

**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 September 30, 2022, and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022 and related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended September 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
November 14, 2022

Sophaphan Saptipayarattana
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 SEPTEMBER 30, 2022

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2022	2021	2022	2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	4,819,298	4,504,540	4,613,859	4,064,827
Trade and other current receivables	5.1	758,632	373,395	848,283	565,966
Inventories	6	4,734,775	1,918,954	4,322,935	1,784,579
Other current financial assets	7.1	668,560	3,592,013	506,883	3,451,133
Other current assets		3,554	2,079	1,094	929
Total Current Assets		<u>10,984,819</u>	<u>10,390,981</u>	<u>10,293,054</u>	<u>9,867,434</u>
NON-CURRENT ASSETS					
Investment in an associate	18.1.1	136,879	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	1,481,584	1,525,601	1,260,876	1,306,276
Right-of-use assets	9.1	141,504	126,941	50,954	44,931
Other intangible assets other than goodwill		545,901	545,901	545,901	545,901
Deferred tax assets	10	38,044	45,851	33,317	41,158
Other non-current assets		8,638	8,366	7,031	6,985
Total Non-current Assets		<u>2,381,763</u>	<u>2,418,851</u>	<u>2,419,461</u>	<u>2,466,633</u>
TOTAL ASSETS		<u><u>13,366,582</u></u>	<u><u>12,809,832</u></u>	<u><u>12,712,515</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 SEPTEMBER 30, 2022

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	11	304,607	198,221	-	-
Trade and other current payables	12	1,369,695	744,323	1,220,497	680,757
Current portion of lease liabilities	9.1	17,776	16,258	16,629	14,821
Corporate income tax payable		107,744	147,639	105,497	141,214
Current provision for employee benefits	14	15,194	12,960	9,566	7,331
Other current financial liabilities	7.1	17,813	11,200	17,804	11,137
Other current liabilities		31,153	38,404	20,924	23,518
Total Current Liabilities		<u>1,863,982</u>	<u>1,169,005</u>	<u>1,390,917</u>	<u>878,778</u>
NON-CURRENT LIABILITIES					
Lease liabilities	9.1	37,459	33,132	35,835	31,480
Deferred tax liabilities	10	116,609	116,609	109,180	109,180
Non-current provision for employee benefits	14	159,645	158,473	141,735	141,583
Other non-current liabilities		19,075	17,529	15,823	15,890
Total Non-current Liabilities		<u>332,788</u>	<u>325,743</u>	<u>302,573</u>	<u>298,133</u>
TOTAL LIABILITIES		<u>2,196,770</u>	<u>1,494,748</u>	<u>1,693,490</u>	<u>1,176,911</u>

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2022

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Unaudited”		“Unaudited”	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 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	9,222,251	9,375,981	9,133,038	9,271,169
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	<u>(31,365)</u>	<u>(46,726)</u>	-	-
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT	<u>11,076,873</u>	<u>11,215,242</u>	<u>11,019,025</u>	<u>11,157,156</u>
NON-CONTROLLING INTERESTS	<u>92,939</u>	<u>99,842</u>	-	-
TOTAL SHAREHOLDERS' EQUITY	<u>11,169,812</u>	<u>11,315,084</u>	<u>11,019,025</u>	<u>11,157,156</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>13,366,582</u>	<u>12,809,832</u>	<u>12,712,515</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 SEPTEMBER 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
Revenues from sales		4,985,230	3,705,289	4,869,872	3,565,176
Revenues from services		33,267	33,474	-	-
Cost of sales of goods		(4,327,382)	(3,078,296)	(4,262,867)	(2,969,332)
Cost of rendering of services		(10,513)	(9,142)	-	-
Gross profit		680,602	651,325	607,005	595,844
Interest revenue		3,052	3,293	2,703	2,854
Other income	15	80,178	9,923	98,727	34,113
Profit before expenses		763,832	664,541	708,435	632,811
Selling expenses		(51,310)	(52,692)	(41,421)	(40,419)
Administrative expenses		(72,754)	(82,600)	(51,018)	(47,626)
Managements' remuneration	18.2.2	(9,978)	(10,072)	(9,936)	(10,030)
Total expenses		(134,042)	(145,364)	(102,375)	(98,075)
Profit from operating activities		629,790	519,177	606,060	534,736
Finance costs		(2,275)	(1,117)	(473)	(582)
Share of profit (loss) from investment in an associate	18.1.1	(32)	37	-	-
PROFIT BEFORE INCOME TAX EXPENSE		627,483	518,097	605,587	534,154
INCOME TAX EXPENSE		(123,420)	(109,792)	(120,303)	(105,766)
PROFIT FOR THE PERIOD		504,063	408,305	485,284	428,388

