

## **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, 2021, 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, 2021, 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
<b>Revenue recognition</b> 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.	Our key audit procedures included: <ul style="list-style-type: none"> <li>• Understanding and assessing the appropriateness of the Company’s revenue recognition accounting policies and compliance with TFRSs.</li> <li>• Evaluating the Company’s design and implementation of controls and testing the operating effectiveness of such controls over recording of sales during the year and the revenue recognition as of year end.</li> <li>• Performing substantive analytical procedures on revenue.</li> <li>• Performing substantive tests of details of sales balance with the related supporting documents.</li> <li>• Testing sales transactions occurring near the end of accounting period with the related supporting documents.</li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises information in the annual report, 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, 2022

Sophaphan Saptipayarattana  
Certified Public Accountant (Thailand)  
Registration No. 6523  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	4,504,540,390	2,902,744,150	4,064,826,527	2,716,667,957
Trade and other current receivables	5	373,395,142	628,284,075	565,966,332	645,778,464
Inventories	6 and 15	1,918,953,505	1,654,081,657	1,784,578,808	1,470,672,508
Other current financial assets	7	3,592,012,905	4,497,354,417	3,451,133,027	4,351,060,752
Other current assets		2,078,815	717,284	929,262	600,386
Total Current Assets		<u>10,390,980,757</u>	<u>9,683,181,583</u>	<u>9,867,433,956</u>	<u>9,184,780,067</u>
<b>NON-CURRENT ASSETS</b>					
Investment in an associate	24.1.1	136,977,953	136,807,196	98,000,000	98,000,000
Investments in subsidiaries	24.1.2	-	-	383,854,981	552,854,981
Investment properties	8	29,212,697	29,212,697	39,527,022	39,527,022
Property, plant and equipment	9	1,525,601,568	1,563,377,476	1,306,276,358	1,338,289,982
Right-of-use assets	10	126,940,912	136,807,791	44,930,889	61,490,529
Other intangible assets other than goodwill	11	545,900,757	545,900,757	545,900,757	545,900,757
Deferred tax assets	12	45,851,184	45,635,125	41,157,812	39,695,381
Other non-current assets		8,366,314	6,308,500	6,985,536	5,039,560
Total Non-current Assets		<u>2,418,851,385</u>	<u>2,464,049,542</u>	<u>2,466,633,355</u>	<u>2,680,798,212</u>
<b>TOTAL ASSETS</b>		<u><u>12,809,832,142</u></u>	<u><u>12,147,231,125</u></u>	<u><u>12,334,067,311</u></u>	<u><u>11,865,578,279</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, 2021**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	13	198,220,617	162,261,868	-	-
Trade and other current payables	14	744,323,167	623,790,143	680,756,937	571,032,694
Current portion of lease liabilities	10	16,257,768	19,421,755	14,820,962	18,038,727
Current income tax payable		147,639,258	200,479,223	141,214,407	196,259,609
Current provision for employee benefits	16	12,959,623	8,389,689	7,331,173	3,998,530
Other current financial liabilities	7	11,200,467	1,415,027	11,137,046	-
Other current liabilities		38,403,873	24,119,978	23,518,175	11,510,884
Total Current Liabilities		<u>1,169,004,773</u>	<u>1,039,877,683</u>	<u>878,778,700</u>	<u>800,840,444</u>
NON-CURRENT LIABILITIES					
Lease liabilities	10	33,132,406	45,368,964	31,480,496	44,316,036
Deferred tax liabilities	12	116,608,579	116,608,579	109,180,151	109,180,151
Non-current provision for employee benefit	16	158,472,814	161,303,711	141,582,954	136,885,246
Other non-current liabilities		17,529,529	17,850,479	15,889,529	16,010,479
Total Non-current Liabilities		<u>325,743,328</u>	<u>341,131,733</u>	<u>298,133,130</u>	<u>306,391,912</u>
TOTAL LIABILITIES		<u>1,494,748,101</u>	<u>1,381,009,416</u>	<u>1,176,911,830</u>	<u>1,107,232,356</u>

**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2021**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
584,716,118 ordinary shares of Baht 3 each		1,754,148,354	1,754,148,354	1,754,148,354	1,754,148,354
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
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		9,375,980,716	8,846,011,230	9,271,168,782	8,872,359,224
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		(46,725,712)	(59,318,155)	-	-
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT		11,215,241,703	10,672,679,774	11,157,155,481	10,758,345,923
NON-CONTROLLING INTERESTS		99,842,338	93,541,935	-	-
TOTAL SHAREHOLDERS' EQUITY		11,315,084,041	10,766,221,709	11,157,155,481	10,758,345,923
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>12,809,832,142</b>	<b>12,147,231,125</b>	<b>12,334,067,311</b>	<b>11,865,578,279</b>

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, 2021**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
Revenues from sales		11,953,435,680	9,313,164,204	11,518,916,115	8,803,859,087
Revenues from services		133,789,347	121,137,698	-	-
Costs of the sales of goods		(9,604,935,321)	(6,954,308,306)	(9,278,651,987)	(6,520,420,825)
Costs of the rendering of services		(35,666,172)	(43,183,214)	-	-
<b>Gross profit</b>		<b>2,446,623,534</b>	<b>2,436,810,382</b>	<b>2,240,264,128</b>	<b>2,283,438,262</b>
Interest income		33,385,134	53,131,226	31,562,284	51,338,795
Other income	18	90,664,340	54,982,740	158,448,224	88,151,054
<b>Profit before expenses</b>		<b>2,570,673,008</b>	<b>2,544,924,348</b>	<b>2,430,274,636</b>	<b>2,422,928,111</b>
Selling expenses		(216,430,142)	(323,342,757)	(163,868,336)	(268,490,908)
Administrative expenses		(296,828,682)	(308,128,924)	(209,838,380)	(217,532,750)
Loss on impairment of investment in subsidiary	24.1.2	-	-	(169,000,000)	-
Managements' remuneration	24.2.2	(39,262,505)	(38,592,372)	(38,644,505)	(38,070,372)
Total Expenses		(552,521,329)	(670,064,053)	(581,351,221)	(524,094,030)
<b>Profit from operating activities</b>		<b>2,018,151,679</b>	<b>1,874,860,295</b>	<b>1,848,923,415</b>	<b>1,898,834,081</b>
Finance costs		(4,304,119)	(4,807,865)	(2,282,697)	(2,154,894)
Share of profit from investment in an associate	24.1.1	170,757	238,463	-	-
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		<b>2,014,018,317</b>	<b>1,870,290,893</b>	<b>1,846,640,718</b>	<b>1,896,679,187</b>
Income tax expense	12	(410,953,651)	(379,908,900)	(395,244,232)	(369,060,918)
<b>PROFIT FOR THE YEAR</b>		<b>1,603,064,666</b>	<b>1,490,381,993</b>	<b>1,451,396,486</b>	<b>1,527,618,269</b>



**THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Item that will be reclassified subsequently to profit or loss</b>					
Exchange differences on translation of financial statements of foreign subsidiary		12,592,443	344,625	-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Gains (losses) on remeasurements of defined benefit plans	16	4,316,351	2,665,425	(127,008)	1,952,035
Income tax relating to items that will not be reclassified subsequently to profit or loss	12	(863,270)	(533,085)	25,402	(390,407)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>FOR THE YEAR - NET OF INCOME TAX</b>		<u>16,045,524</u>	<u>2,476,965</u>	<u>(101,606)</u>	<u>1,561,628</u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>FOR THE YEAR</b>		<u><u>1,619,110,190</u></u>	<u><u>1,492,858,958</u></u>	<u><u>1,451,294,880</u></u>	<u><u>1,529,179,897</u></u>
<b>PROFIT ATTRIBUTABLE TO</b>					
Owners of the parent		1,578,673,755	1,472,324,649	-	-
Non-controlling interests		<u>24,390,911</u>	<u>18,057,344</u>	<u>-</u>	<u>-</u>
		<u><u>1,603,064,666</u></u>	<u><u>1,490,381,993</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>ATTRIBUTABLE TO</b>					
Owners of the parent		1,595,047,251	1,474,391,621	-	-
Non-controlling interests		<u>24,062,939</u>	<u>18,467,337</u>	<u>-</u>	<u>-</u>
		<u><u>1,619,110,190</u></u>	<u><u>1,492,858,958</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>BASIC EARNINGS PER SHARE</b>					
	BAHT	2.70	2.52	2.48	2.61
<b>WEIGHTED AVERAGE NUMBER</b>					
<b>OF ORDINARY SHARES</b>	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, 2021

UNIT : BAHT

	Note	Attributions to owners of the parent					Non-	Total	
		Issued and	Discount on	Retained earnings		Other components of	Total	controlling	shareholders'
		paid-up	ordinary			shareholders' equity	attributions to	interests	equity
		share capital	shares	Appropriated	Unappropriated	Exchange differences	owners of parent		
				Legal reserve		on translation of			
						financial statements			
						of foreign subsidiary			
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 subsidiari	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
Beginning balances as at January 1, 2021		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
Dividends	23	-	-	-	(1,052,485,322)	-	(1,052,485,322)	-	(1,052,485,322)
Dividend paid to non-controlling interests of subsidiari	23	-	-	-	-	-	-	(17,762,536)	(17,762,536)
Total comprehensive income for the year		-	-	-	1,582,454,808	12,592,443	1,595,047,251	24,062,939	1,619,110,190
Ending balances as at December 31, 2021		1,754,142,204	(43,570,340)	175,414,835	9,375,980,716	(46,725,712)	11,215,241,703	99,842,338	11,315,084,041

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, 2021

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, 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
<b>Ending balances as at December 31, 2020</b>		<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>
Beginning balances as at January 1, 2021		1,754,142,204	(43,570,340)	175,414,835	8,872,359,224	10,758,345,923
Dividends	23	-	-	-	(1,052,485,322)	(1,052,485,322)
Total comprehensive income for the year		-	-	-	1,451,294,880	1,451,294,880
<b>Ending balances as at December 31, 2021</b>		<u>1,754,142,204</u>	<u>(43,570,340)</u>	<u>175,414,835</u>	<u>9,271,168,782</u>	<u>11,157,155,481</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, 2021**

UNIT : BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		1,603,064,666	1,490,381,993	1,451,396,486	1,527,618,269
Adjusted by					
Income tax expense		410,953,651	379,908,900	395,244,232	369,060,918
Expected credit losses (reversal)		(886,987)	(1,780,237)	(909,796)	(2,078,796)
Loss on diminution in value of inventories		19,411,026	8,398,976	19,386,316	8,398,976
Loss on impairment of investment in subsidiary		-	-	169,000,000	-
Depreciation and amortization		278,229,224	268,931,227	246,517,342	233,591,314
Gain on disposal of property, plant and equipment		(3,532,372)	(929,188)	(2,857,469)	(1,303,142)
Employee benefit obligations expense		14,124,048	16,232,051	12,245,831	12,001,865
Share of profit from investment in an associate		(170,757)	(238,463)	-	-
Unrealized loss on exchange rate		33,370,881	1,166,065	10,590,146	465,020
Dividend income		-	-	(21,487,464)	(20,531,214)
Interest income		(33,385,134)	(53,131,226)	(31,562,284)	(51,338,795)
Finance costs		4,304,119	4,807,865	2,282,697	2,154,894
Total adjustments from reconciliation of profit		2,325,482,365	2,113,747,963	2,249,846,037	2,078,039,309
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade and other current receivables		256,719,542	(75,738,684)	81,828,098	(70,998,943)
Inventories		(284,282,874)	93,074,113	(333,292,616)	60,016,181
Other current assets		(1,361,531)	(128,638)	(328,876)	(74,486)
Other non-current assets		(2,057,814)	323,939	(1,945,976)	315,029
Operating liabilities increase (decrease)					
Trade and other current payables		85,719,239	82,400,421	70,847,904	95,372,952
Other current liabilities		14,283,895	501,188	12,007,291	(197,113)
Other non-current liabilities		(320,950)	3,557,359	(120,950)	4,276,359
Cash paid for employee benefit obligations		(8,068,660)	(17,230,873)	(4,342,488)	(11,610,600)
Net cash provided by operations		2,386,113,212	2,200,506,788	2,074,498,424	2,155,138,688
Cash paid for income tax		(464,872,945)	(317,095,711)	(451,726,463)	(307,136,466)
Net cash provided by operating activities		1,921,240,267	1,883,411,077	1,622,771,961	1,848,002,222

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Increase) decrease in time deposit	7.2	907,709,955	(1,820,841,528)	902,000,000	(1,850,000,000)
Cash paid for purchases of property, plant and equipment	4.2	(170,811,284)	(116,799,532)	(165,197,775)	(98,452,753)
Cash received from disposal of property, plant and equipment		5,536,101	5,129,801	5,449,727	3,659,940
Dividend received from subsidiaries	23	-	-	21,487,464	20,531,214
Interest received		36,574,010	57,387,594	34,586,780	54,770,272
<b>Net cash provided by (used in) investing activities</b>		<b>779,008,782</b>	<b>(1,875,123,665)</b>	<b>798,326,196</b>	<b>(1,869,491,327)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from bank overdrafts and short-term borrowings from financial institutions	4.3	19,873,174	74,694,982	-	-
Cash repayment for lease agreements	4.2	(20,449,678)	(18,398,440)	(18,337,804)	(15,765,991)
Cash payment for dividend		(1,052,319,085)	(643,100,870)	(1,052,319,085)	(643,100,870)
Cash payment for dividend - subsidiaries		(17,762,536)	(16,843,786)	-	-
Interest paid		(7,140,946)	(6,800,954)	(2,282,698)	(2,154,894)
<b>Net cash used in financing activities</b>		<b>(1,077,799,071)</b>	<b>(610,449,068)</b>	<b>(1,072,939,587)</b>	<b>(661,021,755)</b>
Effect of exchange rate changes on cash and cash equivalents		(20,653,738)	(2,217,133)	-	-
Net increase (decrease) in cash and cash equivalents		1,601,796,240	(604,378,789)	1,348,158,570	(682,510,860)
Cash and cash equivalents as at January 1,		2,902,744,150	3,507,122,939	2,716,667,957	3,399,178,817
<b>Cash and cash equivalents as at December 31,</b>	4.1	<b>4,504,540,390</b>	<b>2,902,744,150</b>	<b>4,064,826,527</b>	<b>2,716,667,957</b>

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, 2021**

**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, 8<sup>th</sup> 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 Principle 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, 2021 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. (see Note 3)
- 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 financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. 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, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

The Amendment to Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, 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.

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards which have been announced in the Royal Gazette on December 22, 2021, as follows:

- Thai Financial Reporting Standards No. 1 “First-time Adoption of Thai Financial Reporting Standards”, to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.
- Thai Financial Reporting Standards No. 6 “Exploration for and Evaluation of Mineral Resources”, to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.
- Accounting Treatment Guidance on “Guidelines regarding the provision of financial assistance to the debtors who are impacted by the COVID-19”, which the objective is to grant the temporary relief measures for entities helping their debtors who are impacted by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until any changes announced from the Bank of Thailand. The entities who elect to apply these temporary relief measures should disclose such fact in the financial statements.

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.

