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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

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

**1. OPERATIONS AND GENERAL INFORMATION**

1.1 The operation of the Company

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

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

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

1.2 The operations of subsidiaries

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

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

2.1 The Group maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and General Accepted Accounting Principle in Thailand.

2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2021 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019.

2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies. (see Note 3)

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Group has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

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

The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

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

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

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

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

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2021** |  | **2020** |
|  | **% holding** |  | **% holding** |
|  |  |  |  |
| N.I.M. Company Limited | 51.00 |  | 51.00 |
| MC Agro-Chemicals Company Limited | 99.99 |  | 99.99 |
| TCCC Myanmar Limited | 99.99 |  | 99.99 |

2.7 The consolidated and separate financial statements are prepared in English version from the consolidated and separate financial statements followed the laws which is in Thai. In the event of any conflict or be interpreted in two different languages, the Thai version consolidated and separate financial statements in accordance with Thailand law will be superseded.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies as follows:

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks’ savings accounts and current accounts, and short-term highly liquid investments with maturities within three months from the date of acquisition, excluding cash at banks used as collateral (if any).

3.2 Trade receivables

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

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

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

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on   
a weighted average method. Except for a subsidiary, MC Agro-Chemicals Company Limited, which cost is determined on a first-in, first-out method. If the inventories of such subsidiary have been determined on the same basis as that of the parent company, the difference would not be materially affected to the consolidated financial statements.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the estimated costs necessary to make sale. Allowance is made by the Group, where necessary, for obsolete and slow-moving inventories (if any).

3.4 Financial instruments

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

Financial assets

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

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

Derivative financial instruments

The Group enters into derivative financial instruments including foreign exchange forward contracts to manage its exposure foreign exchange rate risks. Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

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

3.5 Investments in an associate and subsidiaries

Investments in an associate and subsidiaries are presented by the cost method for the separate financial statements.

Investment in an associate is presented by the equity method for the consolidated financial statements.

If impairment in value of investment has occurred, the resultant loss on investment in all classifications is recognized in the statement of comprehensive income immediately.

3.6 Investment properties

Investment properties consist of land held to earn rentals and non-operating land which are stated at cost less allowance for impairment.

The Group test impairment of investment properties and allowance for impairment has to be made by comparing the fair value which is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using comparative market price method to assess the value of land held to earn rentals and non-operating land.

3.7 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation is calculated by reference to their costs on the straight-line method, based on the estimated useful lives of the assets as follows:

Land improvement 10 years

Buildings 20 years

Machinery and equipment 5 - 20 years

Furniture and office equipment 3 - 20 years

Vehicles 5 - 10 years

Dismantling, moving and renovating assets location cost in which the Group obligate when receiving such asset. The Group recognize them at the cost of assets and depreciated them.

In case of impairment in value of property, plant and equipment has occurred, the resultant loss on impairment is recognized by the Group as expense in the statement of comprehensive income.

3.8 Leases

The Group as lessee

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

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

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

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

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

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

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

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

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

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

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

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

The right-of-use assets of the Group including leasehold right for land of a subsidiary in the Republic of the union of Myanmar, which is stated at cost less accumulated amortization. Amortization of leasehold right for land is calculated by using the straight-line method over the lease periods.

The Group as lessor

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

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

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

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

3.9 Impairment

The carrying amounts of the assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amounts of asset is estimated.

The Group recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset’s fair value less cost to sell and its value in use. The Group determines the value by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. The calculation reflects the amount that the Group could obtain from the disposal of the asset in an arm’s length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Group recognizes an impairment loss as expense in the statement of comprehensive income.

Reversal of an impairment loss

The Group will reverse impairment loss of asset (if any), which had been recognized in the prior periods, if there is an indicator for impairment may no longer exist or may have decreased which the recoverable amount must be estimated.

3.10 Other intangible assets other than goodwill

Intangible assets with definite life consist of right and license for other operations which are stated at cost less accumulated amortization.

Amortization is calculated by reference to their costs on the straight-line method, based on the estimated useful lives of the assets over the period of 5 - 10 years.

Intangible asset with indefinite life consists of right for use of trademarks is stated at cost, net of allowance for impairment (if any) which tested for impairment annually and allowance for impairment (if any) will be made and recorded as expense in   
the statement of comprehensive income.

The Group test for impairment of intangible assets annually and allowance for impairment has to be made (if any). The Group engages an independent appraiser to determine the fair value of the right to use the trademarks in accordance with the Notification of the Stock Exchange Commission dated April 30, 2004 regarding the opinion for accounting treatment for intangible assets by using the Discounted Cash Flow Approach.

3.11 Provision for employee benefit

Provision for employee benefit is the provision for benefit obligation for employees who are entitled to receive it upon retirement under the Thai Labor Protection Act. The provision is assessed by an independent actuary and based on actuarial assumptions using Projected Unit Credit Method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee’s salaries, turnover rate, mortality rate, years of service, discount rate and compensation increase.

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

3.12 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Baht at rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies at the end of reporting period are converted into Baht at the reference exchange rates established by the Bank of Thailand on that date.

Gains or losses on foreign exchange rate are recognized as an income or expense in the statement of comprehensive income.

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

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

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

3.13 Revenue recognition

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

Revenue from services is recognized when the Group have satisfied a performance obligation in the contract.

Interest income and rental income are recognized as income on an accrual basis.

Dividend income is recognized as income when dividend is declared.

Other income is recognized as income on an accrual basis.

3.14 Expense recognition

Expenses are recognized on an accrued basis.

3.15 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

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

3.16 Provident Fund

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

3.17 Taxation

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

3.17.1 Current income tax

Current income tax represents tax currently payable which is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group’s and Company’s current income tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Foreign subsidiary applied the tax rate of each country for calculating corporate income tax expense and deferred income tax.

3.17.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed by the Group at each of the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured by the Group at the tax rates that are expected to apply in the period in which the asset is recognized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax asset against current tax liabilities and the Group intend to settle such current tax liability and asset on a net basis or intends to recognize the asset and settle the liability simultaneously.

