	<u>(78,837,346)</u>	<u>84,361,655</u>
Property, plant and equipment	<u><u>1,556,689,198</u></u>				<u><u>1,453,818,296</u></u>

Depreciation for the years ended December 31,

2020	<u><u>217,700,297</u></u>
2019	<u><u>215,155,142</u></u>

**Gross carrying amount of plant and equipment which
are fully depreciated and still in use as at December 31,**

2020	<u><u>2,534,649,592</u></u>
2019	<u><u>2,510,200,510</u></u>

As at January 1, 2020, the Group reclassified property, plant and equipment to be right-of-use assets upon to transition to TFRS 16 of Baht 10.38 million and Baht 2.82 million in the consolidated and separate financial statements, respectively, (see Note 2.4) such reclassification amount presented in transfer in/(out).

As at December 31, 2020 and 2019, 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 442.67 million and Baht 467.12 million, respectively. (see Note 26.3)

As at December 31, 2020 and 2019, 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 26.3)

10. RIGHT-OF-USE ASSETS, LEASEHOLD RIGHT AND LEASE LIABILITIES

10.1 Right-of-use assets, leasehold right and lease liabilities as at December 31, consists of the following:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Right-of-use assets				
Land	71,182,025	-	-	-
Building	37,821,553	-	37,821,553	-
Equipment	543,131	-	543,131	-
Vehicles	27,261,082	-	23,125,845	-
	<u>136,807,791</u>	<u>-</u>	<u>61,490,529</u>	<u>-</u>
Leasehold right				
Land	<u>-</u>	<u>73,095,093</u>	<u>-</u>	<u>-</u>
Lease liabilities				
Current portion of lease liabilities	19,421,755	3,809,517	18,038,727	1,177,068
Lease liabilities	<u>45,368,964</u>	<u>3,010,455</u>	<u>44,316,036</u>	<u>574,499</u>
	<u>64,790,719</u>	<u>6,819,972</u>	<u>62,354,763</u>	<u>1,751,567</u>

For the years ended December 31, 2020, additional to the right-of-use assets recognized in consolidated financial statements and separate financial statements amounting to Baht 51.94 million.

The Group leases several assets including land of which lease term 48 years, office buildings, equipment and vehicles of which average lease term during 3 - 6 years.

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. Such leasehold right presented included in right-of-use assets as at December 31, 2020 and presented included in leasehold right as at December 31, 2019.

10.2 Amounts recognized in the statement of comprehensive income for the year ended December 31, comprise;

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Depreciation - right-of-use assets				
Land	1,723,798	-	-	-
Building	5,403,079	-	5,403,079	-
Equipment	278,519	-	278,519	-
Vehicles	12,741,987	-	10,209,419	-
	<u>20,147,383</u>	<u>-</u>	<u>15,891,017</u>	<u>-</u>
Interest expense	2,208,350	-	2,030,831	-
Expense relating to short-term leases	12,316,915	-	6,542,725	-
Expense relating to leases of low value assets	3,679,400	-	2,703,186	-
	<u>38,352,048</u>	<u>-</u>	<u>27,167,759</u>	<u>-</u>

For the years ended December 31, 2020 and 2019, the total cash outflow for leases on consolidated and separated financial statements amount to Baht 18.40 million and Baht 15.77 million, respectively.

11. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Other intangible assets other than goodwill, consists of the following:

Consolidated Financial Statements
As at December 31, 2020

	Balance as at January 1, 2020	Increase	Total	Amortization	Exchange differences on translation of financial statements of foreign subsidiary	Unit : Baht
						Balance as at December 31, 2020
Right for use of trademarks - net	545,900,757	-	545,900,757	-	-	545,900,757
Right for use of software - net	552,723	-	552,723	(577,913)	25,190	-
	<u>546,453,480</u>	<u>-</u>	<u>546,453,480</u>	<u>(577,913)</u>	<u>25,190</u>	<u>545,900,757</u>

Consolidated Financial Statements (Continued)
As at December 31, 2019

	Balance	Increase	Total	Amortization	Exchange	Unit : Baht
	as at				differences	Balance
	January 1,				on translation	as at
	2019				of financial	December 31,
					statements	2019
					of foreign	
					subsidiary	
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>
Amortization for the years ended December 31,						
2020						<u>577,913</u>
2019						<u>731,658</u>

