



บริษัท ไทยเซ็นทรัลเคมี จำกัด (มหาชน)
THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED

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Subject Clarification of the 3rd quarter performance of the year 2021

To President

The Stock Exchange of Thailand

Enclosure Management Analysis and Discussion (MD&A)

Referred to rules and regulations of the SEC which provides that a listed company shall clarify reason in case of difference between company including its subsidiaries' performance of the current year and that of the corresponding period of the previous year exceeding 20%, the Company would like to clarify as follows.

Performance of the Company including its subsidiaries of the 3rd quarter of 2021 shows Profit Attributable to Owners of the parent at the amount of THB 406 million, decreasing by THB 305 million or 43% when compared with Profit Attributable to Owners of the parent of the corresponding period of last year which showed THB 711 Million.

The reason of such result is shown in the Management Analysis and Discussion as in the attachment.

Please be informed accordingly.

Sincerely yours,

(Mr. Takahiro Yamashita)

President & CEO

Corporate Secretary / Photchara Tel. 0-2639-8888 ext. 8909



Management Discussion and Analysis (MD&A)

Key Summary

- Despite a solid fertilizer demand, the continuous rise of global raw material prices caused the Company to earn less total comprehensive income attributable to owners of the parent in the 3rd quarter from THB 711 Million in 2020 to THB 406 Million in 2021 or 43%.
- To response with aforementioned situation, the Company persevered the best attempt to maintain a solid performance by selectively conducting area-based sales and marketing campaigns, securing a strong cash position and strictly controlling inventories.
- Fertilizer consumption in the 4th quarter of 2021 will largely depend on the international price of raw materials, which will determine the cost of fertilizer offerings in the domestic market. In addition, the availability of water resources and the government's crops price guarantee scheme will also be important factors to trigger off-season cultivation.

Business Overview

The Company would like to report the operational result of the Consolidated Financial Statement for the 3rd quarter of 2021 during July 1, 2021 to September 30, 2021. The 3rd quarter of 2021 showed Total Comprehensive Income Attributable to Owners of the parent at THB 406 Million, and Earnings per Share at 0.69 THB. It decreased by THB 305 Million or 43% compared with the 3rd quarter of 2020. The reason for such decrease was from the relentless rise of raw material prices, which affect the Company's production cost.

Thailand economy in the 3rd quarter was severely affected by the toughest spread of COVID-19 the country had ever encountered and it consequently prevented both domestic spending and tourism from recovery. Furthermore, various financial stimulus packages from



government was not enough to foster the economy during this difficult period. Therefore, many research institutions predicted that GDP growth in the year 2021 would be from 0.5% to 1.5 %

Thailand agricultural sector showed a fair performance in the 3rd quarter of 2021. Although the price of major crops namely paddy appeared less attractive, the higher accumulated rainfall than the last year was the factor encouraging growers to cultivate during the main season. In other words, the sufficient water resources arising from favorable rainfall resulted in a solid demand for chemical fertilizer.

Even though positive environment led to an acceptable level of fertilizer consumption, the continuous increase of global raw material prices had adversely affected the company's production cost and negatively caused the Company to earn less Total Comprehensive Income Attributable to Owners of the parent comparing with the same quarter of previous year. In order to tackle with such undesirable situation, the Management made the best effort to maintain profit at an optimal level by controlling other expenses such as carefully launched marketing and sales campaign in specific areas that has a potential for cultivation.

Results of Operations and Profits

Unit : Thousand Baht	3rd Quarter Jul - Sep (3 months)		Change
	2020	2021	%
Revenues from Sales and Services	3,703,871	3,738,763	1
Cost of Goods Sold and Rendering of Services	(2,658,606)	(3,087,438)	16
Gross Profit	1,045,265	651,325	(38)
Interest and Other Income	35,599	13,216	(63)
Profit Before Expenses	1,080,864	664,541	(39)
Selling and Administration Expenses	(197,709)	(145,364)	(26)
Profit From Operating Activities	883,155	519,177	(41)
Finance Costs	(1,163)	(1,117)	(4)
Share of Profit from Investment in an Associate	44	37	(16)
Profit Before Income Tax Expense	882,036	518,097	(41)
Income Tax Expense	(170,532)	(109,792)	(36)
Profit for the Period	711,504	408,305	(43)
Profit Attributable to Owners of the Parent	707,077	401,834	(43)
Total Comprehensive Income Attributable to Owners of the Parent	711,189	406,270	(43)

