

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

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

We have reviewed the consolidated statement of financial position of Thai Central Chemical Public Company Limited and its subsidiaries and the separate statement of financial position of Thai Central Chemical Public Company Limited as at June 30, 2022, and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2022 and related consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month period ended June 30, 2022 and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

BANGKOK
August 15, 2022

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

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	6,184,024	4,504,540	5,923,760	4,064,827
Trade and other current receivables	5.1	1,181,508	373,395	1,292,764	565,966
Inventories	6	4,322,026	1,918,954	4,105,450	1,784,579
Other current financial assets	7.1	422,926	3,592,013	271,683	3,451,133
Other current assets		1,240	2,079	1,157	929
Total Current Assets		<u>12,111,724</u>	<u>10,390,981</u>	<u>11,594,814</u>	<u>9,867,434</u>
NON-CURRENT ASSETS					
Investment in an associate	18.1.1	136,911	136,978	98,000	98,000
Investments in subsidiaries	18.1.2	-	-	383,855	383,855
Investment properties		29,213	29,213	39,527	39,527
Property, plant and equipment	8	1,511,609	1,525,601	1,294,305	1,306,276
Right-of-use assets	9.1	126,341	126,941	40,802	44,931
Other intangible assets other than goodwill		545,901	545,901	545,901	545,901
Deferred tax assets	10	52,581	45,851	47,823	41,158
Other non-current assets		8,455	8,366	6,960	6,985
Total Non-current Assets		<u>2,411,011</u>	<u>2,418,851</u>	<u>2,457,173</u>	<u>2,466,633</u>
TOTAL ASSETS		<u><u>14,522,735</u></u>	<u><u>12,809,832</u></u>	<u><u>14,051,987</u></u>	<u><u>12,334,067</u></u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2022

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	11	227,653	198,221	-	-
Trade and other current payables	12	3,148,346	744,323	3,077,164	680,757
Current portion of lease liabilities	9.1	15,159	16,258	13,867	14,821
Corporate income tax payable		92,470	147,639	87,734	141,214
Current provision for employee benefits	14	15,194	12,960	9,566	7,331
Other current financial liabilities	7.1	17,015	11,200	16,947	11,137
Other current liabilities		28,161	38,404	21,082	23,518
Total Current Liabilities		<u>3,543,998</u>	<u>1,169,005</u>	<u>3,226,360</u>	<u>878,778</u>
NON-CURRENT LIABILITIES					
Lease liabilities	9.1	30,244	33,132	28,387	31,480
Deferred tax liabilities	10	116,609	116,609	109,180	109,180
Non-current provision for employee benefits	14	156,066	158,473	138,496	141,583
Other non-current liabilities		19,075	17,529	15,823	15,890
Total Non-current Liabilities		<u>321,994</u>	<u>325,743</u>	<u>291,886</u>	<u>298,133</u>
TOTAL LIABILITIES		<u>3,865,992</u>	<u>1,494,748</u>	<u>3,518,246</u>	<u>1,176,911</u>

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2022

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
584,716,118 ordinary shares of Baht 3 each		<u>1,754,148</u>	<u>1,754,148</u>	<u>1,754,148</u>	<u>1,754,148</u>
Issued and paid-up share capital					
584,714,068 ordinary shares of Baht 3 each, fully paid		1,754,142	1,754,142	1,754,142	1,754,142
DISCOUNT ON ORDINARY SHARES		(43,570)	(43,570)	(43,570)	(43,570)
RETAINED EARNINGS					
Appropriated					
Legal reserve		175,415	175,415	175,415	175,415
Unappropriated		8,723,921	9,375,981	8,647,754	9,271,169
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		<u>(40,371)</u>	<u>(46,726)</u>	-	-
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT		<u>10,569,537</u>	<u>11,215,242</u>	<u>10,533,741</u>	<u>11,157,156</u>
NON-CONTROLLING INTERESTS		<u>87,206</u>	<u>99,842</u>	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>10,656,743</u>	<u>11,315,084</u>	<u>10,533,741</u>	<u>11,157,156</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>14,522,735</u>	<u>12,809,832</u>	<u>14,051,987</u>	<u>12,334,067</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
Revenues from sales		4,410,289	4,384,702	4,308,329	4,263,193
Revenues from services		33,133	34,515	-	-
Cost of sales of goods		(3,836,054)	(3,395,736)	(3,782,656)	(3,302,937)
Cost of rendering of services		(10,031)	(8,808)	-	-
Gross profit		597,337	1,014,673	525,673	960,256
Interest revenue		10,288	10,552	9,243	10,290
Other income	15	46,403	29,146	89,978	39,472
Profit before expenses		654,028	1,054,371	624,894	1,010,018
Selling expenses		(30,139)	(59,438)	(18,759)	(42,127)
Administrative expenses		(80,354)	(73,903)	(58,177)	(54,361)
Loss on impairment of investment in subsidiary		-	-	-	(169,000)
Managements' remuneration	18.2.2	(10,405)	(8,940)	(9,913)	(8,898)
Total expenses		(120,898)	(142,281)	(86,849)	(274,386)
Profit from operating activities		533,130	912,090	538,045	735,632
Finance costs		(1,228)	(1,114)	(449)	(589)
Share of profit (loss) from investment in an associate	18.1.1	(108)	45	-	-
PROFIT BEFORE INCOME TAX EXPENSE		531,794	911,021	537,596	735,043
INCOME TAX EXPENSE		(103,348)	(184,999)	(99,642)	(179,749)
PROFIT FOR THE PERIOD		428,446	726,022	437,954	555,294

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
OTHER COMPREHENSIVE INCOME					
Item that will be reclassified subsequently					
to profit or loss					
Exchange differences on translation of					
financial statements of a foreign subsidiary		5,601	2,165	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>434,047</u>	<u>728,187</u>	<u>437,954</u>	<u>555,294</u>
PROFIT ATTRIBUTABLE TO					
Owners of the parent		422,672	719,368	437,954	555,294
Non-controlling interests		5,774	6,654	-	-
		<u>428,446</u>	<u>726,022</u>	<u>437,954</u>	<u>555,294</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent		428,273	721,533	437,954	555,294
Non-controlling interests		5,774	6,654	-	-
		<u>434,047</u>	<u>728,187</u>	<u>437,954</u>	<u>555,294</u>
BASIC EARNING PER SHARE	BAHT	0.72	1.23	0.75	0.95
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	THOUSAND SHARES	584,714	584,714	584,714	584,714