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 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		9,006	4,436	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		513,069	412,741	485,284	428,388
PROFIT ATTRIBUTABLE TO					
Owners of the parent		498,330	401,834	485,284	428,388
Non-controlling interests		5,733	6,471	-	-
		504,063	408,305	485,284	428,388
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent		507,336	406,270	485,284	428,388
Non-controlling interests		5,733	6,471	-	-
		513,069	412,741	485,284	428,388
BASIC EARNING PER SHARE	BAHT	0.85	0.69	0.83	0.73
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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

“UNAUDITED”

Unit : Thousand Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2022	2021	2022	2021
Revenues from sales		10,966,731	9,927,686	10,670,418	9,585,583
Revenues from services		99,313	98,925	-	-
Cost of sales of goods		(9,699,154)	(7,868,564)	(9,546,851)	(7,602,255)
Cost of rendering of services		(30,258)	(27,270)	-	-
Gross profit		1,336,632	2,130,777	1,123,567	1,983,328
Interest revenue		18,861	20,853	17,067	19,911
Other income	15	92,929	83,666	191,571	160,324
Profit before expenses		1,448,422	2,235,296	1,332,205	2,163,563
Selling expenses		(114,223)	(157,072)	(81,714)	(116,269)
Administrative expenses		(225,926)	(212,818)	(161,041)	(152,003)
Loss on impairment of investment in subsidiary		-	-	-	(169,000)
Managements' remuneration	18.2.2	(30,557)	(28,692)	(29,981)	(28,116)
Total expenses		(370,706)	(398,582)	(272,736)	(465,388)
Profit from operating activities		1,077,716	1,836,714	1,059,469	1,698,175
Finance costs		(7,792)	(3,230)	(1,354)	(1,745)
Share of profit (loss) from investment in an associate	18.1.1	(99)	129	-	-
PROFIT BEFORE INCOME TAX EXPENSE		1,069,825	1,833,613	1,058,115	1,696,430
INCOME TAX EXPENSE	10	(212,250)	(377,571)	(202,232)	(365,607)
PROFIT FOR THE PERIOD		857,575	1,456,042	855,883	1,330,823

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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		15,361	12,235	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>872,936</u>	<u>1,468,277</u>	<u>855,883</u>	<u>1,330,823</u>
PROFIT ATTRIBUTABLE TO					
Owners of the parent		840,284	1,437,708	855,883	1,330,823
Non-controlling interests		17,291	18,334	-	-
		<u>857,575</u>	<u>1,456,042</u>	<u>855,883</u>	<u>1,330,823</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent		855,645	1,449,943	855,883	1,330,823
Non-controlling interests		17,291	18,334	-	-
		<u>872,936</u>	<u>1,468,277</u>	<u>855,883</u>	<u>1,330,823</u>
BASIC EARNING PER SHARE	BAHT	1.44	2.46	1.46	2.28
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 NINE-MONTH PERIOD ENDED SEPTEMBER 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	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		-	-	-	1,437,708	12,235	1,449,943	18,334	1,468,277
Ending balances as at September 30, 2021		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>9,231,234</u>	<u>(47,083)</u>	<u>11,070,138</u>	<u>94,113</u>	<u>11,164,251</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		-	-	-	840,284	15,361	855,645	17,291	872,936
Ending balances as at September 30, 2022		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>9,222,251</u>	<u>(31,365)</u>	<u>11,076,873</u>	<u>92,939</u>	<u>11,169,812</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 NINE-MONTH PERIOD ENDED SEPTEMBER 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		-	-	-	1,330,823	1,330,823
Ending balances as at September 30, 2021		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>9,150,697</u>	<u>11,036,684</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		-	-	-	855,883	855,883
Ending balances as at September 30, 2022		<u>1,754,142</u>	<u>(43,570)</u>	<u>175,415</u>	<u>9,133,038</u>	<u>11,019,025</u>