3.18 Basic earnings per share

Basic earnings per share are computed by dividing net profit for the year which attributed to the Company’s shareholders (excluded other comprehensive income) by the weighted average number of ordinary shares outstanding at the end of the reporting period. In case of a capital increase, the number of shares is weighted average according to time of registration of issued and paid-up share capital.

3.19 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer   
a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

* Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
* Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
* Level 3 inputs are unobservable inputs for the asset or liability.

3.20 Accounting estimated and source of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standards also requires the management of the Group to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION**

4.1 Cash and cash equivalents

Cash and cash equivalents as at December 31, consist of the following:

**Unit : Baht**

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

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

**Unit : Baht**

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

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

**Unit : Baht**

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

**5. TRADE AND OTHER CURRENT RECEIVABLES**

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

**Unit : Baht**

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

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

**Unit : Baht**

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

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

**Unit : Baht**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** |  | **Separate** |
|  | **Financial Statements** |  | **Financial Statements** |
|  |  |  |  |
| Beginning balance as at January 1, 2021 | 27,276,200 |  | 26,088,547 |
| Increase / (Decrease) | (886,987) |  | (909,796) |
| Ending balance as at December 31, 2021 | 26,389,213 |  | 25,178,751 |

**6.** **INVENTORIES**

Inventories as at December 31, consist of the following:

**Unit : Baht**

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

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

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

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

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

As at December 31, 2021 and 2020, inventories in the consolidated financial statement included inventories which were under obligation that the Company and a subsidiary have to deliver fertilizer to the holders of the delivery orders (the “fertilizer notes”) which have been issued by the Company and a subsidiary to their customers of Baht 49.14 million and Baht 191.62 million, respectively (see Note 15).

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

**7. OTHER CURRENT FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL LIABILITIES**

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

**Unit : Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| **Other current financial assets** |  |  |  |  |  |  |  |
| Time deposits (see Note 7.2) | 3,588,583,710 |  | 4,496,293,665 |  | 3,448,000,000 |  | 4,350,000,000 |
| Derivatives - Forward exchange contracts | 3,429,195 |  | 1,060,752 |  | 3,133,027 |  | 1,060,752 |
|  | 3,592,012,905 |  | 4,497,354,417 |  | 3,451,133,027 |  | 4,351,060,752 |
|  |  |  |  |  |  |  |  |
| **Other current financial liabilities** |  |  |  |  |  |  |  |
| Derivatives - Forward exchange contracts | 11,200,467 |  | 1,415,027 |  | 11,137,046 |  | - |
|  | 11,200,467 |  | 1,415,027 |  | 11,137,046 |  | - |

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

**Unit : Baht**

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

**8. INVESTMENT PROPERTIES**

Investment properties are as follows:

**Consolidated Financial Statements**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **As at December 31, 2021** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **Unit : Baht** |
|  | **Balances as at** |  | **Increases** |  | **Decreases** |  | **Balances as at** |
|  | **January 1,** |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  | **2021** |
| **Cost :** |  |  |  |  |  |  |  |
| Land | 29,212,697 |  | - |  | - |  | 29,212,697 |
| Less Allowance for impairment | - |  | - |  | - |  | - |  |
| **Investment properties** | 29,212,697 |  |  |  |  |  | 29,212,697 |
|  |  |  |  |  |  |  |  |
| **Fair value** | 57,297,000 |  |  |  |  |  | 57,297,000 |

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

**Separate Financial Statements**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **As at December 31, 2021** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **Unit : Baht** |
|  | **Balances as at** |  | **Increases** |  | **Decreases** |  | **Balances as at** |
|  | **January 1,** |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  | **2021** |
| **Cost :** |  |  |  |  |  |  |  |
| Land | 39,527,022 |  | - |  | - |  | 39,527,022 |
| Less Allowance for impairment | - |  | - |  | - |  | - |  |
| **Investment properties** | 39,527,022 |  |  |  |  |  | 39,527,022 |
|  |  |  |  |  |  |  |  |
| **Fair value** | 392,708,967 |  |  |  |  |  | 392,708,967 |

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

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

As at December 31, 2021 and 2020, investment properties in the separate financial statements represent land that is leased to a related party and non-operating land.

The fair value of investment properties is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand).

