



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

ห้อง 801-806, 809-810 ชั้น 8 มิตรทาวน์ ออฟฟิศ ทาวเวอร์ 944 ถนนพระราม 4 แขวงวังใหม่ เขตปทุมวัน กรุงเทพมหานคร 10330
Room 801-806, 809-810, 8th Floor, Mitrtown Office Tower, 944 Rama 4 Road, Wangmai, Pathumwan, Bangkok 10330
Tel: (662) 639 8888 Fax: (662) 639 8999 E-mail : mailbox@thaicentral.co.th Website : www.tcccthai.com
ทะเบียนเลขที่ บมจ. 0107536000277 REG. No. 0107536000277

(Translation)

No. 049/2565

15 August 2022

Subject Clarification of the 2nd quarter performance of the year 2022

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 2nd quarter of 2022 shows Profit Attributable to Owners of the parent at the amount of THB 423 million, decreasing by THB 297 million or 41% when compared with Profit Attributable to Owners of the parent of the corresponding period of last year which showed THB 719 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

- In the 2nd quarter of 2022, the Company achieved a Profit Attributable to Owner of the parent of THB 423 million. It decreased by THB 297 million or -41%, compared with the 2nd quarter of 2021, mainly resulting from raw material costs increasing while our selling prices are difficult to increase due to the government's price control policy to support citizens' living costs. The Company have cooperated with government's requests as far as possible.
- Although sufficient rainfall and a favorable level of crop prices have supported agriculture activities, the incredible hike in international fertilizer prices have curved the overall demand for fertilizer in the 2nd quarter.
- As the Company emphasized to achieve efficient control of productions and operations according to severe business environments, the profitability has improved compared with the 1st quarter of this year, which losses in net income.

Business Overview

The Company would like to report the operational results of the Consolidated Financial Statement for the 2nd quarter of the year 2022 during April 1 to June 30, 2022. The 2nd quarter of 2022 showed Profit Attributable to Owners of the parent at THB 423 million, and Earning per Share at 0.72 THB. It decreased by THB 297 million or -41%, compared with the same period of the year 2021. The reason for such a decrease was the effects of the higher raw material costs, and the Company could not pass on its selling price enough due to the government's domestic price control policy for supporting farmers' living costs.

Thailand's economy in the 2nd quarter continued to recover due to private consumption and private investment increasing in line with better economic activity, and also the tourism sector has returned to bustling due to the continuous relaxation of travel restrictions from both Thai and



foreign sides. On the other hand, CPI has been hiked by over 7% compared with last year's same period due to global recovering total demand amid constraints on supplies resulting from the Russian invasion to Ukraine, especially energy-related commodities. Consumer confidence is still uncertain over concerns about the rising cost of living.

Thailand's agricultural sector continued to expand from the 1st quarter and was also better compared to the same period in the previous year due to 3 major factors. Firstly, the accumulated rainfall has contributed to the sufficient water supplies that led to increased cultivation. Secondly, favorable agricultural prices are causing farmers to expand their cultivation areas. Lastly, an increase in agricultural products led farmers to get a higher income.

However, there have been several difficulties in the fertilizer industry. Firstly, international fertilizer prices have risen incredibly, which is affected by tight supply and high demand in the global fertilizer market amid the Russia-Ukraine conflict. Secondly, the depreciation of the Thai baht results in higher import costs. Due to these 2 main factors, domestic fertilizer prices have increased almost double compared with last year which weakened the willingness to purchase among growers, then we saw the demand of fertilizer became lower than usual.

Under these business environments, the management have paid every effort to control the organization's operation to optimize the costs by managing inventories, production, and sales strategy to mitigate the impact of rising raw material costs. Furthermore, the company has continuously communicated with government entities closely to make both our business and Thailand agriculture activities to be sustainable.



Results of Operations

Unit : Thousand Baht	2nd Quarter Apr - Jun (3 months)		Change
	2021	2022	%
Revenues from Sales and Services	4,419,217	4,443,422	1
Cost of Goods Sold and Rendering of Services	(3,404,544)	(3,846,085)	13
Gross Profit	1,014,673	597,337	(41)
Interest and Other Income	39,698	56,691	43
Profit Before Expenses	1,054,371	654,028	(38)
Selling, Administration, and Other Expenses	(142,281)	(120,898)	(15)
Profit from Operating Activities	912,090	533,130	(42)
Finance Costs	(1,114)	(1,228)	10
Share of Profit (Loss) from Investment in an Associate	45	(108)	(340)
Profit Before Income Tax Expense	911,021	531,794	(42)
Income Tax Expense	(184,999)	(103,348)	(44)
Profit for the Period	726,022	428,446	(41)
Profit Attributable to Owners of the Parent	719,368	422,672	(41)
Total Comprehensive Income Attributable to Owners of the Parent	721,533	428,273	(41)