Separate Financial Statements
As at December 31, 2020

	Balance	Increase	Total	Amortization	Unit : Baht
	as at				Balance
	January 1,				as at
	2020				December 31,
					2020
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, 2019

	Balance	Increase	Total	Amortization	Unit : Baht
	as at				Balance
	January 1,				as at
	2019				December 31,
					2019
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,					
2020					<u>-</u>
2019					<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 7, 2021 and January 14, 2020, the appraisal values of the fair value of such right as at January 2, 2021 and January 2, 2020, respectively, by using the Relief from Royalty Method are higher than the carrying values.

For the years ended December 31, 2020 and 2019, sale under these trademarks were approximately 90% and 95% 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	
	2020	2019	2020	2019
Deferred tax assets	<u>45,635,125</u>	<u>39,983,199</u>	<u>39,695,381</u>	<u>33,622,760</u>
Deferred tax liabilities	<u>116,608,579</u>	<u>116,608,579</u>	<u>109,180,151</u>	<u>109,180,151</u>

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

Consolidated Financial Statements

As at December 31, 2020

	Balances	Recognized in	Recognized in	Unit : Baht
	as at	profit or loss	Other	Balances
	January 1,		Comprehensive	as at
	2020		Income (loss)	December 31,
				2020
Allowance for expected credit losses	5,811,287	(356,047)	-	5,455,240
Allowance for diminution in value of inventories	122,503	1,689,595	-	1,812,098
Provision for sale promotions	1,700,000	3,740,963	-	5,440,963
Provision for employee benefit	32,349,409	1,322,650	(533,085)	33,138,974
Financial assets measured at FVTPL	-	(212,150)	-	(212,150)
Total deferred tax assets	<u>39,983,199</u>	<u>6,185,011</u>	<u>(533,085)</u>	<u>45,635,125</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>

Consolidated Financial Statements (Continued)

As at December 31, 2019

	Balances as at January 1, 2019	Recognized in profit or loss	Recognized in Other Comprehensive Income (loss)	Unit : Baht Balances as at December 31, 2019
Allowance for expected credit losses	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	<u>36,561,545</u>	<u>(352,841)</u>	<u>3,774,495</u>	<u>39,983,199</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, 2020

	Balances as at January 1, 2020	Recognized in profit or loss	Recognized in Other Comprehensive Income (loss)	Unit : Baht Balances as at December 31, 2020
Allowance for expected credit losses	5,633,468	(415,759)	-	5,217,709
Allowance for diminution in value of inventories	122,503	1,689,595	-	1,812,098
Provision for sale promotions	1,700,000	3,800,675	-	5,500,675
Provision for employee benefit	26,166,789	1,600,667	(390,407)	27,377,049
Financial assets measured at FVTPL	-	(212,150)	-	(212,150)
Total deferred tax assets	<u>33,622,760</u>	<u>6,463,028</u>	<u>(390,407)</u>	<u>39,695,381</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, 2019

	Balances as at January 1, 2019	Recognized in profit or loss	Recognized in Other Comprehensive Income (loss)	Unit : Baht Balances as at December 31, 2019
Allowance for expected credit losses	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>

For the years ended December 31, 2020 and 2019, the Group have applied the tax rate of 20% for calculating tax expense and deferred income tax.

For the years ended December 31, 2020 and 2019, 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:

	Consolidated		Unit : Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Current tax expense				
in respect of the current period	386,093,911	248,334,264	375,523,946	236,811,503
Deferred taxes relating to				
temporary differences	(6,185,011)	352,841	(6,463,028)	1,619,084
Tax expense	<u>379,908,900</u>	<u>248,687,105</u>	<u>369,060,918</u>	<u>238,430,587</u>
Income tax relating to the components				
of other comprehensive income (loss)				
Deferred tax relating to actuarial				
gains (loss)	<u>(533,085)</u>	<u>3,774,495</u>	<u>(390,407)</u>	<u>3,343,635</u>