**9. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment, consist of the following:

**Consolidated Financial Statements**

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

**Consolidated Financial Statements**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **As at December 31, 2020** |  |  |  | |  | |  | |  | |  |  |  |  |  |
|  |  |  |  | |  | |  | |  | |  |  |  |  | **Unit : Baht** |
|  | **Balances as at** |  | **Increases** | |  | | **Decreases** | |  | | **Transfer in/** |  | **Exchange** |  | **Balances as at** |
|  | **January 1,** |  |  | |  | |  | |  | | **(out)** |  | **differences** |  | **December 31,** |
|  | **2020** |  |  | |  | |  | |  | |  |  | **on translation** |  | **2020** |
|  |  |  |  | |  | |  | |  | |  |  | **of financial** |  |  |
|  |  |  |  | |  | |  | |  | |  |  | **statements of** |  |  |
|  |  |  |  | |  | |  | |  | |  |  | **foreign** |  |  |
|  |  |  |  | |  | |  | |  | |  |  | **subsidiary** |  |  |
| **Cost :** |  |  |  | |  | |  | |  | |  |  |  |  |  |
| Land | 293,349,876 |  | - | |  | | - | |  | | - |  | - |  | 293,349,876 |
| Land improvements | 158,794,090 |  | - | |  | | - | |  | | - |  | (84,905) |  | 158,709,185 |
| Buildings | 1,884,521,225 |  | 239,044 | |  | | (559,985) | |  | | 11,155,090 |  | (381,724) |  | 1,894,973,650 |
| Machinery and equipment | 2,375,080,149 |  | 11,011,768 | |  | | (17,286,875) | |  | | 47,593,416 |  | (189,373) |  | 2,416,209,085 |
| Furniture and office equipment | 445,822,624 |  | 4,219,934 | |  | | (30,188,329) | |  | | 63,437,906 |  | (127,165) |  | 483,164,970 |
| Vehicles | 177,473,808 |  | 5,443,682 | |  | | (6,425,967) | |  | | 4,776,081 |  | (226,910) |  | 181,040,694 |
| Total cost | 5,335,041,772 |  | 20,914,428 | |  | | (54,461,156) | |  | | 126,962,493 |  | (1,010,077) |  | 5,427,447,460 |
|  |  |  |  | |  | |  | |  | |  |  |  |  |  |
| **Accumulated depreciation :** |  |  |  | |  | |  | |  | |  |  |  |  |  |
| Land improvements | (79,944,196) |  | (4,981,503) | |  | | - | |  | | - |  | 75,048 |  | (84,850,651) |
| Buildings | (1,458,239,905) |  | (40,968,526) | |  | | 298,177 | |  | | - |  | 423,464 |  | (1,498,486,790) |
| Machinery and equipment | (1,761,514,302) |  | (137,925,641) | |  | | 17,091,937 | |  | | - |  | 317,284 |  | (1,882,030,722) |
| Furniture and office equipment | (298,276,504) |  | (50,555,890) | |  | | 30,145,410 | |  | | 570,955 |  | 463,188 |  | (317,652,841) |
| Vehicles | (127,364,815) |  | (13,774,371) | |  | | 4,754,690 | |  | | 3,336,843 |  | 64,277 |  | (132,983,376) |
| Total accumulated depreciation | (3,725,339,722) |  | (248,205,931) | |  | | 52,290,214 | |  | | 3,907,798 |  | 1,343,261 |  | (3,916,004,380) |
|  |  |  |  | |  | |  | |  | |  |  |  |  |  |
| Building under construction and |  |  |  | |  | |  | |  | |  |  |  |  |  |
| equipment under installation | 92,441,031 |  | 100,073,492 | |  | | (2,029,669) | |  | | (138,550,458) |  | - |  | 51,934,396 |
| **Property, plant and equipment** | 1,702,143,081 |  |  | |  | |  | |  | |  |  |  |  | 1,563,377,476 |
|  | |  | |  | |  | |  | |  |  |  |  |  |  |
| **Depreciation for the years ended December 31,** | |  | |  | |  | |  | |  |  |  |  |  |  |
| 2021 |  |  | |  | |  | |  | |  |  |  |  |  | 255,953,194 |
| 2020 |  |  | |  | |  | |  | |  |  |  |  |  | 248,205,931 |
|  |  |  | |  | |  | |  | |  |  |  |  |  |  |
| **Gross carrying amount of plant and equipment which** | | | | | |  | |  | |  |  |  |  |  |  |
| **are fully depreciated and still in use as at December 31,** | | | | | |  | |  | |  |  |  |  |  |  |
| 2021 |  |  | |  | |  | |  | |  |  |  |  |  | 2,830,366,511 |
| 2020 |  |  | |  | |  | |  | |  |  |  |  |  | 2,833,393,691 |

**Separate Financial Statements**

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

**Separate Financial Statements**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **As at December 31, 2020** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  | **Unit : Baht** |
|  | **Balances as at** |  | **Increases** |  | **Decreases** |  | **Transfer in/** |  | **Balances as at** |
|  | **January 1,** |  |  |  |  |  | **(out)** |  | **December 31,** |
|  | **2020** |  |  |  |  |  |  |  | **2020** |
| **Cost :** |  |  |  |  |  |  |  |  |  |
| Land | 261,479,164 |  | - |  | - |  | - |  | 261,479,164 |
| Land improvements | 127,519,506 |  | - |  | - |  | - |  | 127,519,506 |
| Buildings | 1,577,555,694 |  | - |  | (56,389) |  | 11,155,090 |  | 1,588,654,395 |
| Machinery and equipment | 2,218,733,498 |  | 10,860,002 |  | (17,170,305) |  | 30,682,748 |  | 2,243,105,943 |
| Furniture and office equipment | 400,898,070 |  | 3,580,415 |  | (28,891,191) |  | 63,353,206 |  | 438,940,500 |
| Vehicles | 137,138,625 |  | - |  | (918,752) |  | 13,296,496 |  | 149,516,369 |
| Total cost | 4,723,324,557 |  | 14,440,417 |  | (47,036,637) |  | 118,487,540 |  | 4,809,215,877 |
|  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation :** |  |  |  |  |  |  |  |  |  |
| Land improvements | (69,705,763) |  | (3,403,096) |  | - |  | - |  | (73,108,859) |
| Buildings | (1,253,473,741) |  | (31,933,102) |  | 46,256 |  | - |  | (1,285,360,587) |
| Machinery and equipment | (1,657,968,878) |  | (129,635,169) |  | 16,987,994 |  | - |  | (1,770,616,053) |
| Furniture and office equipment | (271,565,201) |  | (41,539,479) |  | 28,888,092 |  | 570,955 |  | (283,645,633) |
| Vehicles | (101,154,333) |  | (11,189,451) |  | 787,167 |  | 1,484,233 |  | (110,072,384) |
| Total accumulated depreciation | (3,353,867,916) |  | (217,700,297) |  | 46,709,509 |  | 2,055,188 |  | (3,522,803,516) |
|  |  |  |  |  |  |  |  |  |  |
| Building under construction and |  |  |  |  |  |  |  |  |  |
| equipment under installation | 84,361,655 |  | 91,100,723 |  | (2,029,669) |  | (121,555,088) |  | 51,877,621 |
| **Property, plant and equipment** | 1,453,818,296 |  |  |  |  |  |  |  | 1,338,289,982 |
|  |  |  |  |  |  |  |  |  |  |
| **Depreciation for the years ended December 31,** | |  |  |  |  |  |  |  |  |
| 2021 |  |  |  |  |  |  |  |  | 227,673,203 |
| 2020 |  |  |  |  |  |  |  |  | 217,700,297 |
|  |  |  |  |  |  |  |  |  |  |
| **Gross carrying amount of plant and equipment which** | | | |  |  |  |  |  |  |
| **are fully depreciated and still in use as at December 31,** | |  |  |  |  |  |  |  |  |
| 2021 |  |  |  |  |  |  |  |  | 2,516,933,384 |
| 2020 |  |  |  |  |  |  |  |  | 2,534,649,592 |

As at December 31, 2021 and 2020, the Company used certain lands, land improvements and buildings as collateral with a financial institute for guarantee credit facilities which have total net book values of Baht 413.02 million and Baht 442.67 million, respectively.   
(see Note 26.3)

As at December 31, 2021 and 2020, land and buildings of a subsidiary are used as collateral with a financial institute for guarantee credit facilities, which has the same amount of total net book values of Baht 21.56 million. (see Notes 13 and 26.3)

**10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

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

**Unit : Baht**

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

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

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

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

As at November 17, 2016, TCCC Myanmar Limited entered into the land leasehold agreement with a local supplier in the republic of the union of Myanmar, for its operating premise, in amounting to USD 2.62 million or equivalent to Baht 93.58 million. Such leasehold right will be expired on June 4, 2064. Such leasehold right included in right-of-use assets in the consolidated financial statements.