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

	<b>2021</b>	<b>2020</b>
	<b>% holding</b>	<b>% holding</b>
N.I.M. Company Limited	51.00	51.00
MC Agro-Chemicals Company Limited	99.99	99.99
TCCC Myanmar Limited	99.99	99.99



- 2.7 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**

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.

#### **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.

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

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.

### 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 recognizes 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 determines 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 recognizes 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.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in the statement of comprehensive income.

### 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 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.

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at average of the foreign exchange rates.

Foreign exchange differences arising on translation of foreign entities are recognized as other comprehensive income in the statement of comprehensive income and presented as the foreign currency translation reserve in equity until a disposal of the investment in foreign entities.

### 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 Expense recognition

Expenses are recognized on an accrued basis.

### 3.15 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive income using the effective interest method.

### 3.16 Provident Fund

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

### 3.17 Taxation

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

#### 3.17.1 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.

### 3.17.2 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.

### 3.18 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.

### 3.19 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 takes 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.

### 3.20 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 Financial Statements		Unit : Baht Separate Financial Statements	
	2021	2020	2021	2020
Cash on hand	26,304,252	896,405	560,000	560,000
Bank deposits in savings and current accounts	4,028,015,497	2,501,187,622	3,614,045,886	2,316,105,941
Cheque on hand	218,625	658,107	218,625	-
Time deposits with maturity not more than 3 months (2021: interest rates 0.50% p.a., 2020: interest rates 0.60% p.a.)	450,002,016	400,002,016	450,002,016	400,002,016
	<u>4,504,540,390</u>	<u>2,902,744,150</u>	<u>4,064,826,527</u>	<u>2,716,667,957</u>

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

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2021	2020	2021	2020
Payables - acquisitions of property, plant and equipment as at January 1,	12,837,689	8,649,301	12,837,689	5,749,302
<u>Add</u> Purchases of property, plant and equipment	203,865,348	120,987,920	198,251,839	105,541,140
<u>Less</u> Cash payments	<u>(170,811,284)</u>	<u>(116,799,532)</u>	<u>(165,197,775)</u>	<u>(98,452,753)</u>
Payables - asset acquisitions of property, plant and equipment as at December 31,	<u>45,891,753</u>	<u>12,837,689</u>	<u>45,891,753</u>	<u>12,837,689</u>
Lease liabilities as at January 1, (including current portion)	64,790,719	31,249,078	62,354,763	26,180,673
<u>Add</u> Lease liabilities during the years	5,049,133	51,940,081	2,284,499	51,940,081
<u>Less</u> Cash payments	<u>(20,449,678)</u>	<u>(18,398,440)</u>	<u>(18,337,804)</u>	<u>(15,765,991)</u>
Lease liabilities as at December 31, (including current portion)	<u>49,390,174</u>	<u>64,790,719</u>	<u>46,301,458</u>	<u>62,354,763</u>

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

	Consolidated Financial Statements		Unit : Baht Separate Financial Statements	
	2021	2020	2021	2020
Bank overdrafts and short-term borrowings from financial institutions as at January 1,	162,261,868	90,986,317	-	-
<u>Add</u> Cash received - net	19,873,174	74,694,982	-	-
<u>Add</u> Unrealized loss (gain) on translation of financial statements of foreign subsidiary	<u>16,085,575</u>	<u>(3,419,431)</u>	<u>-</u>	<u>-</u>
Bank overdrafts and short-term borrowings from financial institutions as at December 31,	<u>198,220,617</u>	<u>162,261,868</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:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Trade receivables (see Note 5.2)	314,952,044	573,177,411	515,542,254	599,376,998
Other receivables	4,953,814	1,097,275	5,879,241	2,281,102
Prepaid expenses	48,853,947	46,462,998	40,441,282	37,183,237
Accrued income	4,182,686	7,238,118	4,037,055	6,928,107
Advance payments	452,651	308,273	66,500	9,020
	<u>373,395,142</u>	<u>628,284,075</u>	<u>565,966,332</u>	<u>645,778,464</u>

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

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Number of trade receivables	<u>314</u>	<u>575</u>	<u>107</u>	<u>171</u>
Other companies				
Current	306,057,544	558,249,274	234,261,627	483,927,149
Overdue				
Less than or up to 3 months	14,271,560	10,914,577	14,079,960	8,634,100
More than 3 months up to 6 months	-	-	-	-
More than 6 months up to 12 months	1,253,812	934,680	961,613	934,680
More than 12 months	19,758,341	19,861,580	18,869,247	18,972,485
	<u>341,341,257</u>	<u>589,960,111</u>	<u>268,172,447</u>	<u>512,468,414</u>
Related companies				
Current	-	10,493,500	272,548,558	112,997,131
	-	10,493,500	272,548,558	112,997,131
	<u>341,341,257</u>	<u>600,453,611</u>	<u>540,721,005</u>	<u>625,465,545</u>
<u>Less</u> Allowance for expected credit losses	<u>(26,389,213)</u>	<u>(27,276,200)</u>	<u>(25,178,751)</u>	<u>(26,088,547)</u>
	<u>314,952,044</u>	<u>573,177,411</u>	<u>515,542,254</u>	<u>599,376,998</u>

Movements of allowance for expected credit loss of trade receivables for the year ended December 31, 2021 as follows:

	<b>Consolidated</b>	<b>Unit : Baht</b>
	<b>Financial</b>	<b>Separate</b>
	<b>Statements</b>	<b>Financial</b>
		<b>Statements</b>
Beginning balance as at January 1, 2021	27,276,200	26,088,547
Increase / (Decrease)	(886,987)	(909,796)
Ending balance as at December 31, 2021	<u>26,389,213</u>	<u>25,178,751</u>

## 6. INVENTORIES

Inventories as at December 31, consist of the following:

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Finished products	555,880,845	545,517,286	438,451,041	382,509,475
Work in process	24,912,245	25,080,131	23,665,935	19,630,718
Raw materials	1,245,144,782	857,924,867	1,244,035,004	856,580,717
Supplies	81,363,345	57,243,430	71,585,950	48,246,733
Goods in transit	40,074,803	177,327,432	35,238,683	172,716,354
	<u>1,947,376,020</u>	<u>1,663,093,146</u>	<u>1,812,976,613</u>	<u>1,479,683,997</u>
<u>Less</u> Allowance for diminution in value of inventories	<u>(28,422,515)</u>	<u>(9,011,489)</u>	<u>(28,397,805)</u>	<u>(9,011,489)</u>
	<u>1,918,953,505</u>	<u>1,654,081,657</u>	<u>1,784,578,808</u>	<u>1,470,672,508</u>

Costs of inventories recognized as cost of the sales of goods in the consolidated financial statements for the years ended December 31, 2021 and 2020 are Baht 9,585.19 million and Baht 6,945.86 million, respectively.

Costs of inventories recognized as cost of the sales of goods in the separate financial statements for the years ended December 31, 2021 and 2020 are Baht 9,259.31 million and Baht 6,511.97 million, respectively.

For the years ended December 31, 2021 and 2020, cost of the sales of goods in the consolidated financial statements included the of loss on diminution in value of inventories of Baht 19.41 million and Baht 8.40 million, respectively.

For the years ended December 31, 2021 and 2020, cost of the sales of goods in the separate financial statements included the of loss on diminution in value of inventories of Baht 19.39 million and Baht 8.40 million, respectively.

As at December 31, 2021 and 2020, inventories in the consolidated financial statement included inventories which were under obligation 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 of Baht 49.14 million and Baht 191.62 million, respectively (see Note 15).

As at December 31, 2021 and 2020, inventories in the separate financial statement included inventories which were under obligation that the Company has to deliver fertilizer to the holders of the fertilizer notes which have been issued by the Company to its customers of Baht 52.28 million and Baht 201.35 million, respectively (see Note 15).