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
Revenues from sales		5,981,501	6,222,397	5,800,546	6,020,407
Revenues from services		66,046	65,451	-	-
Cost of sales of goods		(5,371,772)	(4,790,268)	(5,283,984)	(4,632,923)
Cost of rendering of services		(19,745)	(18,128)	-	-
Gross profit		656,030	1,479,452	516,562	1,387,484
Interest revenue		15,809	17,560	14,364	17,057
Other income	15	15,938	88,528	92,844	126,674
Profit before expenses		687,777	1,585,540	623,770	1,531,215
Selling expenses		(62,913)	(104,380)	(40,293)	(75,850)
Administrative expenses		(153,172)	(145,003)	(110,023)	(104,840)
Loss on impairment of investment in subsidiary		-	-	-	(169,000)
Managements' remuneration	18.2.2	(20,579)	(18,620)	(20,045)	(18,086)
Other expense		(3,187)	-	-	-
Total expenses		(239,851)	(268,003)	(170,361)	(367,776)
Profit from operating activities		447,926	1,317,537	453,409	1,163,439
Finance costs		(5,517)	(2,113)	(881)	(1,163)
Share of profit (loss) from investment in an associate	18.1.1	(67)	92	-	-
PROFIT BEFORE INCOME TAX EXPENSE		442,342	1,315,516	452,528	1,162,276
INCOME TAX EXPENSE	10	(88,830)	(267,779)	(81,929)	(259,841)
PROFIT FOR THE PERIOD		353,512	1,047,737	370,599	902,435

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
OTHER COMPREHENSIVE INCOME					
Item that will be reclassified subsequently					
to profit or loss					
Exchange differences on translation of					
financial statements of a foreign subsidiary		6,355	7,799	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>359,867</u>	<u>1,055,536</u>	<u>370,599</u>	<u>902,435</u>
PROFIT ATTRIBUTABLE TO					
Owners of the parent		341,954	1,035,874	370,599	902,435
Non-controlling interests		11,558	11,863	-	-
		<u>353,512</u>	<u>1,047,737</u>	<u>370,599</u>	<u>902,435</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent		348,309	1,043,673	370,599	902,435
Non-controlling interests		11,558	11,863	-	-
		<u>359,867</u>	<u>1,055,536</u>	<u>370,599</u>	<u>902,435</u>
BASIC EARNING PER SHARE	BAHT	0.58	1.77	0.63	1.54
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES	THOUSAND SHARES	584,714	584,714	584,714	584,714

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Note	Attributions to owners of the parent				Total attributions to owners of the parent	Non- controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Discount on ordinary shares	Retained earnings Appropriated Legal reserve	Unappropriated				Other components of shareholders' equity Exchange differences on translation of financial statements of a foreign subsidiary
Beginning balances as at January 1, 2021		1,754,142	(43,570)	175,415	8,846,011	(59,318)	10,672,680	93,542	10,766,222
Dividends paid	17	-	-	-	(1,052,485)	-	(1,052,485)	-	(1,052,485)
Dividends to non-controlling interests of subsidiaries	17	-	-	-	-	-	-	(17,763)	(17,763)
Total comprehensive income for the period		-	-	-	1,035,874	7,799	1,043,673	11,863	1,055,536
Ending balances as at June 30, 2021		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>8,829,400</u>	<u>(51,519)</u>	<u>10,663,868</u>	<u>87,642</u>	<u>10,751,510</u>
Beginning balances as at January 1, 2022		1,754,142	(43,570)	175,415	9,375,981	(46,726)	11,215,242	99,842	11,315,084
Dividends paid	17	-	-	-	(994,014)	-	(994,014)	-	(994,014)
Dividends to non-controlling interests of subsidiaries	17	-	-	-	-	-	-	(24,194)	(24,194)
Total comprehensive income for the period		-	-	-	341,954	6,355	348,309	11,558	359,867
Ending balances as at June 30, 2022		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>8,723,921</u>	<u>(40,371)</u>	<u>10,569,537</u>	<u>87,206</u>	<u>10,656,743</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEPARATE FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Note	Issued and paid-up share capital	Discount on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
Beginning balances as at January 1, 2021		1,754,142	(43,570)	175,415	8,872,359	10,758,346
Dividends paid	17	-	-	-	(1,052,485)	(1,052,485)
Total comprehensive income for the period		-	-	-	902,435	902,435
Ending balances as at June 30, 2021		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>8,722,309</u>	<u>10,608,296</u>
Beginning balances as at January 1, 2022		1,754,142	(43,570)	175,415	9,271,169	11,157,156
Dividends paid	17	-	-	-	(994,014)	(994,014)
Total comprehensive income for the period		-	-	-	370,599	370,599
Ending balances as at June 30, 2022		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>8,647,754</u>	<u>10,533,741</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the period		353,512	1,047,737	370,599	902,435
Adjusted by					
Income tax expense		88,830	267,779	81,929	259,841
Expected credit loss		7,626	6,969	7,626	7,222
Loss for diminution in value of inventories		83,110	3,139	83,134	3,062
Loss on impairment of investment in subsidiary		-	-	-	169,000
Depreciation and amortization		137,974	137,675	121,990	122,173
Gain on sales of property, plant and equipment		(2,077)	(1,837)	(1,495)	(1,837)
Employee benefit obligations expense		7,158	7,010	6,479	6,134
Share of (profit) loss from investment in an associate		67	(92)	-	-
Unrealized gain on exchange rate		(17,499)	(11,600)	(18,569)	(10,048)
Dividend income		-	-	(35,181)	(21,487)
Interest income		(15,809)	(17,560)	(14,364)	(17,057)
Finance costs		5,517	2,113	881	1,163
Total adjustments from reconciliation of gain balances		648,409	1,441,333	603,029	1,420,601
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade and other current receivables		(809,629)	(596,508)	(728,456)	(687,731)
Inventories		(2,486,182)	(1,969,877)	(2,404,005)	(1,972,494)
Other current assets		839	(586)	(228)	(546)
Other non-current assets		(89)	(67)	25	14
Operating liabilities increase (decrease)					
Trade and other current payables		2,387,677	1,491,438	2,380,082	1,459,023
Other current liabilities		(10,243)	4,184	(2,436)	3,406
Other non-current liabilities		1,546	540	(67)	40
Cash paid for employee benefit obligations		(7,331)	(7,599)	(7,331)	(3,998)
Net cash provided by (used in) operations		(275,003)	362,858	(159,387)	218,315
Cash paid for income tax		(150,729)	(203,620)	(142,075)	(197,222)
Net cash provided by (used in) operating activities		(425,732)	159,238	(301,462)	21,093