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

**Unit : Baht**

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

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

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

**11. OTHER Intangible assets OTHER THAN GOODWILL**

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

**Consolidated Financial Statements**

**As at December 31, 2021**

**Unit : Baht**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance** |  | **Increase** |  | **Total** |  | **Amortization** |  |  | **Exchange** |  | **Balance** |
|  | **as at** |  |  |  |  |  |  |  |  | **differences** |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  |  | **on translation** |  | **December 31,** |
|  | **2021** |  |  |  |  |  |  |  |  | **of financial** |  | **2021** |
|  |  |  |  |  |  |  |  |  |  | **statements** |  |  |
|  |  |  |  |  |  |  |  |  |  | **of foreign** |  |  |
|  |  |  |  |  |  |  |  |  |  | **subsidiary** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Right for use of trademarks - net | 545,900,757 |  | - |  | 545,900,757 |  | - |  |  | - |  | 545,900,757 |
|  | 545,900,757 |  | - |  | 545,900,757 |  | - |  |  | - |  | 545,900,757 |

**As at December 31, 2020**

**Unit : Baht**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance** |  | **Increase** |  | **Total** |  | **Amortization** |  |  | **Exchange** |  | **Balance** |
|  | **as at** |  |  |  |  |  |  |  |  | **differences** |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  |  | **on translation** |  | **December 31,** |
|  | **2020** |  |  |  |  |  |  |  |  | **of financial** |  | **2020** |
|  |  |  |  |  |  |  |  |  |  | **statements** |  |  |
|  |  |  |  |  |  |  |  |  |  | **of foreign** |  |  |
|  |  |  |  |  |  |  |  |  |  | **subsidiary** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Right for use of trademarks - net | 545,900,757 |  | - |  | 545,900,757 |  | - |  |  | - |  | 545,900,757 |
| Right for use of software - net | 552,723 |  | - |  | 552,723 |  | (577,913) |  |  | 25,190 |  | - |
|  | 546,453,480 |  | - |  | 546,453,480 |  | (577,913) |  |  | 25,190 |  | 545,900,757 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Amortization for the years ended December 31,** | |  |  |  |  |  |  |  |  |  |  |  |
| 2021 |  |  |  |  |  |  |  |  |  |  |  | - |
| 2020 |  |  |  |  |  |  |  |  |  |  |  | 577,913 |

**Separate Financial Statements**

**As at December 31, 2021**

**Unit : Baht**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance** |  | **Increase** |  | **Total** |  | **Amortization** |  | **Balance** |
|  | **as at** |  |  |  |  |  |  |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  | **December 31,** |
|  | **2021** |  |  |  |  |  |  |  | **2021** |
|  |  |  |  |  |  |  |  |  |  |
| Right for use of trademarks - net | 545,900,757 |  | - |  | 545,900,757 |  | - |  | 545,900,757 |
|  | 545,900,757 |  | - |  | 545,900,757 |  | - |  | 545,900,757 |

**As at December 31, 2020**

**Unit : Baht**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Balance** |  | **Increase** |  | **Total** |  | **Amortization** |  | **Balance** |
|  | **as at** |  |  |  |  |  |  |  | **as at** |
|  | **January 1,** |  |  |  |  |  |  |  | **December 31,** |
|  | **2020** |  |  |  |  |  |  |  | **2020** |
|  |  |  |  |  |  |  |  |  |  |
| Right for use of trademarks - net | 545,900,757 |  | - |  | 545,900,757 |  | - |  | 545,900,757 |
|  | 545,900,757 |  | - |  | 545,900,757 |  | - |  | 545,900,757 |
|  |  |  |  |  |  |  |  |  |  |
| **Amortization for the years ended December 31,** | |  |  |  |  |  |  |  |  |
| 2021 |  |  |  |  |  |  |  |  | - |
| 2020 |  |  |  |  |  |  |  |  | - |

The Company engaged an independent appraiser to determine the fair value of the right to use the trademarks referred to above in accordance with the Notification of the Stock Exchange Commission dated April 30, 2004 regarding the opinion for accounting treatment for intangible assets. According to the reports of the independent appraiser dated January 7, 2022 and January 7, 2021, the appraisal values of the fair value of such right as at January 4, 2022 and January 2, 2021, respectively, by using the Relief from Royalty Method are higher than the carrying values.

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

**12. DEFERRED INCOME TAX AND TAX EXPENSE**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes issued by the same taxation authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated and separate statements of financial position as at December 31, as follows:

**Unit : Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Deferred tax assets | 45,851,184 |  | 45,635,125 |  | 41,157,812 |  | 39,695,381 |
| Deferred tax liabilities | 116,608,579 |  | 116,608,579 |  | 109,180,151 |  | 109,180,151 |