## 7. OTHER CURRENT FINANCIAL ASSETS 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	
	2021	2020	2021	2020
<b>Unit : Baht</b>				
<b>Other current financial assets</b>				
Time deposits (see Note 7.2)	3,588,583,710	4,496,293,665	3,448,000,000	4,350,000,000
Derivatives - Forward exchange contracts	3,429,195	1,060,752	3,133,027	1,060,752
	<u>3,592,012,905</u>	<u>4,497,354,417</u>	<u>3,451,133,027</u>	<u>4,351,060,752</u>
<b>Other current financial liabilities</b>				
Derivatives - Forward exchange contracts	11,200,467	1,415,027	11,137,046	-
	<u>11,200,467</u>	<u>1,415,027</u>	<u>11,137,046</u>	<u>-</u>

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

		Maturity Date		Interest rate (percentage per annum)		Consolidated Financial Statements	
		2021	2020	2021	2020	2021	2020
<b>Unit : Baht</b>							
Time deposits at banks	Maturity date over						
	3 months but less than 1 year	0.13 - 0.63	0.25 - 0.85			<u>3,588,583,710</u>	<u>4,496,293,665</u>
		Maturity Date		Interest rate (percentage per annum)		Separate Financial Statements	
		2021	2020	2021	2020	2021	2020
Time deposits at banks	Maturity date over						
	3 months but less than 1 year	0.44 - 0.63	0.40 - 0.85			<u>3,448,000,000</u>	<u>4,350,000,000</u>

## 8. INVESTMENT PROPERTIES

Investment properties are as follows:

### Consolidated Financial Statements

As at December 31, 2021

	Balances as at January 1, 2021	Increases	Decreases	Unit : Baht Balances as at December 31, 2021
<b>Cost :</b>				
Land	29,212,697	-	-	29,212,697
<u>Less</u> Allowance for impairment	-	-	-	-
<b>Investment properties</b>	<u>29,212,697</u>			<u>29,212,697</u>
<b>Fair value</b>	<u>57,297,000</u>			<u>57,297,000</u>

As at December 31, 2020

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

**Separate Financial Statements**

**As at December 31, 2021**

	<b>Balances as at January 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Unit : Baht Balances as at December 31, 2021</b>
<b>Cost :</b>				
Land	39,527,022	-	-	39,527,022
<u>Less</u> Allowance for impairment	-	-	-	-
<b>Investment properties</b>	<u>39,527,022</u>			<u>39,527,022</u>
<b>Fair value</b>	<u>392,708,967</u>			<u>392,708,967</u>

**As at December 31, 2020**

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

As at December 31, 2021 and 2020, investment properties in the consolidated financial statements represent non-operating land.

As at December 31, 2021 and 2020, 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, 2021

					Unit : Baht	
	Balances as at January 1, 2021	Increases	Decreases	Transfer in/ (out)	Exchange differences on translation of financial statements of foreign subsidiary	Balances as at December 31, 2021
<b>Cost :</b>						
Land	293,349,876	-	-	-	-	293,349,876
Land improvements	158,709,185	1,254,000	(1,367,219)	-	2,593,520	161,189,486
Buildings	1,894,973,650	151,157	-	20,306,495	12,018,207	1,927,449,509
Machinery and equipment	2,416,209,085	10,147,506	(72,914,813)	35,933,863	5,675,397	2,395,051,038
Furniture and office equipment	483,164,970	9,304,291	(3,128,159)	29,574,437	3,758,247	522,673,786
Vehicles	181,040,694	2,044,348	(11,140,774)	2,987,915	998,885	175,931,068
Total cost	<u>5,427,447,460</u>	<u>22,901,302</u>	<u>(88,550,965)</u>	<u>88,802,710</u>	<u>25,044,256</u>	<u>5,475,644,763</u>
<b>Accumulated depreciation :</b>						
Land improvements	(84,850,651)	(5,062,837)	1,367,217	-	(514,861)	(89,061,132)
Buildings	(1,498,486,790)	(42,600,413)	-	(393,838)	(2,908,817)	(1,544,389,858)
Machinery and equipment	(1,882,030,722)	(139,443,557)	70,405,495	393,838	(2,084,073)	(1,952,759,019)
Furniture and office equipment	(317,652,841)	(54,813,126)	2,984,429	-	(2,888,859)	(372,370,397)
Vehicles	(132,983,376)	(14,033,261)	11,140,755	(2,338,575)	(331,979)	(138,546,436)
Total accumulated depreciation	<u>(3,916,004,380)</u>	<u>(255,953,194)</u>	<u>85,897,896</u>	<u>(2,338,575)</u>	<u>(8,728,589)</u>	<u>(4,097,126,842)</u>
Building under construction and equipment under installation	<u>51,934,396</u>	<u>180,964,046</u>	<u>-</u>	<u>(85,814,795)</u>	<u>-</u>	<u>147,083,647</u>
<b>Property, plant and equipment</b>	<u><u>1,563,377,476</u></u>					<u><u>1,525,601,568</u></u>



**Consolidated Financial Statements**

**As at December 31, 2020**

					Unit : Baht	
	Balances as at January 1, 2020	Increases	Decreases	Transfer in/ (out)	Exchange differences on translation of financial statements of foreign subsidiary	Balances as at December 31, 2020
<b>Cost :</b>						
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>
<b>Accumulated depreciation :</b>						
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>
<b>Property, plant and equipment</b>	<u>1,702,143,081</u>					<u>1,563,377,476</u>
<b>Depreciation for the years ended December 31,</b>						
2021						<u>255,953,194</u>
2020						<u>248,205,931</u>
<b>Gross carrying amount of plant and equipment which are fully depreciated and still in use as at December 31,</b>						
2021						<u>2,830,366,511</u>
2020						<u>2,833,393,691</u>

Separate Financial Statements

As at December 31, 2021

				Unit : Baht	
	Balances as at January 1, 2021	Increases	Decreases	Transfer in/ (out)	Balances as at December 31, 2021
<b>Cost :</b>					
Land	261,479,164	-	-	-	261,479,164
Land improvements	127,519,506	-	(1,367,219)	-	126,152,287
Buildings	1,588,654,395	-	-	5,543,888	1,594,198,283
Machinery and equipment	2,243,105,943	8,512,173	(72,548,823)	50,557,799	2,229,627,092
Furniture and office equipment	438,940,500	8,741,716	(2,599,931)	29,574,437	474,656,722
Vehicles	149,516,369	115,800	(8,410,474)	-	141,221,695
Total cost	<u>4,809,215,877</u>	<u>17,369,689</u>	<u>(84,926,447)</u>	<u>85,676,124</u>	<u>4,827,335,243</u>
<b>Accumulated depreciation :</b>					
Land improvements	(73,108,859)	(3,403,096)	1,367,217	-	(75,144,738)
Buildings	(1,285,360,587)	(32,660,414)	-	-	(1,318,021,001)
Machinery and equipment	(1,770,616,053)	(131,305,224)	70,059,896	-	(1,831,861,381)
Furniture and office equipment	(283,645,633)	(49,513,074)	2,496,613	-	(330,662,094)
Vehicles	(110,072,384)	(10,791,395)	8,410,461	-	(112,453,318)
Total accumulated depreciation	<u>(3,522,803,516)</u>	<u>(227,673,203)</u>	<u>82,334,187</u>	<u>-</u>	<u>(3,668,142,532)</u>
Building under construction and equipment under installation	<u>51,877,621</u>	<u>180,882,150</u>	<u>-</u>	<u>(85,676,124)</u>	<u>147,083,647</u>
<b>Property, plant and equipment</b>	<u><u>1,338,289,982</u></u>				<u><u>1,306,276,358</u></u>