See condensed notes to the financial statements

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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		857,575	1,456,042	855,883	1,330,823
Adjusted by					
Income tax expense		212,250	377,571	202,232	365,607
Expected credit loss		4,893	1,256	4,911	1,222
Reversal of loss on diminution in value of inventories		(6,905)	(1,758)	(6,881)	(1,849)
Loss on impairment of investment in subsidiary		-	-	-	169,000
Depreciation and amortization		204,262	208,050	179,746	184,447
Gain on sales of property, plant and equipment		(2,317)	(2,109)	(1,701)	(1,374)
Employee benefit obligations expense		10,737	10,515	9,718	9,202
Share of (profit) loss from investment in an associate		99	(129)	-	-
Unrealized (gain) loss on exchange rate		(23,440)	43,291	(32,120)	(10,692)
Dividend income		-	-	(35,181)	(21,487)
Interest income		(18,861)	(20,853)	(17,067)	(19,911)
Finance costs		7,792	3,230	1,354	1,745
Total adjustments from reconciliation of gain balances		1,246,085	2,075,106	1,160,894	2,006,733
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade and other current receivables		(375,579)	205,099	(272,696)	(46,585)
Inventories		(2,808,916)	(46,430)	(2,531,475)	(92,884)
Other current assets		(1,475)	(647)	(165)	(603)
Other non-current assets		(272)	(2,306)	(46)	(2,146)
Operating liabilities increase (decrease)					
Trade and other current payables		625,603	103,542	541,414	95,008
Other current liabilities		(7,251)	6,355	(2,594)	3,387
Other non-current liabilities		1,546	70	(67)	(31)
Cash paid for employee benefit obligations		(7,331)	(7,725)	(7,331)	(3,998)
Net cash provided by (used in) operations		(1,327,590)	2,333,064	(1,112,066)	1,958,881
Cash paid for income tax		(244,338)	(463,220)	(230,108)	(451,191)
Net cash provided by (used in) operating activities		(1,571,928)	1,869,844	(1,342,174)	1,507,690

THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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		2,977,998	1,532,710	2,998,000	1,552,000
Cash paid for purchases of property, plant and equipment	4.1	(163,229)	(107,392)	(158,745)	(102,814)
Cash received from disposal of property, plant and equipment		5,302	2,858	5,043	2,631
Dividend received from subsidiaries		-	-	35,181	21,487
Interest received		21,234	25,590	19,461	24,713
Net cash provided by investing activities		2,841,305	1,453,766	2,898,940	1,498,017
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received (paid) from bank overdrafts and short-term borrowings from financial institutions	4.2	78,071	(9,071)	-	-
Cash repayment for lease liabilities	4.1	(13,823)	(15,440)	(12,289)	(13,752)
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		(6,217)	(5,635)	(1,354)	(1,745)
Net cash flows used in financing activities		(960,254)	(1,100,394)	(1,007,734)	(1,067,982)
Effect of exchange rate changes on cash and cash equivalents		5,635	(56,482)	-	-
Net increase in cash and cash equivalents		314,758	2,166,734	549,032	1,937,725
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 September 30,	4.3	4,819,298	5,069,478	4,613,859	4,654,393

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 NINE-MONTH PERIODS ENDED SEPTEMBER 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, Prasa Mutjedi District, Samutprakarn 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 nine-month periods ended September 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 nine-month periods ended September 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 nine-month periods ended September 30, 2022, have included the subsidiaries’ interim financial statements for the three-month and nine-month periods ended September 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 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On August 19, 2022, Thai Financial Reporting Standard No.17 “Insurance Contracts” has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2025 onwards.

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Group are as follows:

Thai Accounting Standard No.16 “Property, Plant and Equipment”

The amendments require an entity recognises any proceeds from selling items produced before that asset is available for use in profit or loss, instead of deducting from the cost of such asset. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Thai Accounting Standard No.37 “Provisions, Contingent Liabilities and Contingent Assets”

The amendments specify that the “cost of fulfilling a contract” comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Thai Financial Reporting Standard No.3 “Business Combinations”

The amendments update TFRS 3 so that it refers to the Conceptual Framework which is currently effective. In addition, they also add to TFRS 3 a requirement that, for obligations within the scope of TAS 37, an acquirer applies TAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of TFRIC 21 “Levies”, the acquirer applies TFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

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

- 2.9 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 nine-month periods ended September 30, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	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	129,743	106,807	125,259	102,229
<u>Less</u> Cash payments	(163,229)	(107,392)	(158,745)	(102,814)
Payables - asset acquisitions of property, plant and equipment as at September 30,	<u>12,406</u>	<u>12,253</u>	<u>12,406</u>	<u>12,253</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	19,668	5,049	18,452	2,285
<u>Less</u> Cash payments	(13,823)	(15,440)	(12,289)	(13,752)
Lease liabilities as at September 30, (including current portion)	<u>55,235</u>	<u>54,400</u>	<u>52,464</u>	<u>50,888</u>

4.2 The cash flows from bank overdrafts and short-term borrowings from financial institutions for the nine-month periods ended September 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 (paid)	78,071	(9,071)	-	-
<u>Add</u> Unrealized loss on foreign exchange rate from financial statement translation	<u>28,315</u>	<u>18,177</u>	<u>-</u>	<u>-</u>
Bank overdrafts and short-term borrowings from financial institutions as at September 30,	<u>304,607</u>	<u>171,368</u>	<u>-</u>	<u>-</u>