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

**Consolidated Financial Statements**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **As at December 31, 2021** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **Unit : Baht** |
|  | **Balances** |  | **Recognized in** |  | **Recognized in** |  | **Balances** |
|  | **as at** |  | **profit or loss** |  | **Other** |  | **as at** |
|  | **January 1,** |  |  |  | **Comprehensive** |  | **December 31,** |
|  | **2021** |  |  |  | **Income (loss)** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 5,455,240 |  | (183,231) |  | - |  | 5,272,009 |
| Allowance for diminution in value of inventories | 1,812,098 |  | 3,868,576 |  | - |  | 5,680,674 |
| Provision for sale promotions | 5,440,963 |  | (4,916,970) |  | - |  | 523,993 |
| Provision for employee benefit | 33,138,974 |  | 544,549 |  | (863,270) |  | 32,820,253 |
| Financial assets measured at FVTPL | (212,150) |  | 1,766,405 |  | - |  | 1,554,255 |
| Total deferred tax assets | 45,635,125 |  | 1,079,329 |  | (863,270) |  | 45,851,184 |
|  |  |  |  |  |  |  |  |
| Gain on fair value adjustment from investment in |  |  |  |  |  |  |  |
| a subsidiary to an associate | 7,428,428 |  | - |  | - |  | 7,428,428 |
| Accumulated amortization - right for use of trademarks | 109,180,151 |  | - |  | - |  | 109,180,151 |
| Total deferred tax liabilities | 116,608,579 |  | - |  | - |  | 116,608,579 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **As at December 31, 2020** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **Unit : Baht** |
|  | **Balances** |  | **Recognized in** |  | **Recognized in** |  | **Balances** |
|  | **as at** |  | **profit or loss** |  | **Other** |  | **as at** |
|  | **January 1,** |  |  |  | **Comprehensive** |  | **December 31,** |
|  | **2020** |  |  |  | **Income (loss)** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 5,811,287 |  | (356,047) |  | - |  | 5,455,240 |
| Allowance for diminution in value of inventories | 122,503 |  | 1,689,595 |  | - |  | 1,812,098 |
| Provision for sale promotions | 1,700,000 |  | 3,740,963 |  | - |  | 5,440,963 |
| Provision for employee benefit | 32,349,409 |  | 1,322,650 |  | (533,085) |  | 33,138,974 |
| Financial assets measured at FVTPL | - |  | (212,150) |  | - |  | (212,150) |
| Total deferred tax assets | 39,983,199 |  | 6,185,011 |  | (533,085) |  | 45,635,125 |
|  |  |  |  |  |  |  |  |
| Gain on fair value adjustment from investment in |  |  |  |  |  |  |  |
| a subsidiary to an associate | 7,428,428 |  | - |  | - |  | 7,428,428 |
| Accumulated amortization - right for use of trademarks | 109,180,151 |  | - |  | - |  | 109,180,151 |
| Total deferred tax liabilities | 116,608,579 |  | - |  | - |  | 116,608,579 |

**Separate Financial Statements**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **As at December 31, 2020** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **Unit : Baht** |
|  | **Balances** |  | **Recognized in** |  | **Recognized in** |  | **Balances** |
|  | **as at** |  | **profit or loss** |  | **Other** |  | **as at** |
|  | **January 1,** |  |  |  | **Comprehensive** |  | **December 31,** |
|  | **2020** |  |  |  | **Income (loss)** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Allowance for expected credit losses | 5,633,468 |  | (415,759) |  | - |  | 5,217,709 |
| Allowance for diminution in value of inventories | 122,503 |  | 1,689,595 |  | - |  | 1,812,098 |
| Provision for sale promotions | 1,700,000 |  | 3,800,675 |  | - |  | 5,500,675 |
| Provision for employee benefit | 26,166,789 |  | 1,600,667 |  | (390,407) |  | 27,377,049 |
| Financial assets measured at FVTPL | - |  | (212,150) |  | - |  | (212,150) |
| Total deferred tax assets | 33,622,760 |  | 6,463,028 |  | (390,407) |  | 39,695,381 |
|  |  |  |  |  |  |  |  |
| Accumulated amortization - right for use of trademarks | 109,180,151 |  | - |  | - |  | 109,180,151 |
| Total deferred tax liabilities | 109,180,151 |  | - |  | - |  | 109,180,151 |

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

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

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

**Unit : Baht**

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

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

**Unit : Baht**

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

**13. BANK OVERDRAFTS and short-term borrowings from financial institutions**

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

**Unit : Baht**

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

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

As at December 31, 2021 and 2020, a subsidiary has credit facilities from foreign institutions for short-term borrowings and other facilities with interest rate during 0.57% - 0.75% per annum and 0.63% - 0.71% per annum, respectively. Such credit facilities are guaranteed by the Company (see Note 26.5).

**14. TRADE AND OTHER CURRENT PAYABLES**

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

**Unit : Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Trade payables | 418,883,359 |  | 198,052,538 |  | 390,785,948 |  | 169,547,376 |
| Other payables | 109,555,860 |  | 55,699,394 |  | 108,902,225 |  | 52,517,902 |
| Accrued dividends | 2,582,656 |  | 2,416,420 |  | 2,582,656 |  | 2,416,420 |
| Accrued expenses | 164,165,407 |  | 176,005,552 |  | 126,202,831 |  | 145,199,266 |
| Advance received from customers |  |  |  |  |  |  |  |
| (see Note 15) | 25,604,542 |  | 66,839,636 |  | 25,470,388 |  | 66,103,019 |
| Deferred sales (see Note 15) | 23,531,343 |  | 124,776,603 |  | 26,812,889 |  | 135,248,711 |
|  | 744,323,167 |  | 623,790,143 |  | 680,756,937 |  | 571,032,694 |

**15. deferred sales AND ADVANCE RECEIVED FROM CUSTOMERS**

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

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

While inventories in the consolidated and separate financial statements as at December 31, 2021 and 2020 included inventories which were under the obligations that the Company and a subsidiary issued fertilizer notes or received payments from customers but the fertilizer has not been delivered (see Note 6). The Company and a subsidiary have recorded such transactions as “Deferred sales” and “Advance received from customers”, respectively (see Note 14).