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

	Consolidated		Unit : Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Profit before tax expense	<u>1,870,290,893</u>	<u>1,188,066,500</u>	<u>1,896,679,187</u>	<u>1,238,615,426</u>
Income tax calculated at 20%	374,058,179	237,613,300	379,335,837	247,723,085
Effect of transactions that are not				
taxable income and expenses	<u>5,850,721</u>	<u>11,073,805</u>	<u>(10,274,919)</u>	<u>(9,292,498)</u>
Tax expense per the statement				
of comprehensive income	379,908,900	248,687,105	369,060,918	238,430,587
Tax income (tax expense) relating to the				
origination and reversal of temporary				
differences	<u>6,185,011</u>	<u>(352,841)</u>	<u>6,463,028</u>	<u>(1,619,084)</u>
Income tax per income tax return form	<u>386,093,911</u>	<u>248,334,264</u>	<u>375,523,946</u>	<u>236,811,503</u>
	%	%	%	%
Effective tax rate	20.64	20.90	19.80	19.12

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		Unit : Baht Separate Financial Statements	
	2020	2019	2020	2019
Bank overdraft and short-term borrowings from financial institutions	162,261,868	90,986,317	-	-

As at December 31, 2020 and 2019, a subsidiary has credit facilities from local institutions for bank overdraft, short-term borrowings and other facilities which carried interest during 1.8% per annum and 2.65% - 2.70% per annum, respectively. Such credit facilities are mortgaged by the subsidiary's land and buildings (see Note 9).

As at December 31, 2020 and 2019, a subsidiary has credit facilities from foreign institutions for short-term borrowings and other facilities with interest rate during 0.63% - 0.71% per annum and 2.31% - 2.36% per annum, respectively. Such credit facilities are guaranteed by the Company (see Note 26.5).

14. TRADE AND OTHER CURRENT PAYABLES

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

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2020	2019	2020	2019
Trade payables	198,052,538	157,152,637	169,547,376	131,895,187
Other payables	55,699,394	62,434,138	52,517,902	58,208,826
Accrued dividends	2,416,420	2,331,815	2,416,420	2,331,815
Accrued expenses	176,005,552	134,494,174	145,199,266	106,425,854
Advance received from customers (see Note 15)	66,839,636	74,217,382	66,103,019	74,175,585
Deferred sales (see Note 15)	124,776,603	110,745,759	135,248,711	97,592,215
	<u>623,790,143</u>	<u>541,375,905</u>	<u>571,032,694</u>	<u>470,629,482</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 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 December 31, 2020 and 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 “Advance received from customers” and “Deferred sales”, respectively (see Note 14).

16. 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		Unit : Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Presented in the statements of financial position as follows:				
Current provision for employee benefit	8,389,689	19,519,679	3,998,530	11,610,600
Non-current provision for employee benefit	161,303,711	153,837,968	136,885,246	130,833,946
Total	<u>169,693,400</u>	<u>173,357,647</u>	<u>140,883,776</u>	<u>142,444,546</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		Unit : Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Current service cost	13,912,286	26,998,180	10,156,446	20,279,267
Interest cost	2,319,765	1,712,457	1,845,419	1,373,119
Actuarial (gains) loss	(2,665,425)	18,872,474	(1,952,035)	16,718,176
	<u>13,566,626</u>	<u>47,583,111</u>	<u>10,049,830</u>	<u>38,370,562</u>

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

	Consolidated		Unit : Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Beginning provision for employee benefit	173,357,647	135,928,230	142,444,546	112,868,646
Current service cost	13,912,286	26,998,180	10,156,446	20,279,267
Interest cost	2,319,765	1,712,457	1,845,419	1,373,119
Actuarial (gains) loss	(2,665,425)	18,872,474	(1,952,035)	16,718,176
Benefit paid	<u>(17,230,873)</u>	<u>(10,153,694)</u>	<u>(11,610,600)</u>	<u>(8,794,662)</u>
Ending provision for employee benefit	<u>169,693,400</u>	<u>173,357,647</u>	<u>140,883,776</u>	<u>142,444,546</u>

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

	Consolidated and Separate Financial Statements	
	2020 (% p.a.)	2019 (% p.a.)
Discount rate	1.60	1.50
Turnover rate	0 - 6	0 - 6
	Depend on range of employee age	Depend on range of employee age
Salary increasing rate	4 - 5	4 - 5
Gold price rate	28,500	22,000
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, 2020 are as follows:

	Consolidated Financial Statements	Unit : Million Baht Separate Financial Statements
Discount rate		
Discount rate, decrease of 0.5 percent	12.42	10.92
Discount rate, increase of 0.5 percent	(11.01)	(9.64)
Turnover rates		
Turnover rates, decrease of 1 percent	12.89	11.36
Turnover rates, increase of 1 percent	(10.64)	(9.31)
Salary increasing rates		
Salary growth rates, decrease of 1 percent	(10.30)	(9.01)
Salary growth rates, increase of 1 percent	13.32	11.74
Future gold price rate		
Gold price growth rates, decrease of 1 percent	(11.43)	(10.03)
Gold price growth rates, increase of 1 percent	11.58	10.17

17. 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, 2020 and 2019, the Company's contribution and subsidiaries' contribution to provident fund which were recorded as expenses in the consolidated financial statements in amounts of Baht 15.13 million and Baht 15.45 million, respectively.

For the years ended December 31, 2020 and 2019, the Company's contribution to provident fund which was recorded as expenses in the separate financial statements in amounts of Baht 12.42 million and Baht 12.65 million, respectively.

18. OTHER INCOME

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Rental income	6,198,125	5,852,205	20,350,629	19,079,875
Dividend income	-	-	20,531,214	21,124,976
Gain on sale of property, plant and equipment	1,206,145	1,411,395	1,303,144	-
Gain on foreign exchange rate-net	27,686,609	8,968,822	25,810,095	9,161,830
Others	19,891,861	18,739,258	20,155,972	18,625,931
	<u>54,982,740</u>	<u>34,971,680</u>	<u>88,151,054</u>	<u>67,992,612</u>

19. EXPENSES BY NATURE

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Changes in finished goods and work in process	176,942,935	99,862,592	149,318,987	79,334,312
Cost of finished goods purchased	156,432,478	139,543,240	-	-
Raw materials used	5,813,210,160	5,995,780,925	5,602,937,430	5,833,029,853
Employee benefit expenses	516,763,217	510,481,061	423,532,326	416,102,401
Depreciation and amortization	268,931,227	253,833,896	233,591,314	215,155,142
Loss on diminution in value of inventories (reversal)	8,398,976	(1,554,670)	8,398,976	(1,554,670)
Expected credit losses (reversal)	(1,780,237)	115,637	(2,078,796)	155,137

20. SHARE DISCOUNT ON ORDINARY SHARES

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
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	(2,323,570,340)	(2,323,570,340)	(2,323,570,340)	(2,323,570,340)
	<u>(43,570,340)</u>	<u>(43,570,340)</u>	<u>(43,570,340)</u>	<u>(43,570,340)</u>

21. 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.

22. 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.

23. 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 for the year 2019 to ordinary shareholders as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Dividend paid to Owners of parent	Non-controlling interests	Unit : Baht Total amount
N.I.M. Company Limited	April 23, 2020	2.75	17,531,250	16,843,750	34,375,000
MC Agro-Chemicals Company Limited	April 21, 2020	6.00	2,999,964	36	3,000,000
			<u>20,531,214</u>	<u>16,843,786</u>	<u>37,375,000</u>

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 Owners of parent	Non-controlling interests	Unit : Baht 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	1,999,976	24	2,000,000
			<u>21,124,976</u>	<u>18,375,024</u>	<u>39,500,000</u>

24. TRANSACTIONS BETWEEN RELATED PARTIES

Transactions between related parties are as follows:

24.1 Investments

24.1.1 Investment in an associate

As at December 31, 2020

AS at December 31, 2020							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	136,807,196	-

As at December 31, 2019

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

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:

	Unit : Baht Consolidated Financial Statements	
	2020	2019
Share of profit from investment in an associate	238,463	321,517

24.1.2 Investments in subsidiaries

							Unit : Thousand Baht	
Company name	Type of business	Relationship	Paid-up capital		Ownership % (Direct and Indirect)		Cost	
			2020	2019	2020	2019	2020	2019
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		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