4.3 Cash and cash equivalents

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2022	2021	2022	2021
Cash on hand	1,766	26,304	560	560
Bank deposits in savings and current accounts	3,066,953	4,028,015	2,863,297	3,614,046
Cheque on hand	577	219	-	219
Time deposits with maturity within 3 months (2022: interest rates 0.60% - 0.83% per annum) (2021: interest rates 0.50% per annum)	1,750,002	450,002	1,750,002	450,002
	<u>4,819,298</u>	<u>4,504,540</u>	<u>4,613,859</u>	<u>4,064,827</u>

5. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2022	2021	2022	2021
Trade receivables (see Note 5.2)	727,128	314,952	820,211	515,542
Other receivables	9,829	4,954	12,538	5,879
Prepaid expenses	15,873	48,854	10,236	40,441
Accrued income	2,493	4,183	2,326	4,037
Advance payments	3,309	452	2,972	67
	<u>758,632</u>	<u>373,395</u>	<u>848,283</u>	<u>565,966</u>

5.2 Trade receivables as at September 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
	September 30,	December 31,	September 30,	December 31,
	2022	2021	2022	2021
Number of outstanding trade receivables	390	314	152	107
Other companies				
Current	718,037	306,058	672,920	234,262
Overdue				
Less than or up to 3 months	19,538	14,271	19,139	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	20,835	19,758	19,654	18,869
	<u>758,410</u>	<u>341,341</u>	<u>711,713</u>	<u>268,172</u>
Related companies (see Note 18.2.1)				
Current	-	-	138,588	272,549
Total trade receivables	758,410	341,341	850,301	540,721
<u>Less</u> Allowance for expected credit loss	<u>(31,282)</u>	<u>(26,389)</u>	<u>(30,090)</u>	<u>(25,179)</u>
	<u>727,128</u>	<u>314,952</u>	<u>820,211</u>	<u>515,542</u>

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

	Unit : Thousand Baht	
	Consolidated	Separate
	Financial	Financial
	Statements	Statements
Beginning balance as at January 1, 2022	26,389	25,179
Increase	4,893	4,911
Ending balance as at September 30, 2022	<u>31,282</u>	<u>30,090</u>

6. INVENTORIES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2022	2021	2022	2021
Inventories	4,756,292	1,947,376	4,344,452	1,812,977
<u>Less</u> Allowance for diminution in value of inventories	<u>(21,517)</u>	<u>(28,422)</u>	<u>(21,517)</u>	<u>(28,398)</u>
	<u>4,734,775</u>	<u>1,918,954</u>	<u>4,322,935</u>	<u>1,784,579</u>

8. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the nine-month period ended September 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	129,743	125,259
<u>Add</u> Transfer equipment from right-of-use assets	416	-
<u>Less</u> Disposal during the period	(3,400)	(3,342)
Depreciation for the period	(189,200)	(167,317)
Exchange differences on translation of financial statements of a foreign subsidiary	18,424	-
Property, plant and equipment - net as at September 30, 2022	<u>1,481,584</u>	<u>1,260,876</u>

As at September 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 September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Gross carrying amount of plant and equipment which are fully depreciated but still in use	<u>3,025,536</u>	<u>2,830,367</u>	<u>2,706,437</u>	<u>2,516,933</u>

As at September 30, 2022 and December 31, 2021, the Company used certain land, land improvements and buildings which have total net book value of Baht 392.50 million and Baht 413.02 million, respectively, as collateral with a local financial institution for guarantee credit facilities (see Note 19.3).

As at September 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 September 30, 2022 and December 31, 2021, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Right-of-use assets				
Land	86,385	77,435	-	-
Building	25,214	30,617	25,214	30,617
Equipment	94	265	94	265
Vehicles	29,811	18,624	25,646	14,049
	<u>141,504</u>	<u>126,941</u>	<u>50,954</u>	<u>44,931</u>
Lease liabilities				
Current portion of lease liabilities	17,776	16,258	16,629	14,821
Lease liabilities	37,459	33,132	35,835	31,480
	<u>55,235</u>	<u>49,390</u>	<u>52,464</u>	<u>46,301</u>

For the nine-month period ended September 30, 2022, rights-of-use assets recognized in the consolidated financial statements and the separate financial statements amounting to Baht 19.67 million and Baht 18.45 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 nine-month periods ended September 30, comprise:

For the three-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Depreciation - right-of-use assets	4,952	5,630	4,046	4,727
Interest expense	459	525	424	481
Expense relating to short-term leases	3,776	2,660	607	228
Expense relating to leases of low-value assets	1,313	1,370	1,297	1,184
	<u>10,500</u>	<u>10,185</u>	<u>6,374</u>	<u>6,620</u>