**16. PROVISION FOR EMPLOYEE BENEFIT**

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

**Unit : Baht**

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

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

**Unit : Baht**

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

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

**Unit : Baht**

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

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

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

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

**Unit : Million Baht**

|  |  |  |
| --- | --- | --- |
|  | **Consolidated** | **Separate** |
|  | **Financial Statements** | **Financial Statements** |
| Discount rate |  |  |
| Discount rate, decrease of 1 percent | 14.97 | 14.00 |
| Discount rate, increase of 1 percent | (12.94) | (12.06) |
|  |  |  |
| Turnover rates |  |  |
| Turnover rates, decrease of 1 percent | 15.55 | 14.52 |
| Turnover rates, increase of 1 percent | (13.61) | (12.68) |
|  |  |  |
| Salary increasing rates |  |  |
| Salary growth rates, decrease of 1 percent | (11.90) | (11.06) |
| Salary growth rates, increase of 1 percent | 13.43 | 12.52 |
|  |  |  |
| Future gold price rate |  |  |
| Gold price growth rates, decrease of 1 percent | (0.70) | (0.68) |
| Gold price growth rates, increase of 1 percent | 0.80 | 0.78 |

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

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

**17. PROVIDENT FUND**

The Company and its subsidiaries have a contributory provident fund for those employees.  
The contributions from employees are deducted from the monthly salaries, with the Company and its subsidiaries matching the individual’s contributions. The provident fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2021 and 2020, the Company’s contribution and subsidiaries’ contribution to provident fund which were recorded as expenses in the consolidated financial statements in amounts of Baht 15.34 million and Baht 15.13 million, respectively.

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

**18. OTHER INCOME**

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

**Unit : Baht**

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

**19. EXPENSES BY NATURE**

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

**Unit : Baht**

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

**20. DISCOUNT ON ORDINARY SHARES**

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

**Unit : Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | | **Separate** | | | |
|  | **Financial Statements** | | | **Financial Statements** | | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Premium on ordinary shares | 2,280,000,000 |  | 2,280,000,000 |  | 2,280,000,000 |  | 2,280,000,000 |
| Discount on ordinary shares | (2,323,570,340) |  | (2,323,570,340) |  | (2,323,570,340) |  | (2,323,570,340) |
|  | (43,570,340) |  | (43,570,340) |  | (43,570,340) |  | (43,570,340) |

**21. CAPITAL RISK MANAGEMENT**

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

**22. LEGAL RESERVE**

Pursuant to the Public Limited Companies Act B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net income deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital. Such reserve fund is not available for distribution as dividend.

**23. DIVIDENDS**

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

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

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

**Unit : Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Company name** | **General shareholders’**  **meeting date** | **Dividend**  **per share (Baht)** | **Dividend paid to** | | |  | **Total amount** |
| **Owners of parent** |  | **Non-controlling interests** |  |  |
|  |  |  |  |  |  |  |  |
| N.I.M. Company Limited | March 29, 2021 | 2.90 | 18,487,500 |  | 17,762,500 |  | 36,250,000 |
| MC Agro-Chemicals Company Limited | March 29, 2021 | 6.00 | 2,999,964 |  | 36 |  | 3,000,000 |
|  |  |  | 21,487,464 |  | 17,762,536 |  | 39,250,000 |

The Annual General Shareholders’ Meetings of subsidiaries passed a resolution to distribute annual dividends for the year 2019 to ordinary shareholders as follows:

**Unit : Baht**

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

**24. TRANSACTIONS BETWEEN RELATED PARTIES**

Transactions between related parties are as follows:

24.1 Investments

24.1.1 Investment in an associate

**As at December 31, 2021**

**Unit : Baht**

|  |  |  |  |  | **Investment** | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Company name** | **Type of** | Relationship | **Paid-up** | **Ownership** | **Cost** |  | **Equity** |  | **Dividend** |
|  | business |  | **capital** | % | **method** |  | **method** |  | **received** |
| **ASSOCIATED COMPANY** |  |  |  |  |  |  |  |  |  |
| Central Pacific (Thailand) | Leased |  |  |  |  |  |  |  |  |
| Corporation Limited | out warehouse | Associate | 200,000,000 | 49.00 | 98,000,000 |  | 136,977,953 |  | - |

**As at December 31, 2020**

**Unit : Baht**

|  |  |  |  |  | **Investment** | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Company name** | **Type of** | Relationship | **Paid-up** | **Ownership** | **Cost** |  | **Equity** |  | **Dividend** |
|  | business |  | **capital** | % | **method** |  | **method** |  | **received** |
| **ASSOCIATED COMPANY** |  |  |  |  |  |  |  |  |  |
| Central Pacific (Thailand) | Leased |  |  |  |  |  |  |  |  |
| Corporation Limited | out warehouse | Associate | 200,000,000 | 49.00 | 98,000,000 |  | 136,807,196 |  | - |

Aggregate information of an associate that is not individually material

Share of profit from investment in an associate for the years ended December 31, consist of the following:

**Unit : Baht**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** | | |
|  | **Financial Statements** | | |
|  | **2021** |  | **2020** |
|  |  |  |  |
| Share of profit from investment in an associate | 170,757 |  | 238,463 |

24.1.2 Investments in subsidiaries

##### Unit : Thousand Baht

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

24.2 Business transactions with related parties

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

**Unit : Baht**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Account name/ Company’s name** | **Relationship** | **Consolidated** | | |  | **Separate** | | |
|  |  | **Financial Statements** | | |  | **Financial Statements** | | |
|  |  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| **Trade receivables** |  |  |  |  |  |  |  |  |
| TCCC Myanmar Limited | Subsidiary | - |  | - |  | 272,548,558 |  | 102,503,631 |
| Pornsawanchemical Company Limited\* | Related Company | - |  | 4,036,840 |  | - |  | 4,036,840 |  |
| Thanatheptaewa Company Limited\* | Related Company | - |  | 6,456,660 |  | - |  | 6,456,660 |  |
|  |  | - |  | 10,493,500 |  | 272,548,558 |  | 112,997,131 |
|  |  |  |  |  |  |  |  |  |
| **Other receivables** |  |  |  |  |  |  |  |  |
| N.I.M. Company Limited | Subsidiary | - |  | - |  | 957,279 |  | 910,190 |
| MC Agro-Chemicals Company Limited | Subsidiary | - |  | - |  | 70,933 |  | 53,980 |
| TCCC Myanmar Limited | Subsidiary | - |  | - |  | 536,356 |  | 622,761 |
|  |  | - |  | - |  | 1,564,568 |  | 1,586,931 |
| **Trade payables** |  |  | | | | | | |
| Sojitz Corporation | Major shareholder | 5,135,837 |  | 4,306,281 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| **Deferred sales** |  |  | | | | | | |
| TCCC Myanmar Limited | Subsidiary | - |  | - |  | 21,005,931 |  | - |

\* On July 24, 2020, the ordinary shareholder’ meeting pass resolution to appoint the new directors which affect such companies to be related through common directorship. Subsequently, in 2021 such companies changed its directors affected the Goup has no related directorship, except Pornsawanchemical Company Limited has not changed its director.

