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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

**“Unaudited”**

**1. OPERATIONS AND GENERAL INFORMATION**

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

1.1 The operation of the Company

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

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

1.2 The operations of subsidiaries

1.2.1 N.I.M. Company Limited was registered in Thailand with its office located at 284 Moo 1, Pakklong Bangplakod Sub-district, Prasamutjedi District, Samutprakan Province. The company’s main business is to lease out tank yard for containing liquid chemicals.

1.2.2 MC Agro-Chemicals Company Limited was registered in Thailand with its office located at 581 Moo 4, Bangpoo Industrial Estate Soi 12, Sukhumvit Road, Samutprakarn Province. The company’s main business is to manufacture, import and distribute chemical products.

1.2.3 TCCC Myanmar Limited was registered in the Republic of the Union of Myanmar with its office located at Lot No. C-15 & C-18 Thilawa SEZ zone A, Yangon Region, the Republic of the Union of Myanmar. The company’s main business is to manufacture, import and distribute various chemical fertilizer compound.

**Coronavirus Disease 2019 Pandemic**

The Coronavirus disease 2019 (“COVID-19”) pandemic is 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 business environment. Nevertheless, the Group’s management will continue monitoring the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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

2.1 These consolidated and separate interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard (“TAS”) No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand.   
The Company presents the condensed notes to the interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

2.2 The consolidated and separate statements of financial position as at December 31, 2021, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.

2.3 The unaudited results of operations presented in the three-month period ended March 31, 2022 are not necessarily an indication nor anticipation of the operating results for the full year.

2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards (“TFRS”), but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended March 31, 2022, should be read in conjunction with the audited financial statements for the year ended December 31, 2021.

2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month period ended March 31, 2022, have included the subsidiaries’ interim financial statements for the three-month period ended March 31, 2022 which were reviewed.

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

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

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

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

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

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

4.1 Purchases of property, plant and equipment for the three-month periods ended   
March 31, 2022 and 2021 are as follows:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Payables - acquisitions of property, plant and |  |  |  |  |  |  |  |
| equipment as at January 1, | 45,892 |  | 12,838 |  | 45,892 |  | 12,838 |
| Add Purchases of property, plant and equipment | 70,005 |  | 48,677 |  | 68,486 |  | 47,123 |
| Less Cash payments | (79,895) |  | (48,608) |  | (78,376) |  | (47,054) |
| Payables - asset acquisitions of property, plant and |  |  |  |  |  |  |  |
| equipment as at March 31, | 36,002 |  | 12,907 |  | 36,002 |  | 12,907 |
|  |  |  |  |  |  |  |  |
| Lease liabilities as at January 1, |  |  |  |  |  |  |  |
| (including current portion) | 49,390 |  | 64,791 |  | 46,301 |  | 62,355 |
| Add Lease liabilities during the periods | 1,969 |  | 2,285 |  | 1,358 |  | 2,285 |
| Less Cash payments | (5,230) |  | (4,965) |  | (4,618) |  | (4,536) |
| Lease liabilities as at March 31, |  |  |  |  |  |  |  |
| (including current portion) | 46,129 |  | 62,111 |  | 43,041 |  | 60,104 |

4.2 The cash flows from bank overdrafts and short-term borrowings from financial institutions for the three-month periods ended March 31, 2022 and 2021 are as follows:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Bank overdrafts and short-term borrowings from |  |  |  |  |  |  |  |
| financial institutions as at January 1, | 198,221 |  | 162,262 |  | - |  | - |
| Add Cash received (paid) | (7,349) |  | (6,749) |  | - |  | - |
| Add Unrealized loss (gain) on foreign exchange rate |  |  |  |  |  |  |  |
| from financial statement translation | (659) |  | 6,682 |  | - |  | - |
| Bank overdrafts and short-term borrowings from |  |  |  |  |  |  |  |
| financial institutions as at March 31, | 190,213 |  | 162,195 |  | - |  | - |

4.3 Cash and cash equivalents

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Cash on hand | 3,562 |  | 26,304 |  | 560 |  | 560 |
| Bank deposits in savings and |  |  |  |  |  |  |  |
| current accounts | 4,148,256 |  | 4,028,015 |  | 3,846,780 |  | 3,614,046 |
| Cheque on hand | - |  | 219 |  | - |  | 219 |
| Time deposits with maturity within 3 months |  |  |  |  |  |  |  |
| (2022: interest rates 0.50% – 0.55% per annum) |  |  |  |  |  |  |  |
| (2021: interest rates 0.45% per annum) | 1,750,002 |  | 450,002 |  | 1,750,002 |  | 450,002 |
|  | 5,901,820 |  | 4,504,540 |  | 5,597,342 |  | 4,064,827 |

**5. TRADE AND OTHER CURRENT RECEIVABLES**

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Trade receivables (see Note 5.2) | 496,932 |  | 314,952 |  | 604,458 |  | 515,542 |
| Other receivables | 3,350 |  | 4,954 |  | 4,938 |  | 5,879 |
| Prepaid expenses | 38,100 |  | 48,854 |  | 29,678 |  | 40,441 |
| Accrued income | 4,920 |  | 4,183 |  | 4,602 |  | 4,037 |
| Advance payments | 923 |  | 452 |  | 769 |  | 67 |
|  | 544,225 |  | 373,395 |  | 644,445 |  | 565,966 |