For the nine-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Depreciation - right-of-use assets	15,062	16,726	12,429	14,190
Interest expense	1,325	1,672	1,218	1,568
Expense relating to short-term leases	10,251	8,756	1,770	749
Expense relating to leases of low-value assets	4,353	4,054	3,960	3,501
	<u>30,991</u>	<u>31,208</u>	<u>19,377</u>	<u>20,008</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 September 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Deferred tax assets	<u>38,044</u>	<u>45,851</u>	<u>33,317</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 nine-month periods ended September 30, 2022 and 2021 are as follows:

Consolidated Financial Statements As at September 30, 2022

	Unit : Thousand Baht		
	Balances as at January 1, 2022	Recognized in profit or loss	Balances as at September 30, 2022
Allowance for expected credit loss	5,272	982	6,254
Allowance for diminution in value of inventories	5,681	(1,342)	4,339
Provision for sale promotions	523	(8)	515
Provision for employee benefits	32,820	2,148	34,968
Financial (assets) liabilities at FVTPL	1,555	(9,587)	(8,032)
Total deferred tax assets	<u>45,851</u>	<u>(7,807)</u>	<u>38,044</u>
Gain on fair value adjustment from investment in a subsidiary to an associate	7,429	-	7,429
Accumulated amortization - right for use of trademarks	109,180	-	109,180
Total deferred tax liabilities	<u>116,609</u>	<u>-</u>	<u>116,609</u>

As at September 30, 2021

	Unit : Thousand Baht		
	Balances as at January 1, 2021	Recognized in profit or loss	Balances as at September 30, 2021
Allowance for expected credit loss	5,455	243	5,698
Allowance for diminution in value of inventories	1,812	(351)	1,461
Provision for sale promotions	5,441	(3,158)	2,283
Provision for employee benefits	33,139	1,358	34,497
Financial (assets) liabilities at FVTPL	(212)	(259)	(471)
Total deferred tax assets	<u>45,635</u>	<u>(2,167)</u>	<u>43,468</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 September 30, 2022**

	Unit : Thousand Baht		
	Balances as at January 1, 2022	Recognized in profit or loss	Balances as at September 30, 2022
Allowance for expected credit loss	5,036	982	6,018
Allowance for diminution in value of inventories	5,681	(1,342)	4,339
Provision for sale promotions	523	(8)	515
Provision for employee benefits	28,317	1,944	30,261
Financial (assets) liabilities at FVTPL	1,601	(9,417)	(7,816)
Total deferred tax assets	<u>41,158</u>	<u>(7,841)</u>	<u>33,317</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 September 30, 2021

	Unit : Thousand Baht		
	Balances as at January 1, 2021	Recognized in profit or loss	Balances as at September 30, 2021
Allowance for expected credit loss	5,218	245	5,463
Allowance for diminution in value of inventories	1,812	(351)	1,461
Provision for sale promotions	5,500	(3,218)	2,282
Provision for employee benefits	27,377	1,841	29,218
Financial (assets) liabilities at FVTPL	(212)	223	11
Total deferred tax assets	<u>39,695</u>	<u>(1,260)</u>	<u>38,435</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 nine-month periods ended September 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	204,443	375,404	194,391	364,347
Deferred tax relating to temporary differences	7,807	2,167	7,841	1,260
Income tax expense	<u>212,250</u>	<u>377,571</u>	<u>202,232</u>	<u>365,607</u>

The income tax expense for the nine-month periods ended September 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	<u>1,069,825</u>	<u>1,833,613</u>	<u>1,058,115</u>	<u>1,696,430</u>
Income tax calculated at 20%	213,965	366,723	211,623	339,286
Tax effects of transactions that are not taxable income and expenses	<u>(1,715)</u>	<u>10,848</u>	<u>(9,391)</u>	<u>26,321</u>
Income tax expense	<u>212,250</u>	<u>377,571</u>	<u>202,232</u>	<u>365,607</u>
	%Rate	%Rate	%Rate	%Rate
Effective tax rate	19.84	20.59	19.11	21.55

For the nine-month periods ended September 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 nine-month periods ended September 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 September 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Bank overdrafts and short-term borrowings from financial institutions	<u>304,607</u>	<u>198,221</u>	<u>-</u>	<u>-</u>

As at September 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 2.35% - 2.60% and 1.80% per annum, respectively, and mortgaged by all land and buildings (see Note 8).