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

**Unit : Baht**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Account name/ Company’s name** | **Relationship** | **Consolidated**  **Financial Statements** | | |  | **Separate**  **Financial Statements** | | |
|  |  | **2021** |  | **2020** |  | **2021** |  | **2020** |
| **Revenues from sales and services** |  |  |  |  |  |  |  |  |
| TCCC Myanmar Limited | Subsidiary | - |  | - |  | 366,441,063 |  | 130,913,476 |
| Thanathepthong Company Limited\* | Related Company | - |  | 14,825,425 |  | - |  | 14,825,425 |
| Thanathepthanuthong Company Limited\* | Related Company | - |  | 9,069,075 |  | - |  | 9,069,075 |
| Thanathepsarndinthai Company Limited\* | Related Company | - |  | 12,950,960 |  | - |  | 12,950,960 |
| Thanatheptaewa Company Limited\* | Related Company | - |  | 16,601,947 |  | - |  | 16,601,947 |
| Thanatheptanwa Company Limited\* | Related Company | - |  | 16,049,248 |  | - |  | 16,049,248 |
| Pornsawanchemical Company Limited\* | Related Company | - |  | 9,341,815 |  | - |  | 9,341,815 |
|  |  | - |  | 78,838,470 |  | 366,441,063 |  | 209,751,946 |
| **Other income** |  |  | | | | | | |
| N.I.M. Company Limited | Subsidiary | - |  | - |  | 15,487,939 |  | 15,393,708 |
| MC Agro-Chemicals Company Limited | Subsidiary | - |  | - |  | 54,462 |  | 39,014 |
| TCCC Myanmar Limited | Subsidiary | - |  | - |  | 3,799,331 |  | 3,713,313 |
|  |  | - |  | - |  | 19,341,732 |  | 19,146,035 |
| **Dividend income** |  |  |  |  |  |  |  |  |
| N.I.M. Company Limited | Subsidiary | - |  | - |  | 18,487,500 |  | 17,531,250 |
| MC Agro-Chemicals Company Limited | Subsidiary | - |  | - |  | 2,999,964 |  | 2,999,964 |
|  |  | - |  | - |  | 21,487,464 |  | 20,531,214 |
| **Purchases** |  |  |  |  |  |  |  |  |
| Sojitz Corporation | Major shareholder | 11,775,710 |  | 8,295,642 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| **Other expenses** |  |  |  |  |  |  |  |  |
| Metro Systems Corporation Public |  |  |  |  |  |  |  |  |
| Company Limited\*\* | Related Company | - |  | 1,197,500 |  | - |  | 1,067,500 |
|  |  |  |  |  |  |  |  |  |
| **Managements’ remuneration** | Directors | 39,262,505 |  | 38,592,372 |  | 38,644,505 |  | 38,070,372 |

\* On July 24, 2020, the ordinary shareholder’ meeting pass resolution to appoint the new directors which affect such companies to be related through common directorship. Subsequently, in 2021 such companies changed its directors affected the Goup has no related directorship, except Pornsawanchemical Company Limited has not changed its director.

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

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

**25. SIGNIFICANT AGREEMENTS**

Technical assistance agreement

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

**26. COMMITMENTS AND CONTINGENT LIABILITIES**

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

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

As at December 31, 2021 and 2020, the Company has commitments according to short-term leases and leases of low-value assets in the separate financial statements of Baht 11.30 million and Baht 7.77 million, respectively.

26.3 The Company and its subsidiaries are granted credit facilities from financial institutions which consisted of bank overdrafts and short-term borrowings, letters of credit, forward contracts and letters of guarantee.

As at December 31, 2021 and 2020, the unused credit facilities, consist of:

**Unit : Million**

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

As at December 31, 2021 and 2020, credit facilities of the Company and its subsidiaries pledged by land, land improvements and buildings (see Note 9).

\* The Company and its subsidiaries has been allowed by certain financial institutions to have forward exchange contracts for letters of credit and trust receipts granted under such credit.

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

|  |  | | | **Unit : Baht** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **Financial Statements** | | |  | **Separate**  **Financial Statements** | | |
|  | **2021** |  | **2020** |  | **2021** |  | **2020** |
|  |  |  |  |  |  |  |  |
| Letters of guarantee for electricity | 8,830,500 |  | 8,830,500 |  | 8,655,500 |  | 8,655,500 |

26.5 As at December 31, 2021 and 2020, the Company has commitment for being as   
a guarantor of short-term borrowings and other facilities for a subsidiary of USD 12.00 million or equivalent Baht 403.11 million and Baht 362.48 million, respectively. (see Note 13).

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

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

As at December 31, 2021 and 2020, a subsidiary have commitment with a bank regarding the outstanding letters of credit amounting to USD 0.10 million (or equivalent to Baht 3.52 million) and USD 0.05 million (or equivalent to Baht 1.51 million), respectively.

**27. BUSINESS SEGMENT INFORMATION**

The Company’s main business is to manufacture, import, export and distribute various chemical fertilizer compound. The subsidiaries’ main businesses are to manufacture, import and distribute various chemical fertilizer compound, solvents, industrial chemical, rental services and others.