**Separate Financial Statements**

**As at December 31, 2020**

	<b>Unit : Baht</b>			
	<b>Balances as at January 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfer in/ (out)</b>
	<b>Balances as at December 31, 2020</b>			
<b>Cost :</b>				
Land	261,479,164	-	-	-
Land improvements	127,519,506	-	-	-
Buildings	1,577,555,694	-	(56,389)	11,155,090
Machinery and equipment	2,218,733,498	10,860,002	(17,170,305)	30,682,748
Furniture and office equipment	400,898,070	3,580,415	(28,891,191)	63,353,206
Vehicles	137,138,625	-	(918,752)	13,296,496
Total cost	<u>4,723,324,557</u>	<u>14,440,417</u>	<u>(47,036,637)</u>	<u>118,487,540</u>
<b>Accumulated depreciation :</b>				
Land improvements	(69,705,763)	(3,403,096)	-	-
Buildings	(1,253,473,741)	(31,933,102)	46,256	-
Machinery and equipment	(1,657,968,878)	(129,635,169)	16,987,994	-
Furniture and office equipment	(271,565,201)	(41,539,479)	28,888,092	570,955
Vehicles	(101,154,333)	(11,189,451)	787,167	1,484,233
Total accumulated depreciation	<u>(3,353,867,916)</u>	<u>(217,700,297)</u>	<u>46,709,509</u>	<u>2,055,188</u>
Building under construction and equipment under installation	<u>84,361,655</u>	<u>91,100,723</u>	<u>(2,029,669)</u>	<u>(121,555,088)</u>
<b>Property, plant and equipment</b>	<u><u>1,453,818,296</u></u>			<u><u>1,338,289,982</u></u>
<b>Depreciation for the years ended December 31,</b>				
2021				<u>227,673,203</u>
2020				<u>217,700,297</u>
<b>Gross carrying amount of plant and equipment which are fully depreciated and still in use as at December 31,</b>				
2021				<u>2,516,933,384</u>
2020				<u>2,534,649,592</u>

As at December 31, 2021 and 2020, 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 413.02 million and Baht 442.67 million, respectively. (see Note 26.3)

As at December 31, 2021 and 2020, 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 AND LEASE LIABILITIES

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2021	2020	2021	2020
<b>Right-of-use assets</b>				
Land	77,434,738	71,182,025	-	-
Building	30,617,447	37,821,553	30,617,447	37,821,553
Equipment	264,613	543,131	264,613	543,131
Vehicles	18,624,114	27,261,082	14,048,829	23,125,845
	<u>126,940,912</u>	<u>136,807,791</u>	<u>44,930,889</u>	<u>61,490,529</u>
<b>Lease liabilities</b>				
Current portion of lease liabilities	16,257,768	19,421,755	14,820,962	18,038,727
Lease liabilities	<u>33,132,406</u>	<u>45,368,964</u>	<u>31,480,496</u>	<u>44,316,036</u>
	<u>49,390,174</u>	<u>64,790,719</u>	<u>46,301,458</u>	<u>62,354,763</u>

For the years ended December 31, 2021 and 2020, additional to the right-of-use assets recognized in the consolidated financial statements amounting to Baht 5.05 million and Baht 51.94 million, respectively.

For the years ended December 31, 2021 and 2020, additional to the right-of-use assets recognized in the separate financial statements amounting to Baht 2.28 million and Baht 51.94 million, respectively

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 included in right-of-use assets in the consolidated financial statements.

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

	Consolidated		Unit : Baht	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2021	2020	2021	2020
<b>Depreciation - right-of-use assets</b>				
Land	1,756,644	1,723,798	-	-
Building	7,204,105	5,403,079	7,204,105	5,403,079
Equipment	278,519	278,519	278,519	278,519
Vehicles	13,036,762	12,741,987	11,361,515	10,209,419
	<u>22,276,030</u>	<u>20,147,383</u>	<u>18,844,139</u>	<u>15,891,017</u>
Interest expense	2,139,275	2,208,350	2,009,177	2,030,831
Expense relating to short-term leases	11,636,360	12,316,915	1,091,135	6,542,725
Expense relating to leases of low value assets	<u>5,466,081</u>	<u>3,679,400</u>	<u>4,739,314</u>	<u>2,703,186</u>
	<u>41,517,746</u>	<u>38,352,048</u>	<u>26,683,765</u>	<u>27,167,759</u>

For the years ended December 31, 2021 and 2020, the total cash outflow for leases on the consolidated financial statements amounted to Baht 20.45 million and Baht 18.40 million, respectively.

For the years ended December 31, 2021 and 2020, the total cash outflow for leases on the separate financial statements amounted to Baht 18.34 million and Baht 15.77 million, respectively.

## 11. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

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

### Consolidated Financial Statements As at December 31, 2021

	Balance	Increase	Total	Amortization	Exchange	Unit : Baht
	as at				differences	Balance
	January 1,				on translation	as at
	2021				of financial	December 31,
					statements	2021
					of foreign	
					subsidiary	
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>-</u>	<u>545,900,757</u>

**As at December 31, 2020**

	<b>Balance as at January 1, 2020</b>	<b>Increase</b>	<b>Total</b>	<b>Amortization</b>	<b>Exchange differences on translation of financial statements of foreign subsidiary</b>	<b>Unit : Baht Balance as at December 31, 2020</b>
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>

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

2021

-

2020

577,913

**Separate Financial Statements**

**As at December 31, 2021**

	<b>Balance as at January 1, 2021</b>	<b>Increase</b>	<b>Total</b>	<b>Amortization</b>	<b>Unit : Baht Balance as at December 31, 2021</b>
Right for use of trademarks - net	545,900,757	-	545,900,757	-	545,900,757
	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>

**As at December 31, 2020**

	<b>Balance as at January 1, 2020</b>	<b>Increase</b>	<b>Total</b>	<b>Amortization</b>	<b>Unit : Baht Balance as at December 31, 2020</b>
Right for use of trademarks - net	545,900,757	-	545,900,757	-	545,900,757
	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>	<u>-</u>	<u>545,900,757</u>

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

2021

-

2020

-

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, 2022 and January 7, 2021, the appraisal values of the fair value of such right as at January 4, 2022 and January 2, 2021, respectively, by using the Relief from Royalty Method are higher than the carrying values.

For the years ended December 31, 2021 and 2020, sale under these trademarks were approximately 90% of the Company's total revenue from sales.

## 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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Deferred tax assets	<u>45,851,184</u>	<u>45,635,125</u>	<u>41,157,812</u>	<u>39,695,381</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, 2021

	<b>Balances</b>	<b>Recognized in</b>	<b>Recognized in</b>	<b>Unit : Baht</b>
	<b>as at</b>	<b>profit or loss</b>	<b>Other</b>	<b>Balances</b>
	<b>January 1,</b>		<b>Comprehensive</b>	<b>as at</b>
	<b>2021</b>		<b>Income (loss)</b>	<b>December 31,</b>
				<b>2021</b>
Allowance for expected credit losses	5,455,240	(183,231)	-	5,272,009
Allowance for diminution in value of inventories	1,812,098	3,868,576	-	5,680,674
Provision for sale promotions	5,440,963	(4,916,970)	-	523,993
Provision for employee benefit	33,138,974	544,549	(863,270)	32,820,253
Financial assets measured at FVTPL	(212,150)	1,766,405	-	1,554,255
Total deferred tax assets	<u>45,635,125</u>	<u>1,079,329</u>	<u>(863,270)</u>	<u>45,851,184</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>

**As at December 31, 2020**

	<b>Balances as at January 1, 2020</b>	<b>Recognized in profit or loss</b>	<b>Recognized in Other Comprehensive Income (loss)</b>	<b>Unit : Baht Balances as at December 31, 2020</b>
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	109,180,151	-	-	109,180,151
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, 2021**