As at September 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 3.16% - 4.18% 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 September 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Trade payables	914,809	418,883	881,971	390,786
Other payables	80,224	109,556	73,403	108,902
Accrued dividends	2,506	2,583	2,506	2,583
Accrued expenses	142,514	164,165	109,776	126,203
Advance received from customers (see Note 13)	31,703	25,605	39,575	25,470
Deferred sales (see Note 13)	197,939	23,531	113,266	26,813
	<u>1,369,695</u>	<u>744,323</u>	<u>1,220,497</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 September 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 September 30, 2022 and December 31, 2021, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September	December 31,	September	December 31,
	30,	2021	30,	2021
	2022	2021	2022	2021
Provision for employee benefits - current portion	15,194	12,960	9,566	7,331
Provision for employee benefits	159,645	158,473	141,735	141,583
	<u>174,839</u>	<u>171,433</u>	<u>151,301</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 nine-month periods ended September 30, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Current service cost	8,616	8,761	7,837	7,692
Interest cost	2,121	1,754	1,881	1,510
	<u>10,737</u>	<u>10,515</u>	<u>9,718</u>	<u>9,202</u>

Movements in provision for employee benefits for the nine-month periods ended September 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	8,616	8,761	7,837	7,692
Interest cost	2,121	1,754	1,881	1,510
Benefit paid	(7,331)	(7,725)	(7,331)	(3,998)
Provision for employee benefits as at September 30, (Including current portion)	<u>174,839</u>	<u>172,484</u>	<u>151,301</u>	<u>146,087</u>

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

	Consolidated and Separate	
	Financial Statements	
	As at September 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 nine-month periods ended September 30, 2022 and 2021 consist of:

For the three-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Rental income	2,349	2,097	5,903	5,816
Gain on sale of property, plant and equipment	240	272	206	-
Gain on foreign exchange rate - net	68,511	-	83,142	20,213
Others	9,078	7,554	9,476	8,084
	<u>80,178</u>	<u>9,923</u>	<u>98,727</u>	<u>34,113</u>

For the nine-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Rental income	6,950	6,225	17,880	16,960
Gain on sale of property, plant and equipment	2,317	2,109	1,701	1,374
Gain on foreign exchange rate - net	65,324	62,007	116,946	105,060
Dividend income (see Note 18.2.2)	-	-	35,181	21,487
Others	18,338	13,325	19,863	15,443
	<u>92,929</u>	<u>83,666</u>	<u>191,571</u>	<u>160,324</u>

16. EXPENSES BY NATURE

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

For the three-month periods ended September 30,

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2022	2021	2022	2021
Changes in finished goods and work in process	(651,406)	179,935	(471,745)	125,979
Cost of finished goods purchased	85,767	39,564	-	-
Raw materials used	4,631,760	2,592,212	4,619,119	2,584,330
Employee benefit expenses	137,093	135,005	111,373	111,938
Depreciation and amortization	66,288	70,375	57,756	62,274
Reversal of expected credit loss	(2,733)	(5,713)	(2,715)	(6,000)
Reversal of loss on diminution in value of inventories	(90,015)	(4,897)	(90,015)	(4,911)

For the nine-month periods ended September 30,

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2022	2021	2022	2021
Changes in finished goods and work in process	(1,681,579)	(25,122)	(1,483,199)	(82,874)
Cost of finished goods purchased	173,246	136,135	-	-
Raw materials used	10,387,079	7,006,701	10,366,003	6,964,268
Employee benefit expenses	395,701	387,158	320,250	316,136
Depreciation and amortization	204,262	208,050	179,746	184,447
Expected credit loss	4,893	1,256	4,911	1,222
Reversal of loss on diminution in value of inventories	(6,905)	(1,758)	(6,881)	(1,849)

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 Dividend paid to		Total amount
			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 Dividend paid to		Total amount
			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 September 30, 2022

Company name	Type of business	Paid-up capital	Ownership %	Unit : Thousand Baht		
				Investment Cost Method	Equity Method	Dividend received
Central Pacific (Thailand) Corporation Limited	Lease out warehouse	200,000	49.00	98,000	136,879	-

As at December 31, 2021

Company name	Type of business	Paid-up capital	Ownership %	Unit : Thousand Baht		
				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 nine-month periods ended September 30, consist of:

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	For the three-month periods ended September 30, 2022	For the three-month periods ended September 30, 2021	For the nine-month periods ended September 30, 2022	For the nine-month periods ended September 30, 2021
Share of profit (loss) from investment in an associate	(32)	37	(99)	129

18.1.2 Investments in subsidiaries

Company name	Type of business	Paid-up capital		Ownership %		Unit : Thousand Baht	
		As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021	Cost	
		As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021	As at September 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 Allowance for impairment of investment in subsidiary</u>						<u>(169,000)</u>	<u>(169,000)</u>
						<u>383,855</u>	<u>383,855</u>