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Number of outstanding trade receivables | 372 |  | 314 |  | 156 |  | 107 |
|  |  |  |  |  |  |  |  |
| Other companies |  |  |  |  |  |  |  |
| Current | 492,392 |  | 306,058 |  | 413,957 |  | 234,262 |
| Overdue |  |  |  |  |  |  |  |
| Less than or up to 3 months | 10,867 |  | 14,271 |  | 10,567 |  | 14,080 |
| More than 3 months up to 6 months | - |  | - |  | - |  | - |
| More than 6 months up to 12 months | 221 |  | 1,254 |  | - |  | 961 |
| More than 12 months | 20,736 |  | 19,758 |  | 19,776 |  | 18,869 |
|  | 524,216 |  | 341,341 |  | 444,300 |  | 268,172 |
| Related companies (see Note 18.2.1) |  |  |  |  |  |  |  |
| Current | - |  | - |  | 186,149 |  | 272,549 |
| Total trade receivables | 524,216 |  | 341,341 |  | 630,449 |  | 540,721 |
| Less Allowance for expected credit loss | (27,284) |  | (26,389) |  | (25,991) |  | (25,179) |
|  | 496,932 |  | 314,952 |  | 604,458 |  | 515,542 |

Movements of allowance for expected credit loss of trade receivables for the three-month period ended March 31, 2022 as follows:

**Unit : Thousand Baht**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** |  | **Separate** |
|  | **Financial Statements** |  | **Financial Statements** |
|  |  |  |  |
| Beginning balance as at January 1, 2022 | 26,389 |  | 25,179 |
| Increase | 895 |  | 812 |
| Ending balance as at March 31, 2022 | 27,284 |  | 25,991 |

**6. INVENTORIES**

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Inventories | 2,313,840 |  | 1,947,376 |  | 2,139,203 |  | 1,812,977 |
| Less Allowance for diminution in value of inventories | (146,154) |  | (28,422) |  | (146,154) |  | (28,398) |
|  | 2,167,686 |  | 1,918,954 |  | 1,993,049 |  | 1,784,579 |

As at March 31, 2022 and December 31, 2021, inventories in the consolidated financial statements included inventories which were under obligation that the Company and   
a subsidiary have to delivery of fertilizer to the holders of the delivery orders (the “fertilizer notes”) which have been issued by the Company and a subsidiary to their customers of   
Baht 91.79 million and Baht 49.14 million, respectively (see Note 13).

As at March 31, 2022 and December 31, 2021, inventories in the separate financial statements included inventories which were under obligation that the Company has to delivery of fertilizer to the holders of the fertilizer notes which have been issued by the Company to its customers of Baht 64.06 million and Baht 52.28 million, respectively (see Note 13).

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

7.1 Other current financial assets and other current financial liabilities as at March 31, 2022 and December 31, 2021, consist of:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| **Current financial assets** |  |  |  |  |  |  |  |
| Time deposits (see Note 7.2) | 2,188,584 |  | 3,588,584 |  | 2,048,000 |  | 3,448,000 |
| Derivatives - Forward contracts | 8,165 |  | 3,429 |  | 8,021 |  | 3,133 |
|  | 2,196,749 |  | 3,592,013 |  | 2,056,021 |  | 3,451,133 |
|  |  |  |  |  |  |  |  |
| **Current financial liabilities** |  |  |  |  |  |  |  |
| Derivatives - Forward contracts | 18,313 |  | 11,200 |  | 18,108 |  | 11,137 |
|  | 18,313 |  | 11,200 |  | 18,108 |  | 11,137 |

7.2 Time deposits as at March 31, 2022 and December 31, 2021, consist of:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Maturity** | | | **Interest rate** | | **Consolidated** | | |
|  | **date** | | | **(% per annum)** | | **Financial Statements** | | |
|  | **As at** |  | **As at** | **As at** | **As at** | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** | **March 31,** | **December 31,** | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** | **2022** | **2021** | **2022** |  | **2021** |
|  |  | | |  |  |  |  |  |
| Time deposits | Maturity date over | | |  |  |  |  |  |
|  | 3 months but less than 1 year | | | 0.13 - 0.60 | 0.13 - 0.63 | 2,188,584 |  | 3,588,584 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Maturity** | | | **Interest rate** | | **Separate** | | |
|  | **date** | | | **(% per annum)** | | **Financial Statements** | | |
|  | **As at** |  | **As at** | **As at** | **As at** | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** | **March 31,** | **December 31,** | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** | **2022** | **2021** | **2022** |  | **2021** |
|  |  | | |  |  |  |  |  |
| Time deposits | Maturity date over | | |  |  |  |  |  |
|  | 3 months but less than 1 year | | | 0.45 - 0.60 | 0.44 - 0.63 | 2,048,000 |  | 3,448,000 |

**8. PROPERTY, PLANT AND EQUIPMENT**

Movements of property, plant and equipment for the three-month period ended March 31, 2022, are as follows:

**Unit : Thousand Baht**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated** |  | **Separate** |
|  | **Financial Statements** |  | **Financial Statements** |
|  |  |  |  |
| Property, plant and equipment - net as at January 1, 2022 | 1,525,601 |  | 1,306,276 |
| Add Purchase during the period | 70,005 |  | 68,486 |
| Add Transfer equipment from right-of-use assets | 290 |  | - |
| Less Disposal during the period | (1,664) |  | (1,661) |
| Depreciation for the period | (63,245) |  | (56,246) |
| Exchange differences on translation of |  |  |  |
| financial statements of a foreign subsidiary | (493) |  | - |
| Property, plant and equipment - net as at March 31, 2022 | 1,530,494 |  | 1,316,855 |

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** | |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** | |
| Gross carrying amount of plant and equipment |  |  |  |  |  |  |  | |
| which are fully depreciated but still in use | 2,817,955 |  | 2,830,367 |  | 2,506,060 |  | 2,516,933 | |

As at March 31, 2022 and December 31, 2021, the Company used certain land, land improvements and buildings which have total net book value of Baht 405.62 million and   
Baht 413.02 million, respectively, as collateral with a local financial institution for guarantee credit facilities (see Note 19.3).

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

**9. RIGHT-OF-USE ASSETS AND lease liabilities**

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **Financial Statements** | | |  | **Separate**  **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| **Right-of-use assets** |  |  |  |  |  |  |  |
| Land | 76,729 |  | 77,435 |  | - |  | - |
| Building | 28,816 |  | 30,617 |  | 28,816 |  | 30,617 |
| Equipment | 196 |  | 265 |  | 196 |  | 265 |
| Vehicles | 17,111 |  | 18,624 |  | 12,625 |  | 14,049 |
|  | 122,852 |  | 126,941 |  | 41,637 |  | 44,931 |
|  |  |  |  |  |  |  |  |
| **Lease liabilities** |  |  |  |  |  |  |  |
| Current portion of lease liabilities | 15,251 |  | 16,258 |  | 13,912 |  | 14,821 |
| Lease liabilities | 30,878 |  | 33,132 |  | 29,129 |  | 31,480 |
|  | 46,129 |  | 49,390 |  | 43,041 |  | 46,301 |

For the three-month period ended March 31, 2022, rights-of-use assets recognized in the consolidated financial statements and the separate financial statements amounting to Baht 1.97 million and Baht 1.36 million, respectively.

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

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

9.2 Amounts recognized in the statement of comprehensive income for the three-month periods ended March 31, comprise:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **Financial Statements** | | |  | **Separate**  **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Depreciation - right-of-use assets | 5,511 |  | 5,537 |  | 4,652 |  | 4,721 |
| Interest expense | 449 |  | 588 |  | 412 |  | 561 |
| Expense relating to short-term leases | 2,721 |  | 3,073 |  | 229 |  | 278 |
| Expense relating to leases of low-value assets | 1,525 |  | 1,338 |  | 1,344 |  | 1,129 |
|  | 10,206 |  | 10,536 |  | 6,637 |  | 6,689 |

**10. DEFERRED INCOME TAX AND INCOME TAX EXPENSE**

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Deferred tax assets | 71,079 |  | 45,851 |  | 66,259 |  | 41,158 |
| Deferred tax liabilities | 116,609 |  | 116,609 |  | 109,180 |  | 109,180 |

Movements of deferred tax assets and liabilities for the three-month periods ended March 31, 2022 and 2021 are as follows:

**Consolidated Financial Statements**

**As at March 31, 2022**

**Unit : Thousand Baht**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Balances** |  | **Recognized in** |  | **Balances** |
|  | **as at** |  | **profit or loss** |  | **as at** |
|  | **January 1,** |  |  |  | **March 31,** |
|  | **2022** |  |  |  | **2022** |
|  |  |  |  |  |  |
| Allowance for expected credit loss | 5,272 |  | 162 |  | 5,434 |
| Allowance for diminution in value of inventories | 5,681 |  | 23,883 |  | 29,564 |
| Provision for sale promotions | 523 |  | (8) |  | 515 |
| Provision for employee benefits | 32,820 |  | 716 |  | 33,536 |
| Financial assets at FVTPL | 1,555 |  | 475 |  | 2,030 |
| Total deferred tax assets | 45,851 |  | 25,228 |  | 71,079 |
|  |  |  |  |  |  |
| Gain on fair value adjustment from investment in a subsidiary |  |  |  |  |  |
| to an associate | 7,429 |  | - |  | 7,429 |
| Accumulated amortization - right for use of trademarks | 109,180 |  | - |  | 109,180 |
| Total deferred tax liabilities | 116,609 |  | - |  | 116,609 |