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in time deposits		3,240,000	2,852,712	3,250,000	2,852,000
Cash paid for purchases of property, plant and equipment	4.1	(147,388)	(84,931)	(143,295)	(80,420)
Cash received from disposal of property, plant and equipment		5,158	1,685	4,830	2,205
Dividend received from subsidiaries		-	-	35,181	21,487
Interest received		18,253	22,047	16,952	21,506
Net cash provided by investing activities		3,116,023	2,791,513	3,163,668	2,816,778
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from bank overdrafts and short-term borrowings from financial institutions	4.2	18,434	2,387	-	-
Cash repayment for lease liabilities	4.1	(9,438)	(9,965)	(8,301)	(9,131)
Cash payment for dividend	17	(994,091)	(1,052,485)	(994,091)	(1,052,485)
Cash payment for dividend - subsidiaries	17	(24,194)	(17,763)	-	-
Interest paid		(5,378)	(4,924)	(881)	(1,163)
Net cash flows used in financing activities		(1,014,667)	(1,082,750)	(1,003,273)	(1,062,779)
Effect of exchange rate changes on cash and cash equivalents		3,860	2,202	-	-
Net increase in cash and cash equivalents		1,679,484	1,870,203	1,858,933	1,775,092
Cash and cash equivalents as at January 1,		4,504,540	2,902,744	4,064,827	2,716,668
Cash and cash equivalents as at June 30,	4.3	6,184,024	4,772,947	5,923,760	4,491,760

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2022
“Unaudited”

1. OPERATIONS AND GENERAL INFORMATION

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

1.1 The operation of the Company

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

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

1.2 The operations of subsidiaries

1.2.1 N.I.M. Company Limited was registered in Thailand with its office located at 284 Moo 1, Pakklong Bangplakod Sub-district, Prasamutjedi 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 resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the business environment. Nevertheless, the Group’s management will continue monitoring the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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

- 2.1 These consolidated and separate interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard (“TAS”) No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to the interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2021, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2022 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards (“TFRS”), but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2022, should be read in conjunction with the audited financial statements for the year ended December 31, 2021.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month and six-month periods ended June 30, 2022, have included the subsidiaries’ interim financial statements for the three-month and six-month periods ended June 30, 2022 which were reviewed.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phrase 2. The adoption of these financial reporting standards does not have any significant impact on the Group’s interim financial statements.

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

	As at June 30,		As at
	2022	2021	December 31, 2021
	Percentage of shareholding		Percentage of shareholding
N.I.M. Company Limited	51.00	51.00	51.00
MC Agro-Chemicals Company Limited	99.99	99.99	99.99
TCCC Myanmar Limited	99.99	99.99	99.99

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2021.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Purchases of property, plant and equipment for the six-month periods ended June 30, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	2022	2021	2022	2021
Payables - acquisitions of property, plant and equipment as at January 1,	45,892	12,838	45,892	12,838
<u>Add</u> Purchases of property, plant and equipment	109,063	83,709	104,970	79,198
<u>Less</u> Cash payments	(147,388)	(84,931)	(143,295)	(80,420)
Payables - asset acquisitions of property, plant and equipment as at June 30,	<u>7,567</u>	<u>11,616</u>	<u>7,567</u>	<u>11,616</u>
Lease liabilities as at January 1, (including current portion)	49,390	64,791	46,301	62,355
<u>Add</u> Lease liabilities during the periods	5,451	3,577	4,254	2,285
<u>Less</u> Cash payments	(9,438)	(9,965)	(8,301)	(9,131)
Lease liabilities as at June 30, (including current portion)	<u>45,403</u>	<u>58,403</u>	<u>42,254</u>	<u>55,509</u>

4.2 The cash flows from bank overdrafts and short-term borrowings from financial institutions for the six-month periods ended June 30, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Bank overdrafts and short-term borrowings from financial institutions as at January 1,	198,221	162,262	-	-
<u>Add</u> Cash received	18,434	2,387	-	-
<u>Add</u> Unrealized loss on foreign exchange rate from financial statement translation	10,998	9,728	-	-
Bank overdrafts and short-term borrowings from financial institutions as at June 30,	<u>227,653</u>	<u>174,377</u>	<u>-</u>	<u>-</u>

4.3 Cash and cash equivalents

Cash and cash equivalents as at June 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Cash on hand	4,390	26,304	560	560
Bank deposits in savings and current accounts	4,979,311	4,028,015	4,723,198	3,614,046
Cheque on hand	321	219	-	219
Time deposits with maturity within 3 months (2022: interest rates 0.53% - 0.65% per annum) (2021: interest rates 0.50% per annum)	1,200,002	450,002	1,200,002	450,002
	<u>6,184,024</u>	<u>4,504,540</u>	<u>5,923,760</u>	<u>4,064,827</u>

5. TRADE AND OTHER CURRENT RECEIVABLES

5.1 Trade and other current receivables as at June 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Trade receivables (see Note 5.2)	1,144,272	314,952	1,261,677	515,542
Other receivables	3,956	4,954	5,577	5,879
Prepaid expenses	28,401	48,854	21,148	40,441
Accrued income	2,719	4,183	2,428	4,037
Advance payments	2,160	452	1,934	67
	<u>1,181,508</u>	<u>373,395</u>	<u>1,292,764</u>	<u>565,966</u>

5.2 Trade receivables as at June 30, 2022 and December 31, 2021, are classified by aging as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Number of outstanding trade receivables	401	314	164	107
Other companies				
Current	1,123,148	306,058	1,064,202	234,262
Overdue				
Less than or up to 3 months	34,262	14,271	33,868	14,080
More than 3 months up to 6 months	-	-	-	-
More than 6 months up to 12 months	-	1,254	-	961
More than 12 months	20,877	19,758	19,696	18,869
	<u>1,178,287</u>	<u>341,341</u>	<u>1,117,766</u>	<u>268,172</u>
Related companies (see Note 18.2.1)				
Current	-	-	176,716	272,549
Total trade receivables	1,178,287	341,341	1,294,482	540,721
<u>Less</u> Allowance for expected credit loss	<u>(34,015)</u>	<u>(26,389)</u>	<u>(32,805)</u>	<u>(25,179)</u>
	<u>1,144,272</u>	<u>314,952</u>	<u>1,261,677</u>	<u>515,542</u>