	<b>Balances as at January 1, 2021</b>	<b>Recognized in profit or loss</b>	<b>Recognized in Other Comprehensive Income (loss)</b>	<b>Unit : Baht Balances as at December 31, 2021</b>
Allowance for expected credit losses	5,217,709	(181,959)	-	5,035,750
Allowance for diminution in value of inventories	1,812,098	3,868,576	-	5,680,674
Provision for sale promotions	5,500,675	(4,976,682)	-	523,993
Provision for employee benefit	27,377,049	914,140	25,402	28,316,591
Financial assets measured at FVTPL	(212,150)	1,812,954	-	1,600,804
Total deferred tax assets	<u>39,695,381</u>	<u>1,437,029</u>	<u>25,402</u>	<u>41,157,812</u>
Accumulated amortization - right for use of trademarks	109,180,151	-	-	109,180,151
Total deferred tax liabilities	<u>109,180,151</u>	<u>-</u>	<u>-</u>	<u>109,180,151</u>

**As at December 31, 2020**

	<b>Balances as at January 1, 2020</b>	<b>Recognized in profit or loss</b>	<b>Recognized in Other Comprehensive Income (loss)</b>	<b>Unit : Baht Balances as at December 31, 2020</b>
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	109,180,151	-	-	109,180,151
Total deferred tax liabilities	<u>109,180,151</u>	<u>-</u>	<u>-</u>	<u>109,180,151</u>



For the years ended December 31, 2021 and 2020, the Group have applied the tax rate of 20% for calculating income tax expense and deferred income tax.

For the years ended December 31, 2021 and 2020, the foreign subsidiary applied the tax rate of each country for calculating income tax expense and deferred income tax.

Income tax expense for the years ended December 31, consist of the following:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current tax expense				
in respect of the current period	412,032,980	386,093,911	396,681,261	375,523,946
Deferred taxes relating to				
temporary differences	<u>(1,079,329)</u>	<u>(6,185,011)</u>	<u>(1,437,029)</u>	<u>(6,463,028)</u>
Income tax expense	<u>410,953,651</u>	<u>379,908,900</u>	<u>395,244,232</u>	<u>369,060,918</u>
Income tax relating to the components				
of other comprehensive income (loss)				
Deferred tax relating to actuarial				
gains (loss)	<u>(863,270)</u>	<u>(533,085)</u>	<u>25,402</u>	<u>(390,407)</u>

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

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Profit before tax expense	<u>2,014,018,317</u>	<u>1,870,290,893</u>	<u>1,846,640,718</u>	<u>1,896,679,187</u>
Income tax calculated at 20%	<u>402,803,663</u>	<u>374,058,179</u>	<u>369,328,144</u>	<u>379,335,837</u>
Effect of transactions that are not				
taxable income and expenses	<u>8,149,988</u>	<u>5,850,721</u>	<u>25,916,088</u>	<u>(10,274,919)</u>
Income tax expense per the statement				
of comprehensive income	<u>410,953,651</u>	<u>379,908,900</u>	<u>395,244,232</u>	<u>369,060,918</u>
Tax income (tax expense) relating to the				
origination and reversal of temporary				
differences	<u>1,079,329</u>	<u>6,185,011</u>	<u>1,437,029</u>	<u>6,463,028</u>
Income tax per income tax return form	<u>412,032,980</u>	<u>386,093,911</u>	<u>396,681,261</u>	<u>375,523,946</u>
	%	%	%	%
Effective tax rate	20.40	20.31	21.40	19.46

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

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

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Bank overdraft and short-term borrowings from financial institutions	198,220,617	162,261,868	-	-

As at December 31, 2021 and 2020, a subsidiary has credit facilities from local institutions for bank overdraft, short-term borrowings and other facilities which carried interest 1.8% for each year. Such credit facilities are mortgaged by the subsidiary's land and buildings (see Note 9).

As at December 31, 2021 and 2020, a subsidiary has credit facilities from foreign institutions for short-term borrowings and other facilities with interest rate during 0.57% - 0.75% per annum and 0.63% - 0.71% 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		Separate Financial Statements	
	2021	2020	2021	2020
Trade payables	418,883,359	198,052,538	390,785,948	169,547,376
Other payables	109,555,860	55,699,394	108,902,225	52,517,902
Accrued dividends	2,582,656	2,416,420	2,582,656	2,416,420
Accrued expenses	164,165,407	176,005,552	126,202,831	145,199,266
Advance received from customers (see Note 15)	25,604,542	66,839,636	25,470,388	66,103,019
Deferred sales (see Note 15)	23,531,343	124,776,603	26,812,889	135,248,711
	<u>744,323,167</u>	<u>623,790,143</u>	<u>680,756,937</u>	<u>571,032,694</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, 2021 and 2020 included inventories which were under the obligations that the Company and a subsidiary issued fertilizer notes or received payments from customers but the fertilizer has not been delivered (see Note 6). The Company and a subsidiary have recorded such transactions as “Deferred sales” and “Advance received from customers”, respectively (see Note 14).

## 16. 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.

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Presented in the statements of financial position as follows:				
Current provision for employee benefit	12,959,623	8,389,689	7,331,173	3,998,530
Non-current provision for employee benefit	158,472,814	161,303,711	141,582,954	136,885,246
Total	<u>171,432,437</u>	<u>169,693,400</u>	<u>148,914,127</u>	<u>140,883,776</u>

Amounts recognized in the statements of comprehensive income in respect of the provision for employee benefit due upon retirement for the years ended December 31, are as follows:

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current service cost	11,785,373	13,912,286	10,232,566	10,156,446
Interest cost	2,338,675	2,319,765	2,013,265	1,845,419
Actuarial (gains) loss	(4,316,351)	(2,665,425)	127,008	(1,952,035)
	<u>9,807,697</u>	<u>13,566,626</u>	<u>12,372,839</u>	<u>10,049,830</u>

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

	<b>Consolidated</b>		<b>Unit : Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Beginning provision for employee benefit	169,693,400	173,357,647	140,883,776	142,444,546
Current service cost	11,785,373	13,912,286	10,232,566	10,156,446
Interest cost	2,338,675	2,319,765	2,013,265	1,845,419
Actuarial (gains) loss	(4,316,351)	(2,665,425)	127,008	(1,952,035)
Benefit paid	(8,068,660)	(17,230,873)	(4,342,488)	(11,610,600)
Ending provision for employee benefit	<u>171,432,437</u>	<u>169,693,400</u>	<u>148,914,127</u>	<u>140,883,776</u>

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

	<b>Consolidated and Separate Financial Statements</b>	
	<b>2021</b>	<b>2020</b>
	<b>(% p.a.)</b>	<b>(% p.a.)</b>
Discount rate	1.90	1.60
Turnover rate	1.5 - 13	0 - 6
	Depend on range of employee age	Depend on range of employee age
Salary increasing rate	4 - 6	4 - 5
Gold price rate	28,950	28,500
Future gold price growth	5	3

The sensitivity analysis of the above actuarial assumptions impacted in present value of the provision for employee benefit as at December 31, 2021 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Million Baht Separate Financial Statements</b>
Discount rate		
Discount rate, decrease of 1 percent	14.97	14.00
Discount rate, increase of 1 percent	(12.94)	(12.06)
Turnover rates		
Turnover rates, decrease of 1 percent	15.55	14.52
Turnover rates, increase of 1 percent	(13.61)	(12.68)
Salary increasing rates		
Salary growth rates, decrease of 1 percent	(11.90)	(11.06)
Salary growth rates, increase of 1 percent	13.43	12.52
Future gold price rate		
Gold price growth rates, decrease of 1 percent	(0.70)	(0.68)
Gold price growth rates, increase of 1 percent	0.80	0.78

The sensitivity analysis presented above might not be representative of the actual change in the provision for employee benefit as it was unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions might be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the provision for employee benefit was calculated using the Projected Unit Credit Method at the end of the report period, which was the same as that applied in calculating the provision for employee benefit recognized in the statement of financial position.