**As at March 31, 2021**

**Unit : Thousand Baht**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Balances** |  | **Recognized in** |  | **Balances** |
|  | **as at** |  | **profit or loss** |  | **as at** |
|  | **January 1,** |  |  |  | **March 31,** |
|  | **2021** |  |  |  | **2021** |
|  |  |  |  |  |  |
| Allowance for expected credit loss | 5,455 |  | 209 |  | 5,664 |
| Allowance for diminution in value of inventories | 1,812 |  | (142) |  | 1,670 |
| Provision for sale promotions | 5,441 |  | (3,033) |  | 2,408 |
| Provision for employee benefits | 33,139 |  | (19) |  | 33,120 |
| Financial assets FVTPL | (212) |  | (9,125) |  | (9,337) |
| Total deferred tax assets | 45,635 |  | (12,110) |  | 33,525 |
|  |  |  |  |  |  |
| Gain on fair value adjustment from investment in a subsidiary |  |  |  |  |  |
| to an associate | 7,429 |  | - |  | 7,429 |
| Accumulated amortization - right for use of trademarks | 109,180 |  | - |  | 109,180 |
| Total deferred tax liabilities | 116,609 |  | - |  | 116,609 |

**Separate Financial Statements**

**As at March 31, 2022**

**Unit : Thousand Baht**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Balances** |  | **Recognized in** |  | **Balances** |
|  | **as at** |  | **profit or loss** |  | **as at** |
|  | **January 1,** |  |  |  | **March 31,** |
|  | **2022** |  |  |  | **2022** |
|  |  |  |  |  |  |
| Allowance for expected credit loss | 5,036 |  | 162 |  | 5,198 |
| Allowance for diminution in value of inventories | 5,681 |  | 23,883 |  | 29,564 |
| Provision for sale promotions | 523 |  | (8) |  | 515 |
| Provision for employee benefits | 28,317 |  | 647 |  | 28,964 |
| Financial assets at FVTPL | 1,601 |  | 417 |  | 2,018 |
| Total deferred tax assets | 41,158 |  | 25,101 |  | 66,259 |
|  |  |  |  |  |  |
| Accumulated amortization - right for use of trademarks | 109,180 |  | - |  | 109,180 |
| Total deferred tax liabilities | 109,180 |  | - |  | 109,180 |

**As at March 31, 2021**

**Unit : Thousand Baht**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Balances** |  | **Recognized in** |  | **Balances** |
|  | **as at** |  | **profit or loss** |  | **as at** |
|  | **January 1,** |  |  |  | **March 31,** |
|  | **2021** |  |  |  | **2021** |
|  |  |  |  |  |  |
| Allowance for expected credit loss | 5,218 |  | 268 |  | 5,486 |
| Allowance for diminution in value of inventories | 1,812 |  | (142) |  | 1,670 |
| Provision for sale promotions | 5,500 |  | (3,092) |  | 2,408 |
| Provision for employee benefits | 27,377 |  | 614 |  | 27,991 |
| Financial assets FVTPL | (212) |  | (8,945) |  | (9,157) |
| Total deferred tax assets | 39,695 |  | (11,297) |  | 28,398 |
|  |  |  |  |  |  |
| Accumulated amortization - right for use of trademarks | 109,180 |  | - |  | 109,180 |
| Total deferred tax liabilities | 109,180 |  | - |  | 109,180 |

Income tax expense (revenue) for the three-month periods ended March 31, 2022 and 2021 consists of the following:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Current tax expense in respect of the current period | 10,710 |  | 70,670 |  | 7,388 |  | 68,795 |
| Deferred tax relating to temporary differences | (25,228) |  | 12,110 |  | (25,101) |  | 11,297 |
| Income tax expense (revenue) | (14,518) |  | 82,780 |  | (17,713) |  | 80,092 |

The income tax expense (revenue) for the three-month periods ended March 31, 2022 and 2021 can be reconciled to the accounting profit (loss) as follows:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Profit (loss) before income tax expense | (89,452) |  | 404,495 |  | (85,068) |  | 427,233 |
| Income tax calculated at 20% | - |  | 80,899 |  | - |  | 85,446 |
| Tax effects of transactions that are not taxable |  |  |  |  |  |  |  |
| income and expenses | (14,518) |  | 1,881 |  | (17,713) |  | (5,354) |
| Income tax expense (revenue) | (14,518) |  | 82,780 |  | (17,713) |  | 80,092 |
|  |  |  |  |  |  |  |  |
|  | %Rate |  | %Rate |  | %Rate |  | %Rate |
| Effective tax rate | 16.23 |  | 20.47 |  | 20.82 |  | 18.75 |

For the three-month periods ended March 31, 2022 and 2021, the Company and subsidiaries in Thailand have applied the tax rate of 20% for calculating corporate tax expense and deferred income tax.

For the three-month periods ended March 31, 2022 and 2021, the foreign subsidiary applied the tax rate of each country for calculating tax corporate expense and deferred income tax.

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

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Bank overdrafts and short-term borrowings |  |  |  |  |  |  |  |
| from financial institutions | 190,213 |  | 198,221 |  | - |  | - |

As at March 31, 2022 and December 31, 2021, a subsidiary has credit lines from local financial institutions for bank overdrafts, short-term borrowings and other facilities which carried interest 1.80 – 2.05% and 1.80% per annum, respectively, and mortgaged by all land and buildings (see Note 8).

As at March 31, 2022 and December 31, 2021, a subsidiary has credit lines from foreign financial institutions for short-term borrowings and other facilities with interest rate during 0.75% - 1.37% and 0.57% - 0.75% per annum, respectively, and guaranteed by the Company (see Note 19.5).