18.2 Business transactions with related parties

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

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		Consolidated		Separate	
		As at September 30, 2022	As at December 31, 2021	As at September 30, 2022	As at December 31, 2021
Trade receivables					
TCCC Myanmar Limited	Subsidiary	-	-	138,588	272,549
		<u>-</u>	<u>-</u>	<u>138,588</u>	<u>272,549</u>
Other receivables					
N.I.M. Company Limited	Subsidiary	-	-	675	957
MC Agro-Chemicals Company Limited	Subsidiary	-	-	41	71
TCCC Myanmar Limited	Subsidiary	-	-	1,999	536
		<u>-</u>	<u>-</u>	<u>2,715</u>	<u>1,564</u>
Trade payables					
Sojitz Corporation	Major shareholder	9,832	5,136	-	-
Advance received from customer					
TCCC Myanmar Limited	Subsidiary	-	-	7,890	-

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

For the three-month periods ended September 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	-	-	322,405	114,391
		<u>-</u>	<u>-</u>	<u>322,405</u>	<u>114,391</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	3,879	4,042
MC Agro-Chemicals Company Limited	Subsidiary	-	-	14	14
TCCC Myanmar Limited	Subsidiary	-	-	1,274	1,076
		<u>-</u>	<u>-</u>	<u>5,167</u>	<u>5,132</u>
Purchases					
Sojitz Corporation	Major shareholder	5,985	5,055	-	-
Managements' remuneration					
	Directors and managements	9,978	10,072	9,936	10,030

For the nine-month periods ended September 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	-	-	597,243	275,513
		<u>-</u>	<u>-</u>	<u>597,243</u>	<u>275,513</u>
Other income					
N.I.M. Company Limited	Subsidiary	-	-	11,931	11,705
MC Agro-Chemicals Company Limited	Subsidiary	-	-	41	44
TCCC Myanmar Limited	Subsidiary	-	-	3,148	2,947
		<u>-</u>	<u>-</u>	<u>15,120</u>	<u>14,696</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	9,745	9,810	-	-
Managements' remuneration					
	Directors and managements	30,557	28,692	29,981	28,116

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 September 30, 2022 and December 31, 2021, of Baht 80.50 million and Baht 151.26 million, respectively.

19.2 As at September 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 10.56 million and Baht 18.40 million, respectively.

As at September 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 7.18 million and Baht 11.30 million, respectively.

19.3 As at September 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 September 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
		September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Credit facilities*	Baht	10,930.49	11,381.02	10,730.98	11,213.45
	USD	35.30	37.00	30.00	30.00
Forward exchange contracts	Baht	4,241.68	4,192.98	4,221.68	4,179.48
	USD	145.95	146.96	139.08	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 September 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
	September 30, 2022	December 31, 2021	September 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 September 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 456.81 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 September 30, 2022: Nil)

- 19.6 As at December 31, 2021, the Company has commitment with a bank regarding the outstanding letters of credit of USD 1.69 million (or equivalent to Baht 56.65 million). (as at September 30, 2022: Nil)

As at September 30, 2022 and December 31, 2021, a subsidiary has commitment with a bank regarding the outstanding letters of credit of USD 0.03 million (or equivalent to Baht 1.25 million) and USD 0.10 million (or equivalent to Baht 3.52 million), respectively.

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 September 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	12,992,481	11,237,934	12,603,751	10,740,935
Revenues from rendering of services	134,177	131,016	-	-
Costs of sales of goods	11,435,525	8,915,386	11,223,248	8,521,341
Costs of rendering of services	38,654	38,650	-	-
Profit attributable to owners of the parent	981,250	1,548,900	976,457	1,439,993

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 September 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	5,253,081	-	5,253,081		
- Other income	78,007	8,772	86,779		
	5,331,088	8,772	5,339,860	612,550	13,334,612
Rental services section					
- Revenues from services	-	31,046	31,046		
- Other income	367	183	550		
	367	31,229	31,596	14,645	239,278
Other sections					
- Revenues from sales	54,555	2,220	56,775		
- Other income	1,069	1	1,070		
	55,624	2,221	57,845	288	314,909
<u>Less</u> Intersegment revenues			(327,606)		
Total revenues			5,101,695		
Profit before income tax expense				627,483	
<u>Less</u> Income tax expense				(123,420)	
Profit for the period				504,063	
					13,888,799
<u>Less</u> Intersegment assets					(522,217)
Total assets					13,366,582
<u>Less</u> Non-controlling interests in total comprehensive income				(5,733)	
Exchange differences on translation of financial statements of foreign subsidiary				9,006	
Total comprehensive income attributable to owners of the parent				507,336	
Consolidated assets as at September 30, 2022					13,366,582