## 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, 2021 and 2020, the Company's contribution and subsidiaries' contribution to provident fund which were recorded as expenses in the consolidated financial statements in amounts of Baht 15.34 million and Baht 15.13 million, respectively.

For the years ended December 31, 2021 and 2020, the Company's contribution to provident fund which was recorded as expenses in the separate financial statements in amounts of Baht 12.88 million and Baht 12.42 million, respectively.

## 18. OTHER INCOME

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

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Rental income	8,307,817	6,198,125	22,486,658	20,350,629
Dividend income	-	-	21,487,464	20,531,214
Gain on sale of property, plant and equipment	3,592,361	1,206,145	2,857,469	1,303,144
Gain on foreign exchange rate-net	58,965,255	27,686,609	89,615,409	25,810,095
Others	19,798,907	19,891,861	22,001,224	20,155,972
	<u>90,664,340</u>	<u>54,982,740</u>	<u>158,448,224</u>	<u>88,151,054</u>

## 19. EXPENSES BY NATURE

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

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Changes in finished goods and work in process	(10,195,674)	176,942,935	(59,976,783)	149,318,987
Cost of finished goods purchased	206,434,647	156,432,478	-	-
Raw materials used	8,409,408,730	5,813,210,160	8,363,360,735	5,602,937,430
Employee benefit expenses	532,975,026	516,763,217	441,238,938	423,532,326
Depreciation and amortization	278,229,224	268,931,227	246,517,342	233,591,314
Loss on diminution in value of inventories	19,411,026	8,398,976	19,386,316	8,398,976
Expected credit losses (reversal)	(886,987)	(1,780,237)	(909,796)	(2,078,796)

## 20. DISCOUNT ON ORDINARY SHARES

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

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Premium on ordinary shares	2,280,000,000	2,280,000,000	2,280,000,000	2,280,000,000
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 RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

## 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 26, 2021, the Ordinary Shareholders' meeting of the Company passed a resolution to pay dividends to shareholders at Baht 1.80 per share, totaling Baht 1,052.49 million as an appropriation of profit for the year 2020. Such dividend was paid in April 2021.

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.

The Annual General Shareholders' Meetings of subsidiaries passed a resolution to distribute annual dividends for the year 2020 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	March 29, 2021	2.90	18,487,500	17,762,500	36,250,000
MC Agro-Chemicals Company Limited	March 29, 2021	6.00	2,999,964	36	3,000,000
			<u>21,487,464</u>	<u>17,762,536</u>	<u>39,250,000</u>

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		Unit : Baht Total amount
			Owners of parent	Non-controlling interests	
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>

## 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, 2021

AS at December 31, 2021							Unit : Baht
Company name	Type of business	Relationship	Paid-up capital	Ownership %	Cost method	Investment	Dividend received
						Equity method	
ASSOCIATED COMPANY							
Central Pacific (Thailand) Corporation Limited	Leased out warehouse	Associate	200,000,000	49.00	98,000,000	136,977,953	-

As at December 31, 2020

AS at December 31, 2020							Unit : Baht
Company name	Type of business	Relationship	Paid-up capital	Ownership %	Cost method	Investment	Dividend received
						Equity method	
ASSOCIATED COMPANY							
Central Pacific (Thailand) Corporation Limited	Leased out warehouse	Associate	200,000,000	49.00	98,000,000	136,807,196	-

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	
	2021	2020
Share of profit from investment in an associate	<u>170,757</u>	<u>238,463</u>

## 24.1.2 Investments in subsidiaries

Company name	Type of business	Relationship	Unit : Thousand Baht					
			Paid-up capital		Ownership %		Cost	
			(Direct and Indirect)					
			2021	2020	2021	2020	2021	2020
<b>SUBSIDIARIES</b>								
N.I.M. Company Limited	Leased out tank yard for containing chemical	Subsidiary	125,000	125,000	51.00	51.00	63,750	63,750
MC Agro-Chemicals Company Limited	Manufacture, import and distribute agriculture chemicals	Subsidiary	50,000	50,000	99.99	99.99	49,999	49,999
TCCC Myanmar Limited	Manufacture, import and distribute various chemical fertilizer compound	Subsidiary	439,106	439,106	99.99	99.99	439,106	439,106
Total Investments in subsidiaries							552,855	552,855
<u>Less</u> Allowance for impairment of investment in subsidiary							(169,000)	-
							<u>383,855</u>	<u>552,855</u>

## 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	
		2021	2020	2021	2020
<b>Trade receivables</b>					
TCCC Myanmar Limited	Subsidiary	-	-	272,548,558	102,503,631
Pornsawanchemical Company Limited*	Related Company	-	4,036,840	-	4,036,840
Thanatheptaewa Company Limited*	Related Company	-	6,456,660	-	6,456,660
		<u>-</u>	<u>10,493,500</u>	<u>272,548,558</u>	<u>112,997,131</u>
<b>Other receivables</b>					
N.I.M. Company Limited	Subsidiary	-	-	957,279	910,190
MC Agro-Chemicals Company Limited	Subsidiary	-	-	70,933	53,980
TCCC Myanmar Limited	Subsidiary	-	-	536,356	622,761
		<u>-</u>	<u>-</u>	<u>1,564,568</u>	<u>1,586,931</u>
<b>Trade payables</b>					
Sojitz Corporation	Major shareholder	<u>5,135,837</u>	<u>4,306,281</u>	<u>-</u>	<u>-</u>
<b>Deferred sales</b>					
TCCC Myanmar Limited	Subsidiary	<u>-</u>	<u>-</u>	<u>21,005,931</u>	<u>-</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. Subsequently, in 2021 such companies changed its directors affected the Goup has no related directorship, except Pornsawanchemical Company Limited has not changed its director.



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
		2021	2020	2021	2020
<b>Revenues from sales and services</b>					
TCCC Myanmar Limited	Subsidiary	-	-	366,441,063	130,913,476
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
Pomsawanchemical Company Limited*	Related Company	-	9,341,815	-	9,341,815
		<u>-</u>	<u>78,838,470</u>	<u>366,441,063</u>	<u>209,751,946</u>
<b>Other income</b>					
N.I.M. Company Limited	Subsidiary	-	-	15,487,939	15,393,708
MC Agro-Chemicals Company Limited	Subsidiary	-	-	54,462	39,014
TCCC Myanmar Limited	Subsidiary	-	-	3,799,331	3,713,313
		<u>-</u>	<u>-</u>	<u>19,341,732</u>	<u>19,146,035</u>
<b>Dividend income</b>					
N.I.M. Company Limited	Subsidiary	-	-	18,487,500	17,531,250
MC Agro-Chemicals Company Limited	Subsidiary	-	-	2,999,964	2,999,964
		<u>-</u>	<u>-</u>	<u>21,487,464</u>	<u>20,531,214</u>
<b>Purchases</b>					
Sojitz Corporation	Major shareholder	<u>11,775,710</u>	<u>8,295,642</u>	<u>-</u>	<u>-</u>
<b>Other expenses</b>					
Metro Systems Corporation Public Company Limited**	Related Company	<u>-</u>	<u>1,197,500</u>	<u>-</u>	<u>1,067,500</u>
<b>Managements' remuneration</b>					
	Directors	<u>39,262,505</u>	<u>38,592,372</u>	<u>38,644,505</u>	<u>38,070,372</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. Subsequently, in 2021 such companies changed its directors affected the Goup has no related directorship, except Pomsawanchemical Company Limited has not changed its director.