The Company's Revenue from Sales and Services in the 2nd quarter showed an increase of THB 24 million or 1% from THB 4,419 million in 2021 to THB 4,443 million in 2022. On the other hand, the company's Cost of Goods Sold and Rendering of Services showed an increase of THB 442 million, or 13% from THB 3,404 million in 2021 to THB 3,846 million in 2022, due to higher raw material costs and the depreciation of the Thai Baht. Therefore, the Company's Gross Profit decreased by THB 417 million or -41%, from THB 1,014 million in 2021 to THB 597 million in 2022. As for the Company's Selling and Administration Expenses decreased by THB 21 million or -15%, due to the Company's trying to achieve efficient operations according to the economic situation.

As a result, Profit Attributable to Owners of the parent in the 2nd quarter of 2022 was THB 423 million, decreasing by THB 297 million or -41%, when compared with Profit Attributable to Owner of the parent THB 719 million in the same quarter of 2021.



Unit : Thousand Baht	6 month period (Jan - Jun)		Change
	2021	2022	%
Revenues from Sales and Services	6,287,848	6,047,547	(4)
Total Comprehensive Income Attributable to Owners of the Parent	1,043,673	348,309	(67)
Earning per Share	1.77	0.58	(67)

Regarding the company's performance in a cumulative 6-month period, Revenue decreased by 4% compared with the same period of the year 2021. The company's Total Comprehensive Income Attributable to Owners of the Parent has decreased by 67% compared with the previous year, mainly due to the incredible hike in raw material prices.

Analysis of Liquidity and Capital Resources

Main Components of Statement of Financial Position (Consolidated)

Description	June 30, 2021		June 30, 2022	
	Thousand Baht	Percentage to Total Asset	Thousand Baht	Percentage to Total Asset
Current Assets	11,299,524	82	12,111,724	83
Non-current Assets	2,421,977	18	2,411,011	17
Total Assets	13,721,501	100	14,522,735	100
Current Liabilities	2,645,587	19	3,543,998	25
Non-current Liabilities	324,404	3	321,994	2
Total Liabilities	2,969,991	22	3,865,992	27
Total Shareholders' Equity	10,751,510	78	10,656,743	73
Total Liabilities and Shareholders' Equity	13,721,501	100	14,522,735	100

As of the end of the 2nd quarter of 2022, total assets of the company showed THB 14,523 million, an increase of THB 801 million or 6%, compared with the same period of 2021. More details of assets are as follows:

Description	June 30, 2021 Thousand Baht	June 30, 2022 Thousand Baht	Change %
Cash, cash equivalents and time deposit*	6,416,529	6,532,608	2
Trade and other current receivables	1,221,290	1,181,508	(3)
Inventory	3,620,820	4,322,026	19
Assets	13,721,501	14,522,735	6

*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 deposits in the 2nd quarter of 2022 increased from THB 6,417 million to THB 6,533 million or 2%, due to the company's attempt to maintain a solid



financial position amid the current severe economy. Meanwhile, trade and other receivables decreased from THB 1,221 million to THB 1,182 million or -3%, whereas Inventories increased by 19% due to the price of raw materials increasing.

The company's total liabilities were THB 3,866 million, representing a increase of THB 896 million, whereas Shareholders' Equity of the company was THB 10,657 million, representing an decrease of THB 95 million or -1%.

Economic & Business Forecast 2022

The global economy is quite uncertain but expected to slow down in the second half of the year due to tightening monetary policies in major countries to curb accelerating inflation and the prolonged Russia-Ukraine crisis, which is causing instability in energy and commodity prices. In the meantime, Thailand's economy has been primarily supported by growth in tourism and exports, encouraged by the relaxation of measures and border controls as well as government measures to boost domestic tourism. Private consumption is also gradually improving, but growth will be moderate due to the highest inflation in the past 2 decades.

Upon considering the current agricultural conditions, the fertilizer consumption during the main cultivating season could be lower than usual because of the high price level. However, since the peak demand season is going on until September mainly for paddy cultivation, the management will keep monitoring crucial factors such as the market demands, government policy, and exchange rate movements closely to formulate strategies to brace for any possible changes.

.....