Movements of allowance for expected credit loss of trade receivables for the six-month period ended June 30, 2022 as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning balance as at January 1, 2022	26,389	25,179
Increase	7,626	7,626
Ending balance as at June 30, 2022	<u>34,015</u>	<u>32,805</u>

6. INVENTORIES

Inventories as at June 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Inventories	4,433,558	1,947,376	4,216,982	1,812,977
<u>Less</u> Allowance for diminution in value of inventories	<u>(111,532)</u>	<u>(28,422)</u>	<u>(111,532)</u>	<u>(28,398)</u>
	<u>4,322,026</u>	<u>1,918,954</u>	<u>4,105,450</u>	<u>1,784,579</u>

8. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the six-month period ended June 30, 2022, are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Property, plant and equipment - net as at January 1, 2022	1,525,601	1,306,276
<u>Add</u> Purchase during the period	109,063	104,970
<u>Add</u> Transfer equipment from right-of-use assets	290	-
<u>Less</u> Disposal during the period	(3,371)	(3,335)
Depreciation for the period	(127,864)	(113,606)
Exchange differences on translation of financial statements of a foreign subsidiary	7,890	-
Property, plant and equipment - net as at June 30, 2022	<u>1,511,609</u>	<u>1,294,305</u>

As at June 30, 2022 and December 31, 2021, costs of assets which are fully depreciated but still in use as the following:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Gross carrying amount of plant and equipment which are fully depreciated but still in use	<u>2,800,916</u>	<u>2,830,367</u>	<u>2,485,866</u>	<u>2,516,933</u>

As at June 30, 2022 and December 31, 2021, the Company used certain land, land improvements and buildings which have total net book value of Baht 398.21 million and Baht 413.02 million, respectively, as collateral with a local financial institution for guarantee credit facilities (see Note 19.3).

As at June 30, 2022 and December 31, 2021, a subsidiary used all land and buildings which have total net book value of Baht 21.56 million as collateral with local financial institutions for guarantee bank overdrafts and credit facilities (see Notes 11 and 19.3).

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

9.1 Right-of-use assets and leases liabilities as at June 30, 2022 and December 31, 2021, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Right-of-use assets				
Land	80,864	77,435	-	-
Building	27,015	30,617	27,015	30,617
Equipment	132	265	132	265
Vehicles	18,330	18,624	13,655	14,049
	<u>126,341</u>	<u>126,941</u>	<u>40,802</u>	<u>44,931</u>
Lease liabilities				
Current portion of lease liabilities	15,159	16,258	13,867	14,821
Lease liabilities	30,244	33,132	28,387	31,480
	<u>45,403</u>	<u>49,390</u>	<u>42,254</u>	<u>46,301</u>

For the six-month period ended June 30, 2022, rights-of-use assets recognized in the consolidated financial statements and the separate financial statements amounting to Baht 5.45 million and Baht 4.25 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 and it will be expired on June 4, 2064. Such leasehold right included in right-of-use assets in the consolidated financial statements.

9.2 Amounts recognized in the statement of comprehensive income for the three-month and six-month periods ended June 30, comprise:

For the three-month periods ended June 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Depreciation - right-of-use assets	4,599	5,559	3,731	4,742
Interest expense	417	559	382	526
Expense relating to short-term leases	3,754	3,023	934	243
Expense relating to leases of low-value assets	1,515	1,346	1,319	1,188
	<u>10,285</u>	<u>10,487</u>	<u>6,366</u>	<u>6,699</u>

For the six-month periods ended June 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Depreciation - right-of-use assets	10,110	11,096	8,383	9,463
Interest expense	866	1,147	794	1,087
Expense relating to short-term leases	6,475	6,096	1,163	521
Expense relating to leases of low-value assets	3,040	2,684	2,663	2,317
	<u>20,491</u>	<u>21,023</u>	<u>13,003</u>	<u>13,388</u>

10. DEFERRED INCOME TAX AND INCOME TAX EXPENSE

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes issued by the same taxation authority. Deferred income tax as at June 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Deferred tax assets	<u>52,581</u>	<u>45,851</u>	<u>47,823</u>	<u>41,158</u>
Deferred tax liabilities	<u>116,609</u>	<u>116,609</u>	<u>109,180</u>	<u>109,180</u>

Movements of deferred tax assets and liabilities for the six-month periods ended June 30, 2022 and 2021 are as follows:

Consolidated Financial Statements As at June 30, 2022

	Unit : Thousand Baht		
	Balances as at January 1, 2022	Recognized in profit or loss	Balances as at June 30, 2022
Allowance for expected credit loss	5,272	1,525	6,797
Allowance for diminution in value of inventories	5,681	16,801	22,482
Provision for sale promotions	523	(8)	515
Provision for employee benefits	32,820	1,432	34,252
Financial assets at FVTPL	1,555	(13,020)	(11,465)
Total deferred tax assets	<u>45,851</u>	<u>6,730</u>	<u>52,581</u>
Gain on fair value adjustment from investment in a subsidiary to an associate	7,429	-	7,429
Accumulated amortization - right for use of trademarks	<u>109,180</u>	<u>-</u>	<u>109,180</u>
Total deferred tax liabilities	<u>116,609</u>	<u>-</u>	<u>116,609</u>

As at June 30, 2021

	Unit : Thousand Baht		
	Balances as at January 1, 2021	Recognized in profit or loss	Balances as at June 30, 2021
Allowance for expected credit loss	5,455	1,385	6,840
Allowance for diminution in value of inventories	1,812	626	2,438
Provision for sale promotions	5,441	(3,159)	2,282
Provision for employee benefits	33,139	682	33,821
Financial assets FVTPL	(212)	(5,673)	(5,885)
Total deferred tax assets	<u>45,635</u>	<u>(6,139)</u>	<u>39,496</u>
Gain on fair value adjustment from investment in a subsidiary to an associate	7,429	-	7,429
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>116,609</u>	<u>-</u>	<u>116,609</u>