**12. TRADE AND OTHER CURRENT PAYABLES**

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Trade payables | 1,011,692 |  | 418,883 |  | 995,658 |  | 390,786 |
| Other payables | 88,411 |  | 109,556 |  | 84,632 |  | 108,902 |
| Accrued dividends | 996,597 |  | 2,583 |  | 996,597 |  | 2,583 |
| Accrued expenses | 72,114 |  | 164,165 |  | 53,169 |  | 126,203 |
| Advance received from customers (see Note 13) | 26,364 |  | 25,605 |  | 22,783 |  | 25,470 |
| Deferred sales (see Note 13) | 65,425 |  | 23,531 |  | 41,280 |  | 26,813 |
|  | 2,260,603 |  | 744,323 |  | 2,194,119 |  | 680,757 |

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

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

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

While inventories in the consolidated and separate financial statements as at March 31, 2022 and December 31, 2021, included inventories which were under the obligations that the Company and a subsidiary issued fertilizer notes or received payments from customers but the fertilizer has not been delivered (see Note 6). The Company and a subsidiary have recorded such transactions as “Deferred sales” and “Advance received from customers”, respectively (see Note 12).

**14. PROVISION FOR EMPLOYEE BENEFITS**

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

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Provision for employee benefits - current portion | 15,194 |  | 12,960 |  | 9,566 |  | 7,331 |
| Provision for employee benefits | 152,486 |  | 158,473 |  | 135,256 |  | 141,583 |
|  | 167,680 |  | 171,433 |  | 144,822 |  | 148,914 |

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefit obligations due upon retirement for the three-month periods ended March 31, 2022 and 2021 are as follows:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Current service cost | 2,871 |  | 2,920 |  | 2,612 |  | 2,564 |
| Interest cost | 707 |  | 585 |  | 627 |  | 503 |
|  | 3,578 |  | 3,505 |  | 3,239 |  | 3,067 |

Movements in provision for employee benefits for the three-month periods ended March 31, 2022 and 2021 are as follows:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
| Provision for employee benefits as at January 1, |  |  |  |  |  |  |  |
| (Including current portion) | 171,433 |  | 169,694 |  | 148,914 |  | 140,883 |
| Current service cost | 2,871 |  | 2,920 |  | 2,612 |  | 2,564 |
| Interest cost | 707 |  | 585 |  | 627 |  | 503 |
| Benefit paid | (7,331) |  | (7,599) |  | (7,331) |  | (3,998) |
| Provision for employee benefits as at March 31, |  |  |  |  |  |  |  |
| (Including current portion) | 167,680 |  | 165,600 |  | 144,822 |  | 139,952 |

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

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

**15. OTHER INCOME**

Other income for the three-month periods ended March 31, 2022 and 2021 consist of:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Rental income | 2,090 |  | 2,090 |  | 5,911 |  | 5,496 |
| Gain on sale of property, plant and equipment | 1,588 |  | 440 |  | 1,006 |  | 440 |
| Gain on foreign exchange rate - net | - |  | 55,416 |  | - |  | 57,558 |
| Dividend income | - |  | - |  | - |  | 21,487 |
| Others | 2,440 |  | 1,436 |  | 3,026 |  | 2,221 |
|  | 6,118 |  | 59,382 |  | 9,943 |  | 87,202 |

**16. EXPENSES BY NATURE**

Significant expenses by nature for the three-month periods ended March 31, 2022 and 2021 consist of:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Changes in finished goods and work in process | (319,628) |  | (168,145) |  | (321,375) |  | (160,532) |
| Cost of finished goods purchased | 50,514 |  | 33,251 |  | - |  | - |
| Raw materials used | 1,515,257 |  | 1,355,106 |  | 1,513,341 |  | 1,325,393 |
| Employee benefit expenses | 126,507 |  | 125,028 |  | 103,375 |  | 100,798 |
| Depreciation and amortization | 68,756 |  | 68,316 |  | 60,898 |  | 60,652 |
| Loss for diminution in value of inventories (Reversal) | 117,732 |  | (624) |  | 117,756 |  | (661) |
| Allowance for expected credit loss | 895 |  | 1,209 |  | 812 |  | 1,343 |

**17. DIVIDENDS**

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

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

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

**Unit : Thousand 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 |  | 17,763 |  | 36,250 |
| MC Agro-Chemicals Company Limited | March 29, 2021 | 6.00 | 3,000 |  | - |  | 3,000 |
|  |  |  | 21,487 |  | 17,763 |  | 39,250 |

**18. TRANSACTIONS BETWEEN RELATED PARTIES**

Transactions between related parties are as follows:

18.1 Investments

18.1.1 Investment in an associate

**As at March 31, 2022**

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Company name** | **Type of** | **Paid-up** | **Ownership** | **Investment** | | |  | **Dividend** |
|  | business | **capital** | % | **Cost** |  | **Equity** |  | **received** |
|  |  |  |  | **Method** |  | **Method** |  |  |
| Central Pacific (Thailand) |  |  |  |  |  |  |  |  |
| Corporation Limited | Lease out warehouse | 200,000 | 49.00 | 98,000 |  | 137,019 |  | - |

**As at December 31, 2021**

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Company name** | **Type of** | **Paid-up** | **Ownership** | **Investment** | | |  |  | **Dividend** |
|  | business | **capital** | % | **Cost** |  | **Equity** |  |  | **received** |
|  |  |  |  | **Method** |  | **Method** |  |  |  |
| Central Pacific (Thailand) |  |  |  |  |  |  |  |  |  |
| Corporation Limited | Lease out warehouse | 200,000 | 49.00 | 98,000 |  | 136,978 |  |  | - |

Aggregate financial information of an associate is not individually material.

