

## **Explanation and analysis financial status and operation result of executive section**

### **a) Performance result as conducting business plan**

In the year 2012, the company had sale volume amount 26,000 metric tons, increased from previous year amount 300 metric tons or 1.2% and lower than sale plan amount 1,000 metric tons or 3.7%.

### **b) Operation result**

In the year 2012, the company gained net profit-consolidated 174.7 million baht increased from the year 2011 amount 118.9 million baht or 213.2%, having details as following:

(Unit: Million baht)

Sales increased	198.1
Cost of sales (increased)	(60.0)
Gross profit increased	138.1
Gain on exchange rate (decreased)	(2.7)
Other income increased	6.0
Profit before expenses increased	141.4
Selling & Administrative expenses decreased	6.3
Income tax (increased)	(28.7)
Total Expenses (increased)	(22.4)
Net Profit Increased - Separate	119.0
Net Profit from Subsidiary (Agrifood) (decreased)	(0.1)
Net Profit Increased - Consolidated	118.9

### Important points with change on items

1. Income from sales increased 198.1 million baht happened from sale price increased 156.4 million baht, from exchange rate increased 23.6 million baht and from sale volume increased 18.1 million baht.
2. Cost of Sales increased happened from sale volume increased 300 metric tons and increased on raw material cost, wages, electricity charges chiefly.
3. Other incomes increased from interest income and sold equipment from impairment.
4. Selling and administrative expenses decreased which happened from freight charges decreased.
5. Income tax increased which happened from the company beyond from obtained investment promotion and paid income tax in rate 50% of normal rate from profit of investment promotion certificate no. 1465/1999, remaining profit paid in normal rate.

#### **c) Financial status**

At December 31, 2012, the company had assets amount 1,413.4 million baht increased from previous year amount 157.7 million baht, this was an increased of cash, cash equivalents and short term investment amount 134.3 million baht, trade and other receivables increased amount 6.6 million baht, accounts receivable-planters increased 20.9 million baht, inventories increased 20.5 million baht, Property, plant and equipment decreased (25.5) million baht and other assets increased amount 0.9 million baht.

Liabilities increased 39.4 million baht happened from trade and other payables increased 23.3 million baht, accrued income tax increased 12.7 million baht, other liabilities

increased 3.4 million baht and shareholders' equity increased 118.3 million baht.

Current ratio of company is at level 9.0 and quick ratio is at level 5.3 whereas ratio of company liabilities against shareholders equity is at level 0.11: 1 only.

The Company has its expense for investment in fixed assets amount 38.9 million baht by using financial from investment sources obtained from the company operation.

For subsidiary company, in the year 2012, Agrifood Processing Co., Ltd., had total assets amount 58.2 million baht, total liabilities amount 17.5 million baht and shareholders' equity amount 40.7 million baht.

**a) Factors and main influence that may have impact on operation or financial status in the future**

In the year 2013, the company believes that it could export approx. 26,500 metric tons and estimates that the operation result may lower than business result in the year 2012 due to problem of adjusting to raise the low wages, trend on strong value of baht value and adjustment of raw material costs.