24.2 Business transactions with related parties

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

Account name/ Company's name	Relationship	Unit : Baht			
		Consolidated		Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2020	2019	2020	2019
Trade receivables					
TCCC Myanmar Limited	Subsidiary	-	-	102,503,631	65,055,563
Atlas Fertilizer Corporation	Related Company	-	4,518,688	-	4,518,688
Pornsawanchemical Company Limited*	Related Company	4,036,840	-	4,036,840	-
Thanatheptaewa Company Limited*	Related Company	6,456,660	-	6,456,660	-
		<u>10,493,500</u>	<u>4,518,688</u>	<u>112,997,131</u>	<u>69,574,251</u>
Other receivables					
N.I.M. Company Limited	Subsidiary	-	-	910,190	717,691
MC Agro-Chemicals Company Limited	Subsidiary	-	-	53,980	45,514
TCCC Myanmar Limited	Subsidiary	-	-	622,761	512,824
		<u>-</u>	<u>-</u>	<u>1,586,931</u>	<u>1,276,029</u>
Trade payables					
Sojitz Corporation Group	Major shareholder	<u>4,306,281</u>	<u>2,882,687</u>	<u>-</u>	<u>-</u>
Other payables					
Metro Systems Corporation Public Company Limited	Related Company	<u>-</u>	<u>215,659</u>	<u>-</u>	<u>197,469</u>

* On July 24, 2020, the ordinary shareholder' meeting pass resolution to appoint the new directors which affect such companies to be related through common directorship.

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

Account name/ Company's name	Relationship	Unit : Baht			
		Consolidated		Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2020	2019	2020	2019
Revenues from sales and services					
Sojitz Corporation Group	Major shareholder	-	3,690,425	-	-
TCCC Myanmar Limited	Subsidiary	-	-	130,913,476	156,427,870
Atlas Fertilizer Corporation	Related Company	-	4,549,578	-	4,549,578
Thanathepthong Company Limited*	Related Company	14,825,425	-	14,825,425	-
Thanathepthanuthong Company Limited*	Related Company	9,069,075	-	9,069,075	-
Thanathepsamdinthai Company Limited*	Related Company	12,950,960	-	12,950,960	-
Thanatheptaewa Company Limited*	Related Company	16,601,947	-	16,601,947	-
Thanatheptanwa Company Limited*	Related Company	16,049,248	-	16,049,248	-
Pornsawanchemical Company Limited*	Related Company	9,341,815	-	9,341,815	-
		<u>78,838,470</u>	<u>8,240,003</u>	<u>209,751,946</u>	<u>160,977,448</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	15,393,708	14,512,430
MC Agro-Chemicals Company Limited	Subsidiary	-	-	39,014	30,374
TCCC Myanmar Limited	Subsidiary	-	-	3,713,313	2,530,521
		<u>-</u>	<u>-</u>	<u>19,146,035</u>	<u>17,073,325</u>

Account name/ Company's name	Relationship	Unit : Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
Dividend income					
N.I.M. Company Limited	Subsidiary	-	-	17,531,250	19,125,000
MC Agro-Chemicals Company Limited	Subsidiary	-	-	2,999,964	1,999,976
		<u>-</u>	<u>-</u>	<u>20,531,214</u>	<u>21,124,976</u>
Purchases					
Sojitz Corporation Group	Major shareholder	<u>8,295,642</u>	<u>9,622,067</u>	<u>-</u>	<u>-</u>
Purchase assets					
Metro Systems Corporation Public Company Limited	Related Company	<u>-</u>	<u>3,384,450</u>	<u>-</u>	<u>3,384,450</u>
Other expenses					
Metro Systems Corporation Public Company Limited	Related Company	<u>1,197,500</u>	<u>2,437,600</u>	<u>1,067,500</u>	<u>2,215,600</u>
Managements' remuneration					
	Directors	<u>38,592,372</u>	<u>36,530,711</u>	<u>38,070,372</u>	<u>36,008,711</u>

* On July 24, 2020, the ordinary shareholder' meeting pass resolution to appoint the new directors which affect such companies to be related through common directorship.

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

25. SIGNIFICANT AGREEMENTS

25.1 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.

25.2 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.

26. COMMITMENTS AND CONTINGENT LIABILITIES

- 26.1 The Company has capital commitments for capital expenditure as at December 31, 2020 and 2019, of Baht 36.59 million and Baht 15.21 million, respectively.