Share of profit from investment in an associate for the three-month periods ended March 31, consist of:

**Unit : Thousand Baht**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2022** |  | **2021** |
|  |  |  |  |
| Share of profit from investment in an associate | 41 |  | 47 |

18.1.2 Investments in subsidiaries

**Unit : Thousand Baht**

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

18.2 Business transactions with related parties

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Account name/ Company’s name** | **Relationship** | **Consolidated**  **Financial Statements** | | | |  | | **Separate**  **Financial Statements** | | | |
|  |  | | **As at** |  | **As at** |  | **As at** | |  | **As at** |
|  |  | | **March 31,** |  | **December 31,** |  | **March 31,** | |  | **December 31,** |
|  |  | | **2022** |  | **2021** |  | **2022** | |  | **2021** |
| **Trade receivables** |  | |  |  |  |  |  | |  |  |
| TCCC Myanmar Limited | Subsidiary | | - |  | - |  | 186,149 | |  | 272,549 |
|  |  | | - |  | - |  | 186,149 | |  | 272,549 |
| **Other receivables** |  | |  |  |  |  |  | |  |  |
| N.I.M. Company Limited | Subsidiary | | - |  | - |  | 964 | |  | 957 |
| MC Agro-Chemicals Company Limited | Subsidiary | | - |  | - |  | 17 | |  | 71 |
| TCCC Myanmar Limited | Subsidiary | | - |  | - |  | 618 | |  | 536 |
|  |  | | - |  | - |  | 1,599 | |  | 1,564 |
| **Trade payables** |  | |  |  |  |  | |  |  |  |
| Sojitz Corporation | Major shareholder | | - |  | 5,136 |  | | - |  | **-** |

18.2.2 Transactions with related parties for the three-month periods ended March 31, 2022 and 2021 consist of:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Account name/ Company’s name** | **Relationship** | **Consolidated**  **Financial Statements** | | | |  | **Separate**  **Financial Statements** | | |
|  |  | **2022** |  | | **2021** |  | **2022** |  | **2021** |
| **Revenues from sales and services** |  |  |  | |  |  |  |  |  |
| TCCC Myanmar Limited | Subsidiary | - |  | | - |  | 142,064 |  | 47,904 |
|  |  | - |  | | - |  | 142,064 |  | 47,904 |
| **Other income** |  |  |  |  | |  |  |  |  |
| N.I.M. Company Limited | Subsidiary | - |  | - | |  | 4,155 |  | 3,699 |
| MC Agro-Chemicals Company Limited | Subsidiary | - |  | - | |  | 17 |  | 14 |
| TCCC Myanmar Limited | Subsidiary | - |  | - | |  | 921 |  | 845 |
|  |  | - |  | - | |  | 5,093 |  | 4,558 |
| **Dividend income** |  |  |  |  | |  |  |  |  |
| N.I.M. Company Limited | Subsidiary | - |  | - | |  | - |  | 18,487 |
| MC Agro-Chemicals Company Limited | Subsidiary | - |  | - | |  | - |  | 3,000 |
|  |  | - |  | - | |  | - |  | 21,487 |
| **Purchases** |  |  |  |  | |  |  |  |  |
| Sojitz Corporation | Major shareholder | - |  | 1,764 | |  | - |  | - |
|  |  |  |  |  | |  |  |  |  |
| **Managements’ remuneration** | Directors and managements | 10,174 |  | 9,680 | |  | 10,132 |  | 9,188 |

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

**19. COMMITMENTS AND LETTERS OF GUARANTEE**

19.1 The Company has capital expenditure commitment as at March 31, 2022 and December 31, 2021, of Baht 88.97 million and Baht 151.26 million, respectively.

19.2 As at March 31, 2022 and December 31, 2021, the Group has commitments according to short-term leases and leases of low-value assets in the consolidated financial statements of Baht 15.49 million and Baht 18.40 million, respectively.

As at March 31, 2022 and December 31, 2021, the Company has commitments according to short-term leases and leases of low-value assets in the separate financial statements of Baht 10.24 million and Baht 11.30 million, respectively.