**Separate Financial Statements
As at June 30, 2022**

	Unit : Thousand Baht		
	Balances as at January 1, 2022	Recognized in profit or loss	Balances as at June 30, 2022
Allowance for expected credit loss	5,036	1,525	6,561
Allowance for diminution in value of inventories	5,681	16,801	22,482
Provision for sale promotions	523	(8)	515
Provision for employee benefits	28,317	1,295	29,612
Financial assets at FVTPL	1,601	(12,948)	(11,347)
Total deferred tax assets	<u>41,158</u>	<u>6,665</u>	<u>47,823</u>
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>109,180</u>	<u>-</u>	<u>109,180</u>

As at June 30, 2021

	Unit : Thousand Baht		
	Balances as at January 1, 2021	Recognized in profit or loss	Balances as at June 30, 2021
Allowance for expected credit loss	5,218	1,444	6,662
Allowance for diminution in value of inventories	1,812	626	2,438
Provision for sale promotions	5,500	(3,218)	2,282
Provision for employee benefits	27,377	1,227	28,604
Financial assets FVTPL	(212)	(5,448)	(5,660)
Total deferred tax assets	<u>39,695</u>	<u>(5,369)</u>	<u>34,326</u>
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>109,180</u>	<u>-</u>	<u>109,180</u>

Income tax expense for the six-month periods ended June 30, 2022 and 2021 consists of the following:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Income tax expense in respect of the current period	95,560	261,640	88,594	254,472
Deferred tax relating to temporary differences	(6,730)	6,139	(6,665)	5,369
Income tax expense	<u>88,830</u>	<u>267,779</u>	<u>81,929</u>	<u>259,841</u>

The income tax expense for the six-month periods ended June 30, 2022 and 2021 can be reconciled to the accounting profit as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Profit before income tax expense	442,342	1,315,516	452,528	1,162,276
Income tax calculated at 20%	88,469	263,103	90,506	232,455
Tax effects of transactions that are not taxable income and expenses	361	4,676	(8,577)	27,386
Income tax expense	<u>88,830</u>	<u>267,779</u>	<u>81,929</u>	<u>259,841</u>
	%Rate	%Rate	%Rate	%Rate
Effective tax rate	20.08	20.36	18.10	22.36

For the six-month periods ended June 30, 2022 and 2021, the Company and subsidiaries in Thailand have applied the tax rate of 20% for calculating corporate tax expense and deferred income tax.

For the six-month periods ended June 30, 2022 and 2021, the foreign subsidiary applied the tax rate of each country for calculating corporate income tax expense and deferred income tax.

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

Bank overdrafts and short-term borrowings from financial institutions as at June 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Bank overdrafts and short-term borrowings from financial institutions	<u>227,653</u>	<u>198,221</u>	<u>-</u>	<u>-</u>

As at June 30, 2022 and December 31, 2021, a subsidiary has credit lines from local financial institutions for bank overdrafts, short-term borrowings and other facilities which carried interest 2.10 - 2.55% and 1.80% per annum, respectively, and mortgaged by all land and buildings (see Note 8).

As at June 30, 2022 and December 31, 2021, a subsidiary has credit lines from foreign financial institutions for short-term borrowings and other facilities with interest rate during 1.73% - 3.16% and 0.57% - 0.75% per annum, respectively, and guaranteed by the Company (see Note 19.5).

12. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Trade payables	2,583,842	418,883	2,553,709	390,786
Other payables	74,791	109,556	71,873	108,902
Accrued dividends	2,506	2,583	2,506	2,583
Accrued expenses	116,945	164,165	89,501	126,203
Advance received from customers (see Note 13)	25,126	25,605	56,736	25,470
Deferred sales (see Note 13)	345,136	23,531	302,839	26,813
	<u>3,148,346</u>	<u>744,323</u>	<u>3,077,164</u>	<u>680,757</u>

13. DEFERRED SALES AND ADVANCE RECEIVED FROM CUSTOMERS

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

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

While inventories in the consolidated and separate financial statements as at June 30, 2022 and December 31, 2021, 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 12).

14. PROVISION FOR EMPLOYEE BENEFITS

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

Provision for employee benefits as at June 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2022	2021	2022	2021
Provision for employee benefits - current portion	15,194	12,960	9,566	7,331
Provision for employee benefits	156,066	158,473	138,496	141,583
	<u>171,260</u>	<u>171,433</u>	<u>148,062</u>	<u>148,914</u>

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefit obligations due upon retirement for the six-month periods ended June 30, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Current service cost	5,744	5,841	5,225	5,128
Interest cost	1,414	1,169	1,254	1,006
	<u>7,158</u>	<u>7,010</u>	<u>6,479</u>	<u>6,134</u>

Movements in provision for employee benefits for the six-month periods ended June 30, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Provision for employee benefits as at January 1, (Including current portion)	171,433	169,694	148,914	140,883
Current service cost	5,744	5,841	5,225	5,128
Interest cost	1,414	1,169	1,254	1,006
Benefit paid	(7,331)	(7,599)	(7,331)	(3,998)
Provision for employee benefits as at June 30, (Including current portion)	<u>171,260</u>	<u>169,105</u>	<u>148,062</u>	<u>143,019</u>

The principal actuarial assumptions used to calculate the provision for employee benefits as at June 30, 2022 and December 31, 2021, are as follows:

	Consolidated and Separate	
	As at June 30, 2022	As at December 31, 2021
	(% p.a.)	(% p.a.)
Discount rate	1.90	1.90
Turnover rate	1.5 - 13	1.5 - 13
	Depend on range of employee age	Depend on range of employee age
Expected rate of salary increase	4 - 6	4 - 6
Future gold price growth	5	5
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017

15. OTHER INCOME

Other income for the three-month and six-month periods ended June 30, 2022 and 2021 consist of:

For the three-month periods ended June 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Rental income	2,511	2,038	6,066	5,648
Gain on sale of property, plant and equipment	489	1,397	489	1,397
Gain on foreign exchange rate - net	36,583	21,376	40,881	27,289
Dividend income (see Note 18.2.2)	-	-	35,181	-
Others	6,820	4,335	7,361	5,138
	<u>46,403</u>	<u>29,146</u>	<u>89,978</u>	<u>39,472</u>

For the six-month periods ended June 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Rental income	4,601	4,128	11,977	11,144
Gain on sale of property, plant and equipment	2,077	1,837	1,495	1,837
Gain on foreign exchange rate - net	-	76,792	33,804	84,847
Dividend income (see Note 18.2.2)	-	-	35,181	21,487
Others	9,260	5,771	10,387	7,359
	<u>15,938</u>	<u>88,528</u>	<u>92,844</u>	<u>126,674</u>