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

- 26.2 As at December 31, 2020, the Group has commitments according to short-term leases and leases of low-value assets in the consolidated and separate financial statements of Baht 15.27 million and Baht 7.77 million, respectively.

- 26.3 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, 2020 and 2019, the unused credit facilities, consist of:

	Currency	Consolidated Financial Statements		Unit : Million Separate Financial Statements	
		2020	2019	2020	2019
Credit facilities*	Baht	11,636.66	11,623.62	11,454.58	11,426.96
	USD	37.50	39.50	30.00	30.00
Credit facility for forward exchange contracts	Baht	2,770.13	2,656.77	2,753.01	2,636.77
	USD	167.91	166.24	161.56	159.66
Letter of guarantee	Baht	91.34	91.34	91.34	91.34

As at December 31, 2020 and 2019, credit facilities of the Company and its subsidiaries pledged by land, land improvements 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.

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

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2020	2019	2020	2019
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>

- 26.5 As at December 31, 2020 and 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 362.48 million and Baht 363.98 million, respectively. (see Note 13).

As at December 31, 2020 and 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 0.49 million (or equivalent to Baht 14.70 million) and USD 3.09 million (or equivalent to Baht 95.07 million), respectively.

26.6 As at December 31, 2020 and 2019, the Company has commitment with a bank regarding the outstanding letters of credit amounting to USD 1.80 million (or equivalent to Baht 54.31 million) and USD 6.35 million (or equivalent to Baht 192.61 million), respectively.

As at December 31, 2020 and 2019, a subsidiary have commitment with a bank regarding the outstanding letters of credit amounting to USD 0.05 million (or equivalent to Baht 1.51 million) and USD 0.04 million (or equivalent to Baht 1.15 million), respectively.

27. 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, 2020, 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	9,226,443,365	-	9,226,443,365		
- Other income	71,100,966	71,699,539	142,800,505		
	9,297,544,331	71,699,539	9,369,243,870	1,820,739,831	12,288,067,903
Rental services section					
- Revenues from service	-	113,881,836	113,881,836		
- Other income	2,575,390	1,695,201	4,270,591		
	2,575,390	115,577,037	118,152,427	47,396,405	243,327,429
Others section					
- Revenues from sales	217,634,316	7,255,862	224,890,178		
- Other income	698,724	87,114	785,838		
	218,333,040	7,342,976	225,676,016	4,820,082	267,524,595
<u>Less</u> Intersegment revenues			(170,417,982)		
Total revenues			9,542,654,331		
Profit before income tax expense				1,872,956,318	
<u>Less</u> Income tax expense				(380,441,985)	
Total comprehensive income				1,492,514,333	
					12,798,919,927
<u>Less</u> Intersegment assets					(651,688,802)
Total assets					12,147,231,125
<u>Less</u> Non-controlling interests in total comprehensive income				(18,467,337)	
Exchange differences on translation of financial statements of foreign subsidiary				344,625	
Total comprehensive income attributable to owners of the parent				1,474,391,621	
Consolidated assets as at December 31, 2020					12,147,231,125

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

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

28.1 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.

28.2 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.

28.3 Fair value of financial instruments

CONSOLIDATED FINANCIAL STATEMENTS

	Unit : Thousand Baht		
	As at December 31, 2020		
	Carrying Amount	Fair Value	Fair value hierarchy
<u>Financial assets</u>			
Cash and cash equivalents	2,902,744	2,902,744	Level 3
Trade receivables	573,177	573,177	Level 3
Time deposit	4,496,294	4,496,294	Level 3
Derivative assets	1,061	1,061	Level 2
<u>Financial liabilities</u>			
Bank overdrafts and short-term borrowings from financial institutions	162,262	162,262	Level 3
Trade payables	198,053	198,053	Level 3
Derivative liabilities	1,415	1,415	Level 2
Lease liabilities (including current portion)	64,791	64,791	Level 3