\*\* On July 24, 2020, the ordinary shareholder' meeting pass resolution to appoint the new directors which affect such companies to be not related companies.

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

## 25. SIGNIFICANT AGREEMENTS

### Technical assistance agreement

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

## 26. COMMITMENTS AND CONTINGENT LIABILITIES

26.1 The Company has capital commitments for capital expenditure as at December 31, 2021 and 2020, of Baht 151.26 million and Baht 36.59 million, respectively.

26.2 As at December 31, 2021 and 2020, the Group has commitments according to short-term leases and leases of low-value assets in the consolidated financial statements of Baht 18.40 million and Baht 15.27 million, respectively.

As at December 31, 2021 and 2020, the Company has commitments according to short-term leases and leases of low-value assets in the separate financial statements of Baht 11.30 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, 2021 and 2020, the unused credit facilities, consist of:

		Consolidated		Unit : Million	
		Financial Statements		Separate	
		2021	2020	2021	2020
Currency					
Credit facilities*	Baht	11,381.02	11,636.66	11,213.45	11,454.58
	USD	37.00	37.50	30.00	30.00
Credit facility for forward exchange contracts	Baht	4,192.98	2,770.13	4,179.48	2,753.01
	USD	146.96	167.91	140.76	161.56
Letter of guarantee	Baht	91.34	91.34	91.34	91.34

As at December 31, 2021 and 2020, 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	
	2021	2020	2021	2020
Letters of guarantee for electricity	8,830,500	8,830,500	8,655,500	8,655,500

- 26.5 As at December 31, 2021 and 2020, 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 403.11 million and Baht 362.48 million, respectively. (see Note 13).

As at December 31, 2021 and 2020, the Company has commitment for being as a guarantor for a subsidiary in order to purchase of raw materials and single fertilizer of USD 0.13 million (or equivalent to Baht 4.37 million) and USD 0.49 million (or equivalent to Baht 14.70 million), respectively.

- 26.6 As at December 31, 2021 and 2020, the Company has commitment with a bank regarding the outstanding letters of credit amounting to USD 1.69 million (or equivalent to Baht 56.65 million) and USD 1.80 million (or equivalent to Baht 54.31 million), respectively.

As at December 31, 2021 and 2020, a subsidiary have commitment with a bank regarding the outstanding letters of credit amounting to USD 0.10 million (or equivalent to Baht 3.52 million) and USD 0.05 million (or equivalent to Baht 1.51 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, 2021, 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	12,008,377,215	-	12,008,377,215		
- Other income	104,611,504	54,903,327	159,514,831		
	12,112,988,719	54,903,327	12,167,892,046	1,934,673,630	12,889,018,315
Rental services section					
- Revenues from service	-	126,267,557	126,267,557		
- Other income	1,344,185	879,902	2,224,087		
	1,344,185	127,147,459	128,491,644	62,046,222	245,762,564
Others section					
- Revenues from sales	311,499,528	7,521,790	319,021,318		
- Other income	3,052,220	88,563	3,140,783		
	314,551,748	7,610,353	322,162,101	17,298,465	298,633,309
<u>Less</u> Intersegment revenues			(407,100,533)		
Total revenues			12,211,445,258		
Profit before income tax expense				2,014,018,317	
<u>Less</u> Income tax expense				(410,953,651)	
Profit for the year				1,603,064,666	
					13,433,414,188
<u>Less</u> Intersegment assets					(623,582,046)
Total assets					12,809,832,142
<u>Less</u> Non-controlling interests in total comprehensive income				(24,062,939)	
Exchange differences on translation of financial statements of foreign subsidiary				12,592,443	
Net gains on remeasurements of defined benefit plans				3,453,081	
Total comprehensive income attributable to owners of the parent				1,595,047,251	
Consolidated assets as at December 31, 2021					12,809,832,142

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	1,818,787,796	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	46,350,496	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	5,152,601	267,524,595
<u>Less</u> Intersegment revenues			(170,417,982)		
Total revenues			9,542,654,331		
Profit before income tax expense				1,870,290,893	
<u>Less</u> Income tax expense				(379,908,900)	
Profit for the year				1,490,381,993	
					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	
Net gains on remeasurements of defined benefit plans				2,132,340	
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 years ended December 31, 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of the Group's revenues.

## 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 expected credit losses, 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 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		Fair value hierarchy
	As at December 31, 2021		
	Carrying Amount	Fair Value	
<u>Financial assets</u>			
Cash and cash equivalents	4,504,540	4,504,540	Level 3
Trade receivables	314,952	314,952	Level 3
Time deposit	3,588,584	3,588,584	Level 3
Derivative assets	3,429	3,429	Level 2
<u>Financial liabilities</u>			
Bank overdrafts and short-term borrowings from financial institutions	198,221	198,221	Level 3
Trade payables	418,883	418,883	Level 3
Derivative liabilities	11,200	11,200	Level 2
Lease liabilities (including current portion)	49,390	49,390	Level 3

	Unit : Thousand Baht		Fair value hierarchy
	As at December 31, 2020		
	Carrying Amount	Fair Value	
<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

**SEPARATE FINANCIAL STATEMENTS**

	Unit : Thousand Baht		Fair value hierarchy
	As at December 31, 2021		
	Carrying Amount	Fair Value	
<u>Financial assets</u>			
Cash and cash equivalents	4,064,826	4,064,826	Level 3
Trade receivables	515,542	515,542	Level 3
Time deposit	3,448,000	3,448,000	Level 3
Derivative assets	3,133	3,133	Level 2
<u>Financial liabilities</u>			
Trade payables	390,786	390,786	Level 3
Derivative liabilities	11,137	11,137	Level 2
Lease liabilities (including current portion)	46,301	46,301	Level 3

	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

## 28.4 Foreign exchange risk

### Forward exchange contract

As at December 31, 2021 and 2020, 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, 2021							
The Company	USD	12,018,042	33.1356	56 - 300	(1,590,571)	Level 2	Discontinued cash flow*
A subsidiary	USD	1,489,569	33.2734	48 - 167	232,748		

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 subsidiarv	USD	1,243,047	31.1735	37 - 180	(1,415,027)		



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, 2021							
The Company	USD	10,582,702	32.6698	32 - 358	9,594,590	Level 2	Discontinued cash flow*
As at December 31, 2020							
The Company	USD	5,414,808	31.0182	12 - 357	4,400,052	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, 2021 and 2020, the Company and its subsidiaries have foreign assets and liabilities which part of forward exchange contracts to hedge certain portions of their assets and liabilities denominated in foreign currencies are as follows:

			Foreign assets	
			Currency	Amount
<b>As at December 31, 2021</b>				
	The Company		USD	9,386,470
	Subsidiaries		USD	2,098,093
			MMK	10,218,932,530
<b>As at December 31, 2020</b>				
	The Company		USD	5,424,043
	Subsidiaries		USD	1,665,368
			MMK	2,930,210,955
			Foreign liabilities	
			Currency	Amount
<b>As at December 31, 2021</b>				
	The Company		USD	9,760,994
	Subsidiaries		USD	1,391,299
			MMK	286,955,540
<b>As at December 31, 2020</b>				
	The Company		USD	4,601,569
			EUR	2,994
	Subsidiaries		USD	5,035,985

**29. EVENT AFTER THE REPORTING PERIOD**

On February 24, 2022, the Board of Directors' meeting of the Company approved to propose annual dividend payment for the operating result of 2021 at Baht 1.70 per share, totaling Baht 994 million. However, the approval for the dividend shall be proposed to the Annual General Meeting of shareholders of the Company for the year 2022 for further consideration and approval.

**30. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved for issue by the Board of Directors of the Company on February 24, 2022.