The Company's Revenue from Sales and Services in the 3rd quarter of 2021 slightly increased by THB 35 Million or 1% compared with the same period of previous year. However, a 16% or THB 429 Million increase in Cost of Goods Sold and Rendering of Services following a



rise in global raw material prices caused the Company to earn less gross profit from THB 1,045 Million in 2020 to THB 651 Million in 2021 or 38% and consequently resulted in a THB 305 Million or 43% drop in Total Comprehensive Income Attributable to Owners of the parent in the 3rd quarter of 2021 from THB 711 Million to THB 406 Million.

Unit : Thousand Baht	9 Month Period (Jan - Sep)		Change
	2020	2021	%
Revenues from Sales and Services	8,091,963	10,026,611	24
Total Comprehensive Income Attributable to Owners of the Parent	1,369,784	1,449,943	6
Earnings per Share	2.33	2.46	6

Despite having an unsatisfactory result in the 3rd quarter of 2021, The Company's performance still remained strong in a cumulative 9-month period as it was evident from a 24% and 6% increase in Revenue from Sales and Services and Total Comprehensive Income Attributable to Owners of the parent respectively compared with the previous year.

Analysis of Liquidity and Financial Position

Main Components of Statement of Financial Position (Consolidated)

Description	September 30, 2020		September 30, 2021	
	Thousand Baht	Percentage to Total Asset	Thousand Baht	Percentage to Total Asset
Current Assets	10,114,612	80	10,201,378	81
Non-current Assets	2,517,807	20	2,394,676	19
Total Assets	12,632,419	100	12,596,054	100
Current Liabilities	1,643,965	13	1,107,477	9
Non-current Liabilities	332,711	3	324,326	2
Total Liabilities	1,976,676	16	1,431,803	11
Total Shareholders' Equity	10,655,743	84	11,164,251	89
Total Liabilities and Shareholders' Equity	12,632,419	100	12,596,054	100

As of the end of 3rd quarter in 2021, Total Assets of the Company showed THB 12,596 Million, relatively unchanged when compared with the same period of 2020. More details of assets are as follows:



Description	September 30,2020	September 30,2021	Change
	Thousand Baht	Thousand Baht	%
Cash, cash equivalents and time deposit*	7,274,246	8,033,062	10
Total trade and other receivables	895,259	437,447	(51)
Inventory	1,940,202	1,702,270	(12)
Assets	12,632,419	12,596,054	(0)

*Time Deposit is defined as an account with maturity date over 3 months to less than 1 year and classified under other current financial assets in the statement of financial position.

Cash, cash equivalents and time deposit showed a 10% year-on-year increase from THB 7,274 Million in the 3rd quarter of 2020 to THB 8,033 Million in the same period of 2021 as the Company had placed emphasis on securing a strong cash position to handle with a drastic spread of COVID-19 during the period. In the meantime, the situation of raw material prices forced the Company to 1) closely monitor the cash collection from customers to maintain financial stability, thereby causing a significant decrease in Total trade and other receivables by THB 458 Million or 51% and 2) strictly control the level of raw material inventories in order to observe growers' actual fertilizer usage, thereby causing a decline in Inventory by THB 238 Million or 12%.

Total Liabilities of the Company were THB 1,432 Million representing a decrease by THB 545 Million or 28% whereas Shareholders' Equity of the Company was THB 11,164 Million representing an increase by THB 509 Million or 5%.

Economic & Business Forecast 2021

The growth of world economy in the 4th quarter will grow at a slower pace after the recent recovery of economic activities in developed countries. In the meantime, gradual improvement in Thai economy is expected to happen due to the better management of the COVID-19 vaccine deployment. Thus, a government measures to effectively loosen up economic activities while at the same time to control the spread of virus is a crucial factor to help restore domestic economy.

The fertilizer consumption during the off-season period will be challenging because the trend of raw material prices that cause fertilizer cost to go up could discourage growers from cultivation. However, the adequate level of water supplies and government's crop price guarantee scheme could boost growers' confidence to conduct agricultural activities. Therefore, the



management will closely monitor these situations and quickly response to any changes that might occur during the period.

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