	Unit : Thousand Baht		
	As at December 31, 2019		
	Carrying Amount	Fair Value	Fair value hierarchy
<u>Financial assets</u>			
Cash and cash equivalents	3,507,123	3,507,123	Level 3
Trade receivables	499,156	499,156	Level 3
Time deposit	2,675,452	2,675,452	Level 3
Derivative assets	196	196	Level 2
<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
Derivative liabilities	300	210	Level 2
Lease liabilities (including current portion)	6,820	6,374	Level 3

SEPARATE FINANCIAL STATEMENTS

	Unit : Thousand Baht		Fair value hierarchy
	As at December 31, 2020		
	Carrying Amount	Fair Value	
<u>Financial assets</u>			
Cash and cash equivalents	2,716,668	2,716,668	Level 3
Trade receivables	599,377	599,377	Level 3
Time deposit	4,350,000	4,350,000	Level 3
Derivative assets	1,061	1,061	Level 2
<u>Financial liabilities</u>			
Trade payables	169,547	169,547	Level 3
Lease liabilities (including current portion)	62,355	62,355	Level 3

	Unit : Thousand Baht		Fair value hierarchy
	As at December 31, 2019		
	Carrying Amount	Fair Value	
<u>Financial assets</u>			
Cash and cash equivalents	3,399,179	3,399,179	Level 3
Trade receivables	527,373	527,373	Level 3
Time deposit	2,500,000	2,500,000	Level 3
Derivative assets	196	196	Level 2
<u>Financial liabilities</u>			
Trade payables	131,895	131,895	Level 3
Derivative liabilities	-	-	Level 2
Lease liabilities (including current portion)	1,752	1,637	Level 3

28.4 Foreign exchange risk

Forward exchange contract

As at December 31, 2020 and 2019, 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:

Forward purchase contracts				The remaining Period day	Net fair value gain (loss) (Baht)	Fair value hierarchy	Valuation Technique(s)
	Currency	Amount	Average Rate (Baht)				
As at December 31, 2020							
The Company	USD	4,691,090	30.7422	20 - 349	(3,339,300)	Level 2	Discontinued cash flow*
A subsidiary	USD	1,243,047	31.1735	37 - 180	(1,415,027)		

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

Forward sell contracts				The remaining Period (day)	Net fair value gain (loss) (Baht)	Fair value hierarchy	Valuation Technique(s)
	Currency	Amount	Average Rate (Baht)				
As at December 31, 2020							
The Company	USD	5,414,808	31.0182	12 - 357	4,400,052	Level 2	Discontinued cash flow*
As at December 31, 2019							
The Company	USD	2,206,707	30.2875	87 - 155	869,036	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, 2020 and 2019 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
As at December 31, 2020				
The Company			USD	5,424,043
Subsidiaries			USD	1,665,368
			MMK	2,930,210,955
As at December 31, 2019				
The Company			USD	2,428,057
Subsidiaries			USD	474,375
			MMK	446,548,103

		Foreign liabilities	
		Currency	Amount
As at December 31, 2020			
The Company		USD	4,601,569
		EUR	2,994
Subsidiaries		USD	5,035,985
As at December 31, 2019			
The Company		USD	3,106,281
		EUR	4,398
Subsidiaries		USD	3,405,839

29. RECLASSIFICATION

Reclassifications have been made in the statement of comprehensive income for the year ended December 31, 2019, to conform to the classification used in current year's statement of comprehensive income. Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

Account	Previous presentation	Current presentation	Consolidated	Unit : Baht Separate
Interest income	Other income	Interest income	71,406,577	68,776,945

30. EVENT AFTER THE REPORTING PERIOD

- 30.1 On February 24, 2021, the Board of Directors' meeting of the Company approved annual dividend payment for the operating result of 2020 at Baht 1.80 per share, totaling Baht 1,052.49 million. However, the approval for the dividend shall be proposed to the Annual General Meeting of shareholders of the Company for the year 2021 for further consideration and approval.
- 30.2 During February 2021, there is series of protests and demonstrations against Coup d'état in the republic of the union of Myanmar. By this, TCCC Myanmar Limited is not fully operated due to day-to-day situation. Management of TCCC Myanmar Limited has closely monitored the situation and impact to the operation. Nevertheless, the Group's management is in the process to assess the financial impact in respect of valuation of receivables, inventory and fixed assets.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issue by the Board of Directors of the Company on February 24, 2021.