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

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

**Unit : Million**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated** | | |  | **Separate** | | |
|  | **Currency** | **Financial Statements** | | |  | **Financial Statements** | | |
|  |  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  |  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  |  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |  |
| Credit facilities\* | Baht | 10,076.07 |  | 11,381.02 |  | 9,885.57 |  | 11,213.45 |
|  | USD | 37.00 |  | 37.00 |  | 30.00 |  | 30.00 |
| Forward exchange contracts | Baht | 3,259.71 |  | 4,192.98 |  | 3,239.71 |  | 4,179.48 |
|  | USD | 121.05 |  | 146.96 |  | 114.66 |  | 140.76 |
| Letters of guarantee | Baht | 91.34 |  | 91.34 |  | 91.34 |  | 91.34 |

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

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

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **Financial Statements** | | |  | **Separate**  **Financial Statements** | | |
|  | **As at** |  | **As at** |  | **As at** |  | **As at** |
|  | **March 31,** |  | **December 31,** |  | **March 31,** |  | **December 31,** |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Letters of guarantee for electricity | 8,831 |  | 8,831 |  | 8,656 |  | 8,656 |

19.5 As at March 31, 2022 and December 31, 2021, the Company has commitment for being as a guarantor of short-term borrowings and other facilities for a subsidiary of USD 12.00 million (or equivalent to Baht 401.46 million) and USD 12.00 million (or equivalent to Baht 403.11 million), respectively (see Note 11).

As at December 31, 2021, the Company has commitment for being as a guarantor for a subsidiary in order to purchase of raw materials and single fertilizer of USD 0.13 million (or equivalent to Baht 4.37 million). (as at March 31, 2022: Nil)

19.6 As at March 31, 2022 and December 31, 2021, the Company has commitment with a bank regarding the outstanding letters of credit of USD 26.63 million (or equivalent to Baht 890.95 million) and USD 1.69 million (or equivalent to Baht 56.65 million), respectively.

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

**20. SEASONALITY OF OPERATION**

The Company’s main business is to manufacture, import, export and distribute various chemical fertilizer compound. The main revenues of the Company are received seasonally within a financial year especially in the second and third quarters of each year. Such main revenues are recognized when incur in each quarter. For supplementary financial information, total revenues, cost of sales and total comprehensive income for the twelve-month periods ended March 31, 2022 and 2021 were shown as below:

**Unit : Thousand Baht**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **Financial Statements** | | |  | **Financial Statements** | | |
|  | **2022** |  | **2021** |  | **2022** |  | **2021** |
|  |  |  |  |  |  |  |  |
| Revenues from sales | 11,686,953 |  | 10,017,651 |  | 11,253,919 |  | 9,487,614 |
| Revenues from rendering of services | 135,766 |  | 120,536 |  | - |  | - |
| Costs of sales of goods | 9,746,121 |  | 7,413,891 |  | 9,449,994 |  | 6,972,128 |
| Costs of rendering of services | 36,060 |  | 41,801 |  | - |  | - |
| Profit attributable to owners of the parent | 1,181,450 |  | 1,702,328 |  | 1,036,900 |  | 1,765,779 |

**21. BUSINESS SEGMENT INFORMATION**

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

**For the three-month period ended March 31, 2022**

**Unit : Thousand 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 | 1,651,477 |  | - |  | 1,651,477 |  |  |  |  |
| - Other income | 4,244 |  | 11,260 |  | 15,504 |  |  |  |  |
|  | 1,655,721 |  | 11,260 |  | 1,666,981 |  | (105,780) |  | 13,266,820 |
| Rental services section |  |  |  |  |  |  |  |  |  |
| - Revenues from services | - |  | 31,098 |  | 31,098 |  |  |  |  |
| - Other income | 400 |  | 172 |  | 572 |  |  |  |  |
|  | 400 |  | 31,270 |  | 31,670 |  | 14,707 |  | 268,956 |
| Other sections |  |  |  |  |  |  |  |  |  |
| - Revenues from sales | 61,800 |  | 1,815 |  | 63,615 |  |  |  |  |
| - Other income | 656 |  | - |  | 656 |  |  |  |  |
|  | 62,456 |  | 1,815 |  | 64,271 |  | 1,621 |  | 278,680 |
| Less Intersegment revenues |  |  |  |  | (147,117) |  |  |  |  |
| Total revenues |  |  |  |  | 1,615,805 |  |  |  |  |
| Profit (loss) before income tax expense |  |  |  |  |  |  | (89,452) |  |  |
| Add Income tax revenue |  |  |  |  |  |  | 14,518 |  |  |
| Profit (loss) for the period |  |  |  |  |  |  | (74,934) |  |  |
|  |  |  |  |  |  |  |  |  | 13,814,456 |
| Less Intersegment assets |  |  |  |  |  |  |  |  | (557,433) |
| Total assets |  |  |  |  |  |  |  |  | 13,257,023 |
| Less Non-controlling interests in |  |  |  |  |  |  |  |  |  |
| total comprehensive income |  |  |  |  |  |  | (5,784) |  |  |
| Exchange differences on translation of |  |  |  |  |  |  |  |  |  |
| financial statements of foreign subsidiary |  |  |  |  |  |  | 754 |  |  |
| Total comprehensive loss attributable to |  |  |  |  |  |  |  |  |  |
| owners of the parent |  |  |  |  |  |  | (79,964) |  |  |
| Consolidated assets as at March 31, 2022 |  |  |  |  |  |  |  |  | 13,257,023 |