16. EXPENSES BY NATURE

Significant expenses by nature for the three-month and six-month periods ended June 30, 2022 and 2021 consist of:

For the three-month periods ended June 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Changes in finished goods and work in process	(710,545)	(36,912)	(690,079)	(48,321)
Cost of finished goods purchased	36,965	63,320	-	-
Raw materials used	4,240,062	3,059,383	4,233,543	3,054,545
Employee benefit expenses	132,101	127,125	105,502	103,400
Depreciation and amortization	69,218	69,359	61,092	61,521
Expected credit loss	6,731	5,760	6,814	5,879
Loss for diminution in value of inventories (Reversal)	(34,622)	3,763	(34,622)	3,723

For the six-month periods ended June 30,

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2022	2021	2022	2021
Changes in finished goods and work in process	(1,030,173)	(205,057)	(1,011,454)	(208,853)
Cost of finished goods purchased	87,479	96,571	-	-
Raw materials used	5,755,319	4,414,489	5,746,884	4,379,938
Employee benefit expenses	258,608	252,153	208,877	204,198
Depreciation and amortization	137,974	137,675	121,990	122,173
Expected credit loss	7,626	6,969	7,626	7,222
Loss for diminution in value of inventories	83,110	3,139	83,134	3,062

17. DIVIDENDS

On March 25, 2022, the Ordinary Shareholders' meeting of the Company passed a resolution to pay dividends to shareholders at Baht 1.70 per share, totaling Baht 994.01 million as an appropriation of profit for the year 2021. Such dividend was paid in April 2022.

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.

The Annual General Shareholders' Meetings of subsidiaries passed a resolution to distribute annual dividends for the year 2021 to ordinary shareholders of subsidiaries as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Unit : Thousand Baht		Total amount
			Dividend paid to Owners of parent	Non- controlling interests	
N.I.M. Company Limited	April 26, 2022	3.95	25,181	24,194	49,375
MC Agro-Chemicals Company Limited	April 20, 2022	20.00	10,000	-	10,000
			<u>35,181</u>	<u>24,194</u>	<u>59,375</u>

The Annual General Shareholders' Meetings of subsidiaries passed a resolution to distribute annual dividends for the year 2020 to ordinary shareholders of subsidiaries as follows:

Company name	General shareholders' meeting date	Dividend per share (Baht)	Unit : Thousand Baht		Total amount
			Dividend paid to Owners of parent	Non- controlling interests	
N.I.M. Company Limited	March 29, 2021	2.90	18,487	17,763	36,250
MC Agro-Chemicals Company Limited	March 29, 2021	6.00	3,000	-	3,000
			<u>21,487</u>	<u>17,763</u>	<u>39,250</u>

18. TRANSACTIONS BETWEEN RELATED PARTIES

Transactions between related parties are as follows:

18.1 Investments

18.1.1 Investment in an associate

As at June 30, 2022				Unit : Thousand Baht		
Company name	Type of business	Paid-up capital	Ownership %	Investment Cost Method	Equity Method	Dividend received
Central Pacific (Thailand) Corporation Limited	Lease out warehouse	200,000	49.00	98,000	136,911	-

As at December 31, 2021				Unit : Thousand Baht		
Company name	Type of business	Paid-up capital	Ownership %	Investment Cost Method	Equity Method	Dividend received
Central Pacific (Thailand) Corporation Limited	Lease out warehouse	200,000	49.00	98,000	136,978	-

Aggregate financial information of an associate is not individually material.

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

	Unit : Thousand Baht			
	Consolidated Financial Statements For the three-month periods ended June 30, 2022		For the six-month periods ended June 30, 2021	
Share of profit (loss) from investment in an associate	(108)	45	(67)	92

18.1.2 Investments in subsidiaries

Company name	Type of business	Paid-up capital		Ownership %		Unit : Thousand Baht Cost	
		As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
N.I.M. Company Limited	Lease out tank yard for containing liquid chemicals	125,000	125,000	51.00	51.00	63,750	63,750
MC Agro-Chemicals Company Limited	Manufacture, import and distribute Chemical products	50,000	50,000	99.99	99.99	49,999	49,999
TCCC Myanmar Limited	Manufacture, import and distribute various chemical fertilizer compound	439,106	439,106	99.99	99.99	439,106	439,106
Total Investments in subsidiaries						552,855	552,855
<u>Less</u> Allowance for impairment of investment in subsidiary						(169,000)	(169,000)
						<u>383,855</u>	<u>383,855</u>

18.2 Business transactions with related parties

18.2.1 Balances as at June 30, 2022 and December 31, 2021, consist of:

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		As at June 30, 2022	As at December 31, 2021	As at June 30, 2022	As at December 31, 2021
Trade receivables					
TCCC Myanmar Limited	Subsidiary	-	-	176,716	272,549
		<u>-</u>	<u>-</u>	<u>176,716</u>	<u>272,549</u>
Other receivables					
N.I.M. Company Limited	Subsidiary	-	-	947	957
MC Agro-Chemicals Company Limited	Subsidiary	-	-	27	71
TCCC Myanmar Limited	Subsidiary	-	-	655	536
		<u>-</u>	<u>-</u>	<u>1,629</u>	<u>1,564</u>
Trade payables					
Sojitz Corporation	Major shareholder	3,875	5,136	-	-
		<u>3,875</u>	<u>5,136</u>	<u>-</u>	<u>-</u>
Advance received from customer					
TCCC Myanmar Limited	Subsidiary	-	-	32,839	-
		<u>-</u>	<u>-</u>	<u>32,839</u>	<u>-</u>

18.2.2 Transactions with related parties for the three-month and six-month periods ended June 30, 2022 and 2021 consist of:

For the three-month periods ended June 30,

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		2022	2021	2022	2021
Revenues from sales and services					
TCCC Myanmar Limited	Subsidiary	-	-	132,774	113,218
		<u>-</u>	<u>-</u>	<u>132,774</u>	<u>113,218</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	3,897	3,964
MC Agro-Chemicals Company Limited	Subsidiary	-	-	10	16
TCCC Myanmar Limited	Subsidiary	-	-	953	1,026
		<u>-</u>	<u>-</u>	<u>4,860</u>	<u>5,006</u>
Dividend income					
N.I.M. Company Limited	Subsidiary	-	-	25,181	-
MC Agro-Chemicals Company Limited	Subsidiary	-	-	10,000	-
		<u>-</u>	<u>-</u>	<u>35,181</u>	<u>-</u>
Purchases					
Sojitz Corporation	Major shareholder	3,760	2,991	-	-
		<u>3,760</u>	<u>2,991</u>	<u>-</u>	<u>-</u>
Managements' remuneration					
	Directors and managements	10,405	8,940	9,913	8,898
		<u>10,405</u>	<u>8,940</u>	<u>9,913</u>	<u>8,898</u>