For the year ended December 31, 2021, the business segment information of the Company and its subsidiaries classified by industries is as follows:

**Unit : Baht**

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

For the year ended December 31, 2020, the business segment information of the Company and its subsidiaries classified by industries is as follows:

**Unit : Baht**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Recognized** |  | **Recognized** |  | **Revenues and** |  | **Total** |  | **Assets** |
|  | **at the** |  | **over time** |  | **other** |  | **comprehensive** |  | **employed** |
|  | **point of time** |  |  |  | **income** |  | **income (loss)** |  |  |
| Fertilizer section |  |  |  |  |  |  |  |  |  |
| - Revenues from sales | 9,226,443,365 |  | - |  | 9,226,443,365 |  |  |  |  |
| - Other income | 71,100,966 |  | 71,699,539 |  | 142,800,505 |  |  |  |  |
|  | 9,297,544,331 |  | 71,699,539 |  | 9,369,243,870 |  | 1,818,787,796 |  | 12,288,067,903 |
| Rental services section |  |  |  |  |  |  |  |  |  |
| - Revenues from service | - |  | 113,881,836 |  | 113,881,836 |  |  |  |  |
| - Other income | 2,575,390 |  | 1,695,201 |  | 4,270,591 |  |  |  |  |
|  | 2,575,390 |  | 115,577,037 |  | 118,152,427 |  | 46,350,496 |  | 243,327,429 |
| Others section |  |  |  |  |  |  |  |  |  |
| - Revenues from sales | 217,634,316 |  | 7,255,862 |  | 224,890,178 |  |  |  |  |
| - Other income | 698,724 |  | 87,114 |  | 785,838 |  |  |  |  |
|  | 218,333,040 |  | 7,342,976 |  | 225,676,016 |  | 5,152,601 |  | 267,524,595 |
| Less Intersegment revenues |  |  |  |  | (170,417,982) |  |  |  |  |
| Total revenues |  |  |  |  | 9,542,654,331 |  |  |  |  |
| Profit before income tax expense |  |  |  |  |  |  | 1,870,290,893 |  |  |
| Less Income tax expense |  |  |  |  |  |  | (379,908,900) |  |  |
| Profit for the year |  |  |  |  |  |  | 1,490,381,993 |  |  |
|  |  |  |  |  |  |  |  |  | 12,798,919,927 |
| Less Intersegment assets |  |  |  |  |  |  |  |  | (651,688,802) |
| Total assets |  |  |  |  |  |  |  |  | 12,147,231,125 |
| Less Non-controlling interests in |  |  |  |  |  |  |  |  |  |
| total comprehensive income |  |  |  |  |  |  | (18,467,337) |  |  |
| Exchange differences on translation of |  |  |  |  |  |  |  |  |  |
| financial statements of foreign subsidiary |  |  |  |  |  |  | 344,625 |  |  |
| Net gains on remeasurements of |  |  |  |  |  |  |  |  |  |
| defined benefit plans |  |  |  |  |  |  | 2,132,340 |  |  |
| Total comprehensive income attributable to |  |  |  |  |  |  |  |  |  |
| owners of the parent |  |  |  |  |  |  | 1,474,391,621 |  |  |
| Consolidated assets as at December 31, 2020 |  |  |  |  |  |  |  |  | 12,147,231,125 |

For the years ended December 31, 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of the Group’s revenues.

**28. DISCLOSURE OF FINANCIAL INSTRUMENTS**

28.1 Credit risk

Credit risk refers to the risk that counterparty default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of a portion of allowance for expected credit losses, represents the Company and its subsidiaries maximum exposure to credit risk. Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and their dispersion across different geographic regions in Thailand.

28.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Company and its subsidiaries in the current reporting period and in the future years. In case the interest rate is higher, it may have an impact to the Company’s and subsidiaries’ operations due to a subsidiary’s has significant loans.

28.3 Fair value of financial instruments

**CONSOLIDATED FINANCIAL STATEMENTS**

**Unit : Thousand Baht**

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

**Unit : Thousand Baht**

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

**Separate financial statements**

**Unit : Thousand Baht**

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

**Unit : Thousand Baht**

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

28.4 Foreign exchange risk

Forward exchange contract

As at December 31, 2021 and 2020, the Company and its subsidiaries entered into various forward exchange contracts with banks to hedge certain portions of their assets and liabilities denominated in foreign currencies. The details of such contracts are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Forward purchase contracts** | | | | **The remaining** | **Net fair value** | **Fair value** | **Valuation** |
|  | **Currency** | **Amount** | **Average Rate**  **(Baht)** | **Period day** | **gain (loss)**  **(Baht)** | **hierarchy** | **Technique(s)** |
| **As at December 31, 2021** | | | | | | | |
| The Company | USD | 12,018,042 | 33.1356 | 56 - 300 | (1,590,571) | Level 2 | Discontinued  cash flow\* |
| A subsidiary | USD | 1,489,569 | 33.2734 | 48 - 167 | 232,748 |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Forward sell contracts** | | | | **The remaining** | **Net fair value** | **Fair value** | **Valuation** |
|  | **Currency** | **Amount** | **Average Rate**  **(Baht)** | **Period (day)** | **gain (loss)**  **(Baht)** | **hierarchy** | **Technique(s)** |
| **As at December 31, 2021** | | | | | | | |
| The Company | USD | 10,582,702 | 32.6698 | 32 - 358 | 9,594,590 | Level 2 | Discontinued  cash flow\* |
| **As at December 31, 2020** | | | | | | | |
| The Company | USD | 5,414,808 | 31.0182 | 12 - 357 | 4,400,052 | Level 2 | Discontinued  cash flow\* |

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

Foreign assets and liabilities

As at December 31, 2021 and 2020, the Company and its subsidiaries have foreign assets and liabilities which part of forward exchange contracts to hedge certain portions of their assets and liabilities denominated in foreign currencies are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Foreign assets** | |
|  | **Currency** | **Amount** |
| **As at December 31, 2021** |  |  |
| The Company | USD | 9,386,470 |
| Subsidiaries | USD | 2,098,093 |
|  | MMK | 10,218,932,530 |
| **As at December 31, 2020** |  |  |
| The Company | USD | 5,424,043 |
| Subsidiaries | USD | 1,665,368 |
|  | MMK | 2,930,210,955 |

|  |  |  |
| --- | --- | --- |
|  | **Foreign liabilities** | |
|  | **Currency** | **Amount** |
| **As at December 31, 2021** |  |  |
| The Company | USD | 9,760,994 |
| Subsidiaries | USD | 1,391,299 |
|  | MMK | 286,955,540 |
|  |  |  |
| **As at December 31, 2020** |  |  |
| The Company | USD | 4,601,569 |
|  | EUR | 2,994 |
| Subsidiaries | USD | 5,035,985 |

**29. EVENT AFTER THE REPORTING PERIOD**

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

**30. APPROVAL OF THE FINANCIAL STATEMENTS**

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