**For the three-month period ended March 31, 2021**

**Unit : Thousand 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 | 1,825,446 |  | - |  | 1,825,446 |  |  |  |  |
| - Other income | 81,808 |  | 12,270 |  | 94,078 |  |  |  |  |
|  | 1,907,254 |  | 12,270 |  | 1,919,524 |  | 391,058 |  | 13,216,454 |
| Rental services section |  |  |  |  |  |  |  |  |  |
| - Revenues from services | - |  | 30,189 |  | 30,189 |  |  |  |  |
| - Other income | 81 |  | 235 |  | 316 |  |  |  |  |
|  | 81 |  | 30,424 |  | 30,505 |  | 13,134 |  | 245,091 |
| Other sections |  |  |  |  |  |  |  |  |  |
| - Revenues from sales | 60,154 |  | 747 |  | 60,901 |  |  |  |  |
| - Other income | 569 |  | - |  | 569 |  |  |  |  |
|  | 60,723 |  | 747 |  | 61,470 |  | 303 |  | 262,512 |
| Less Intersegment revenues |  |  |  |  | (76,431) |  |  |  |  |
| Total revenues |  |  |  |  | 1,935,068 |  |  |  |  |
| Profit before income tax expense |  |  |  |  |  |  | 404,495 |  |  |
| Less Income tax expense |  |  |  |  |  |  | (82,780) |  |  |
| Total comprehensive income |  |  |  |  |  |  | 321,715 |  |  |
|  |  |  |  |  |  |  |  |  | 13,724,057 |
| Less Intersegment assets |  |  |  |  |  |  |  |  | (685,462) |
| Total assets |  |  |  |  |  |  |  |  | 13,038,595 |
| Less Non-controlling interests in |  |  |  |  |  |  |  |  |  |
| total comprehensive income |  |  |  |  |  |  | (5,209) |  |  |
| Exchange differences on translation of |  |  |  |  |  |  |  |  |  |
| financial statements of foreign subsidiary |  |  |  |  |  |  | 5,634 |  |  |
| Total comprehensive income attributable to |  |  |  |  |  |  |  |  |  |
| owners of the parent |  |  |  |  |  |  | 322,140 |  |  |
| Consolidated assets as at March 31, 2021 |  |  |  |  |  |  |  |  | 13,038,595 |

For the three-month periods ended March 31, 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of the Group’s revenues.

**22. DISCLOSURE OF FINANCIAL INSTRUMENTS**

22.1Forward exchange contracts

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Forward exchange purchase contracts** | | | | **The remaining** | **Net fair value** | **Fair value** |
|  | **Currency** | **Amount** | **Average** | **period** | **gain (loss)** | **hierarchy** |
|  |  | **(Thousand)** | **Rate**  **(Baht)** | **(days)** | **(Thousand**  **Baht)** |  |
| **As at March 31, 2022** | | | | | | |
| The Company | USD | 68,871 | 33.1893 | 46 - 361 | (9,461) | Level 2 |
| Subsidiaries | USD | 1,111 | 33.2734 | 35 - 187 | (61) |
| **As at December 31, 2021** | | | | | | |
| The Company | USD | 12,018 | 33.1356 | 56 - 300 | (1,591) | Level 2 |
| Subsidiaries | USD | 1,490 | 33.2734 | 48 - 167 | (233) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Forward exchange sell contracts** | | | | **The remaining** | **Net fair value** | **Fair value** |
|  | **Currency** | **Amount** | **Average** | **period** | **gain (loss)** | **hierarchy** |
|  |  | **(Thousand)** | **Rate**  **(Baht)** | **(days)** | **(Thousand**  **Baht)** |  |
| **As at March 31, 2022** | | | | | | |
| The Company | USD | 8,060 | 33.2157 | 54 - 351 | (625) | Level 2 |
| **As at December 31, 2021** | | | | | | |
| The Company | USD | 10,583 | 32.6698 | 32 - 358 | 9,595 | Level 2 |

22.2 Assets and liabilities in foreign currencies

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

**Unit : Thousand**

|  |  |  |
| --- | --- | --- |
|  | **Foreign assets** | |
|  | **Currency** | **Amount** |
| **As at March 31, 2022** |  |  |
| The Company | USD | 6,152 |
| Subsidiaries | USD | 3,526 |
|  | MMK | 1,726,377 |
|  |  |  |
| **As at December 31, 2021** |  |  |
| The Company | USD | 9,386 |
| Subsidiaries | USD | 2,098 |
|  | MMK | 10,218,933 |

**Unit : Thousand**

|  |  |  |
| --- | --- | --- |
|  | **Foreign liabilities** | |
|  | **Currency** | **Amount** |
| **As at March 31, 2022** |  |  |
| The Company | USD | 20,184 |
|  | EUR | 27 |
| Subsidiaries | USD | 817 |
|  | MMK | 388,188 |
|  |  |  |
| **As at December 31, 2021** |  |  |
| The Company | USD | 9,761 |
|  | USD | 1,391 |
| Subsidiaries | MMK | 286,956 |

**23. EVENT AFTER THE REPORTING PERIOD**

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

**Unit : Thousand 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 26, 2022 | 3.95 | 25,181 |  | 24,194 |  | 49,375 |
| MC Agro-Chemicals Company Limited | April 20, 2022 | 20.00 | 10,000 |  | - |  | 10,000 |
|  |  |  | 35,181 |  | 24,194 |  | 59,375 |

**24. APPROVAL OF THE INTERIM FINANCIAL INFORMATION**

The interim financial information was approved for issuance by the authorized directors of the Company on May 17, 2022.