For the six-month periods ended June 30,

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2022	2021	2022	2021
Revenues from sales and services					
TCCC Myanmar Limited	Subsidiary	-	-	274,838	161,122
		<u>-</u>	<u>-</u>	<u>274,838</u>	<u>161,122</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	8,052	7,663
MC Agro-Chemicals Company Limited	Subsidiary	-	-	27	30
TCCC Myanmar Limited	Subsidiary	-	-	1,874	1,871
		<u>-</u>	<u>-</u>	<u>9,953</u>	<u>9,564</u>
Dividend income					
N.I.M. Company Limited	Subsidiary	-	-	25,181	18,487
MC Agro-Chemicals Company Limited	Subsidiary	-	-	10,000	3,000
		<u>-</u>	<u>-</u>	<u>35,181</u>	<u>21,487</u>
Purchases					
Sojitz Corporation	Major shareholder	3,760	4,755	-	-
Managements' remuneration					
	Directors and managements	20,579	18,620	20,045	18,086

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.

19. COMMITMENTS AND LETTERS OF GUARANTEE

19.1 The Company has capital expenditure commitment as at June 30, 2022 and December 31, 2021, of Baht 70.89 million and Baht 151.26 million, respectively.

19.2 As at June 30, 2022 and December 31, 2021, the Group has commitments according to short-term leases and leases of low-value assets in the consolidated financial statements of Baht 12.42 million and Baht 18.40 million, respectively.

As at June 30, 2022 and December 31, 2021, the Company has commitments according to short-term leases and leases of low-value assets in the separate financial statements of Baht 9.08 million and Baht 11.30 million, respectively.

19.3 As at June 30, 2022 and December 31, 2021, the Group is granted credit facilities from local financial institutions which consisted of bank overdrafts and short-term borrowings, letters of credit, forward contracts and letters of guarantee. The Company and a subsidiary used land, land improvements and buildings as collateral (see Note 8).

As at June 30, 2022 and December 31, 2021, the unused credit facilities consist of:

	Currency	Consolidated		Unit : Million	
		Financial Statements		Separate	
		As at	As at	As at	As at
		June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Credit facilities*	Baht	8,140.54	11,381.02	7,951.04	11,213.45
	USD	36.30	37.00	30.00	30.00
Forward exchange contracts	Baht	1,390.43	4,192.98	1,370.43	4,179.48
	USD	123.70	146.96	117.11	140.76
Letters of guarantee	Baht	91.34	91.34	91.34	91.34

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

- 19.4 As at June 30, 2022 and December 31, 2021, the Company and a subsidiary have letters of guarantee issued by banks which are unsecured as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Letters of guarantee for electricity	<u>8,831</u>	<u>8,831</u>	<u>8,656</u>	<u>8,656</u>

- 19.5 As at June 30, 2022 and December 31, 2021, the Company has commitment for being as a guarantor of short-term borrowings and other facilities for a subsidiary of USD 12.00 million (or equivalent to Baht 425.57 million) and USD 12.00 million (or equivalent to Baht 403.11 million), respectively (see Note 11).

As at December 31, 2021, 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). (as at June 30, 2022: Nil)

- 19.6 As at June 30, 2022 and December 31, 2021, the Company has commitment with a bank regarding the outstanding letters of credit of USD 35.96 million (or equivalent to Baht 1,275.10 million) and USD 1.69 million (or equivalent to Baht 56.65 million), respectively.

As at December 31, 2021, a subsidiary has commitment with a bank regarding the outstanding letters of credit of USD 0.10 million (or equivalent to Baht 3.52 million). (as at June 30, 2022: Nil)

20. SEASONALITY OF OPERATION

The Company's main business is to manufacture, import, export and distribute various chemical fertilizer compound. The main revenues of the Company are received seasonally within a financial year especially in the second and third quarters of each year. Such main revenues are recognized when incur in each quarter. For supplementary financial information, total revenues, cost of sales and total comprehensive income for the twelve-month periods ended June 30, 2022 and 2021 were shown as below:

	Consolidated		Unit : Thousand Baht	
	Financial Statements	Financial Statements	Separate	Separate
	2022	2021	Financial Statements	Financial Statements
			2022	2021
Revenues from sales	11,712,540	11,207,954	11,299,055	10,681,145
Revenues from rendering of services	134,384	126,104	-	-
Costs of sales of goods	10,186,439	8,483,920	9,929,713	8,059,833
Costs of rendering of services	37,283	41,284	-	-
Profit attributable to owners of the parent	884,754	1,854,143	919,561	1,718,812

21. BUSINESS SEGMENT INFORMATION

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

For the three-month period ended June 30, 2022

	Recognized at the point of time	Recognized over time	Revenues and other income	Unit : Thousand Baht	
				Total comprehensive income	Assets employed
Fertilizer section					
- Revenues from sales	4,478,389	-	4,478,389		
- Other income	79,492	16,128	95,620		
	<u>4,557,881</u>	<u>16,128</u>	<u>4,574,009</u>	514,065	14,588,676
Rental services section					
- Revenues from services	-	31,960	31,960		
- Other income	252	171	423		
	<u>252</u>	<u>32,131</u>	<u>32,383</u>	14,757	229,132
Other sections					
- Revenues from sales	64,672	1,174	65,846		
- Other income	633	55	688		
	<u>65,305</u>	<u>1,229</u>	<u>66,534</u>	2,972	288,820
<u>Less</u> Intersegment revenues			<u>(172,921)</u>		
Total revenues			<u>4,500,005</u>		
Profit before income tax expense				531,794	
<u>Less</u> Income tax expense				<u>(103,348)</u>	
Profit for the period				<u>428,446</u>	
					<u>15,106,628</u>
<u>Less</u> Intersegment assets					<u>(583,893)</u>
Total assets					<u>14,522,735</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(5,774)	
Exchange differences on translation of financial statements of foreign subsidiary				5,601	
Total comprehensive income attributable to owners of the parent				<u>428,273</u>	
Consolidated assets as at June 30, 2022					<u>14,522,735</u>