For the nine-month period ended September 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	11,382,947	-	11,382,947		
- Other income	122,028	36,160	158,188		
	<u>11,504,975</u>	<u>36,160</u>	<u>11,541,135</u>	1,020,835	13,334,612
Rental services section					
- Revenues from services	-	94,104	94,104		
- Other income	1,019	526	1,545		
	<u>1,019</u>	<u>94,630</u>	<u>95,649</u>	44,109	239,278
Other sections					
- Revenues from sales	181,027	5,209	186,236		
- Other income	2,303	56	2,359		
	<u>183,330</u>	<u>5,265</u>	<u>188,595</u>	4,881	314,909
<u>Less</u> Intersegment revenues			<u>(647,644)</u>		
Total revenues			<u>11,177,735</u>		
Profit before income tax expense				1,069,825	
<u>Less</u> Income tax expense				<u>(212,250)</u>	
Profit for the period				<u>857,575</u>	
					<u>13,888,799</u>
<u>Less</u> Intersegment assets					<u>(522,217)</u>
Total assets					<u>13,366,582</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(17,291)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>15,361</u>	
Total comprehensive income attributable to owners of the parent				<u>855,645</u>	
Consolidated assets as at September 30, 2022					<u>13,366,582</u>

For the three-month period ended September 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	3,756,004	-	3,756,004		
- Other income	8,407	8,895	17,302		
	<u>3,764,411</u>	<u>8,895</u>	<u>3,773,306</u>	499,244	12,759,573
Rental services section					
- Revenues from services	-	32,044	32,044		
- Other income	408	214	622		
	<u>408</u>	<u>32,258</u>	<u>32,666</u>	16,509	230,725
Others section					
- Revenues from sales	63,676	1,429	65,105		
- Other income	2,451	-	2,451		
	<u>66,127</u>	<u>1,429</u>	<u>67,556</u>	2,344	286,317
<u>Less</u> Intersegment revenues			<u>(121,512)</u>		
Total revenues			<u>3,752,016</u>		
Profit before income tax expense				518,097	
<u>Less</u> Income tax expense				<u>(109,792)</u>	
Profit for the period				<u>408,305</u>	
					<u>13,276,615</u>
<u>Less</u> Intersegment assets					<u>(680,561)</u>
Total assets					<u>12,596,054</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(6,471)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>4,436</u>	
Total comprehensive income attributable to owners of the parent				<u>406,270</u>	
Consolidated assets as at September 30, 2021					<u><u>12,596,054</u></u>

For the nine-month period ended September 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	9,988,165	-	9,988,165		
- Other income	99,273	37,104	136,377		
	<u>10,087,438</u>	<u>37,104</u>	<u>10,124,542</u>	1,775,197	12,759,573
Rental services section					
- Revenues from rendering of service	-	94,562	94,562		
- Other income	668	672	1,340		
	<u>668</u>	<u>95,234</u>	<u>95,902</u>	46,619	230,725
Others section					
- Revenues from sales	215,035	4,362	219,397		
- Other income	2,947	38	2,985		
	<u>217,982</u>	<u>4,400</u>	<u>222,382</u>	11,797	286,317
<u>Less</u> Intersegment revenues			<u>(311,567)</u>		
Total revenues			<u>10,131,259</u>		
Profit before income tax expense				1,833,613	
<u>Less</u> Income tax expense				<u>(377,571)</u>	
Profit for the period				<u>1,456,042</u>	
					<u>13,276,615</u>
<u>Less</u> Intersegment assets					<u>(680,561)</u>
Total assets					<u>12,596,054</u>
<u>Less</u> Non-controlling interests in total comprehensive income				(18,334)	
Exchange differences on translation of financial statements of foreign subsidiary				<u>12,235</u>	
Total comprehensive income attributable to owners of the parent				<u>1,449,943</u>	
Consolidated assets as at September 30, 2021					<u>12,596,054</u>

22. DISCLOSURE OF FINANCIAL INSTRUMENTS

22.1 Forward exchange contracts

As at September 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 September 30, 2022						
The Company	USD	18,552	34.4769	46 - 306	56,768	Level 2
Subsidiaries	USD	629	35.7442	4 - 186	1,082	
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 September 30, 2022						
The Company	USD	3,831	33.2696	85 - 265	(17,689)	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 September 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 September 30, 2022			
The Company		USD	4,070
Subsidiaries		USD	1,785
		MMK	336,067
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 September 30, 2022		
The Company	USD	18,974
	EUR	1
Subsidiaries	USD	448
	MMK	634,202
As at December 31, 2021		
The Company	USD	9,761
Subsidiaries	USD	1,391
	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 November 14, 2022.