For the six-month period ended June 30, 2022

	Unit : Thousand Baht				
	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income	Assets employed
Fertilizer section					
- Revenues from sales	6,129,866	-	6,129,866		
- Other income	47,652	27,388	75,040		
	<u>6,177,518</u>	<u>27,388</u>	<u>6,204,906</u>	408,285	14,588,676
Rental services section					
- Revenues from services	-	63,058	63,058		
- Other income	652	343	995		
	<u>652</u>	<u>63,401</u>	<u>64,053</u>	29,464	229,132
Other sections					
- Revenues from sales	126,472	2,989	129,461		
- Other income	790	55	845		
	<u>127,262</u>	<u>3,044</u>	<u>130,306</u>	4,593	288,820
<u>Less</u> Intersegment revenues			<u>(320,038)</u>		
Total revenues			<u>6,079,227</u>		
Profit before income tax expense				442,342	
<u>Less</u> Income tax expense				<u>(88,830)</u>	
Profit for the period				<u>353,512</u>	
					<u>15,106,628</u>
<u>Less</u> Intersegment assets					<u>(583,893)</u>
Total assets					<u>14,522,735</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(11,558)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>6,355</u>	
Total comprehensive income attributable to owners of the parent				<u>348,309</u>	
Consolidated assets as at June 30, 2022					<u><u>14,522,735</u></u>

For the three-month period ended June 30, 2021

	Unit : Thousand Baht				
	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income	Assets employed
Fertilizer section					
- Revenues from sales	4,406,715	-	4,406,715		
- Other income	34,137	15,939	50,076		
	<u>4,440,852</u>	<u>15,939</u>	<u>4,456,791</u>	884,895	13,937,078
Rental services section					
- Revenues from services	-	32,329	32,329		
- Other income	179	223	402		
	<u>179</u>	<u>32,552</u>	<u>32,731</u>	16,976	218,505
Others section					
- Revenues from sales	91,205	2,186	93,391		
- Other income	544	38	582		
	<u>91,749</u>	<u>2,224</u>	<u>93,973</u>	9,150	284,700
<u>Less</u> Intersegment revenues			<u>(124,535)</u>		
Total revenues			<u>4,458,960</u>		
Profit before income tax expense				911,021	
<u>Less</u> Income tax expense				<u>(184,999)</u>	
Profit for the period				<u>726,022</u>	
					<u>14,440,283</u>
<u>Less</u> Intersegment assets					<u>(718,782)</u>
Total assets					<u>13,721,501</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(6,654)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>2,165</u>	
Total comprehensive income attributable to owners of the parent				<u>721,533</u>	
Consolidated assets as at June 30, 2021					<u><u>13,721,501</u></u>

For the six-month period ended June 30, 2021

	Unit : Thousand Baht				
	Recognized at the point of time	Recognized over time	Revenues and other income	Total comprehensive income	Assets employed
Fertilizer section					
- Revenues from sales	6,232,161	-	6,232,161		
- Other income	115,945	28,209	144,154		
	<u>6,348,106</u>	<u>28,209</u>	<u>6,376,315</u>	1,275,953	13,937,078
Rental services section					
- Revenues from rendering of service	-	62,518	62,518		
- Other income	260	458	718		
	<u>260</u>	<u>62,976</u>	<u>63,236</u>	30,110	218,505
Others section					
- Revenues from sales	151,359	2,933	154,292		
- Other income	1,113	38	1,151		
	<u>152,472</u>	<u>2,971</u>	<u>155,443</u>	9,453	284,700
<u>Less</u> Intersegment revenues			<u>(200,966)</u>		
Total revenues			<u>6,394,028</u>		
Profit before income tax expense				1,315,516	
<u>Less</u> Income tax expense				<u>(267,779)</u>	
Profit for the period				<u>1,047,737</u>	
					<u>14,440,283</u>
<u>Less</u> Intersegment assets					<u>(718,782)</u>
Total assets					<u>13,721,501</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(11,863)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>7,799</u>	
Total comprehensive income attributable to owners of the parent				<u>1,043,673</u>	
Consolidated assets as at June 30, 2021					<u>13,721,501</u>

22. DISCLOSURE OF FINANCIAL INSTRUMENTS

22.1 Forward exchange contracts

As at June 30, 2022 and December 31, 2021, the Group entered into various forward exchange contracts with local financial institutions to hedge certain portions of their assets and liabilities denominated in foreign currencies. The details of such contracts and fair values of the financial instruments are as follows:

Forward exchange purchase contracts				The remaining period (days)	Net fair value gain (loss) (Thousand Baht)	Fair value hierarchy
	Currency	Amount (Thousand)	Average Rate (Baht)			
As at June 30, 2022						
The Company	USD	120,243	34.5896	42 - 361	67,420	Level 2
Subsidiaries	USD	912	34.3890	36 - 189	591	
As at December 31, 2021						
The Company	USD	12,018	33.1356	56 - 300	(1,591)	Level 2
Subsidiaries	USD	1,490	33.2734	48 - 167	(233)	

Forward exchange sell contracts				The remaining period (days)	Net fair value gain (loss) (Thousand Baht)	Fair value hierarchy
	Currency	Amount (Thousand)	Average Rate (Baht)			
As at June 30, 2022						
The Company	USD	5,270	33.2356	117 - 295	(10,684)	Level 2
As at December 31, 2021						
The Company	USD	10,583	32.6698	32 - 358	9,595	Level 2

22.2 Assets and liabilities in foreign currencies

As at June 30, 2022 and December 31, 2021, the Group has assets and liabilities in foreign currencies which part of them are entered into various forward exchange contracts to hedge certain portions of their assets and liabilities denominated in foreign currencies as follows:

		Unit : Thousand	
		Foreign assets	
		Currency	Amount
As at June 30, 2022			
The Company		USD	5,334
Subsidiaries		USD	1,964
		MMK	2,626,944
As at December 31, 2021			
The Company		USD	9,386
Subsidiaries		USD	2,098
		MMK	10,218,933

	Unit : Thousand	
	Foreign liabilities	
	Currency	Amount
As at June 30, 2022		
The Company	USD	62,772
	EUR	27
Subsidiaries	USD	799
	MMK	305,381
As at December 31, 2021		
The Company	USD	9,761
	USD	1,391
Subsidiaries	MMK	286,956

23. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved for issuance by the authorized directors of the Company on August 15, 2022.