

Part 3

Financial status and operation result

13. Financial statements information

1) Financial Statements

Independent Auditor's Report

To the Board of Directors and Shareholders of

Chiangmai Frozen Foods Public Company Limited

I have audited the accompanying consolidated financial statements of **Chiangmai Frozen Foods Public Company Limited and its subsidiary**, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of **Chiangmai Frozen Foods Public Company Limited** for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Chiangmai Frozen Foods Public Company Limited and its subsidiary** and of **Chiangmai Frozen Foods Public Company Limited** as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 5 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*. The Company has restated the financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the statement of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes. My opinion is not qualified in respect of this matter.

Signature

NONGRAM LAOHAAREEDILOK

Certified Public Accountant

Registration No. 4334

Ast Master Co.,Ltd.

27 February 2014

Remark: Opinion in the Auditors report of the past three years is unconditional.

Important accounting policies

Basic for financial statements preparation

The consolidated and the Separate Financial Statements have been prepared in accordance with Thai Financial Reporting Standard (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The consolidated financial statements include the financial statements of Chiangmai Frozen Foods Public Company Limited and its subsidiary, Agrifood Processing Company Limited., with the holding of 100% of authorized share.

"The Company" represents "Chiangmai Frozen Foods Public Company Limited", while "The Group" represents "Chiangmai Frozen Foods Public Company Limited" and its subsidiary which is "Agrifood Processing Company Limited".

The significant transactions between the Company and its subsidiary have been eliminated in the consolidated financial statements.

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Deposits at financial institutions that are restricted in use are presented as "Fixed deposits pledged as collateral" as part of non-current assets in the statements of financial position.

Accounts receivable

Accounts receivable are carried at original invoice amount less allowance for doubtful accounts.

Allowance for doubtful accounts

The Group provide allowance for doubtful accounts equal to the estimated losses that may be incurred in the collection of receivables and receivables-planners. The estimated losses are based on the collection experiences and the review of the current status of the existing receivables Bad debts are written off during the year in which they are identified.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly

attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

At the end of year, the Company considers the physical of finished goods in the estimation of adequately allowance for obsolete.

Investments in subsidiary

Subsidiary, which is those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations are consolidated. Subsidiary is consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiary has been changed to ensure consistency with the policies adopted by the Group.

Investment in subsidiary is reported by using the cost method of accounting in the separate financial statements.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets except for land are stated at historical cost less accumulated depreciation.

Depreciation of plant and equipment are calculated on the straight line method over their estimated useful lives are as follows:

	<u>No. of Years</u>
Buildings	20 years
Machineries and equipment	5-10 years
Vehicles	5 years
Office equipment and fixtures	5 years

When assets are sold or retired, the Group will eliminated their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

Building-in-progress and machinery under installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

Intangible asset and amortization

Intangible asset is computer software which is stated at historical cost and amortized using the straight line method over its useful life (3-5 years).

Impairment of assets

The Group reviewed the impairment of assets whenever events or charges in circumstances indicate that the recoverable amount of assets is below the carrying amount (the higher of an assets selling price or value in use). The review is made for individual assets or the cash generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognize the impairment losses in the statements of income. The reversal of impairment losses recognized in prior years is recorded as other income when there is an indication that the impairment losses recognized for the assets no longer exists or are decreased.

Foreign currency transactions

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statements of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the transaction of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of income.

Accounting for leases – where a company is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership to the lease are classified as operating leases. Payments made under operating leases (net of any incentives received from the less or) are charged to the statement of income on a straight-line basis over the period of the lease.

Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognized as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognized immediately in profit or loss.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognized past service cost and unrecognized actuarial gains or losses.

Provisions

Provisions are recognized when the Group have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company and subsidiary expect a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition

The Group recognized sales as income when goods are delivered and the risks and rewards are transferred to customers.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Basic earnings per share

Basic earnings per share is calculated by dividing the net income by weighted average number of paid-up common shares during the years.

Financial instruments

Financial assets carried on the statements of financial position include cash and cash equivalents, fixed deposit, trade and other receivable and loan to. Financial liabilities carried on the statements of financial position include trade accounts payable, accrued income tax and accrued expenses. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for net realizable value

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Related person and companies

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiary and fellow subsidiary are related parties of the Company. Associates and individuals

owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

B. Summary of Financial Statements

Statements of Financial Position

(Unit: Thousand baht)

ASSETS	Separate Financial Statements					
	2013	%	2012	%	2011	%
Current Assets						
Cash and cash equivalents	150,493	10.5	327,082	23.0	242,783	19.2
Short-term investments	400,000	28.0	200,000	14.1	150,000	11.9
Trade and other receivables	94,744	6.6	67,181	4.7	60,467	4.8
Accounts receivable-planters-net	39,645	2.8	49,733	3.5	28,822	2.3
Inventories-net	339,472	23.8	356,818	25.2	336,257	26.6
Total Current Assets	1,024,354	71.7	1,000,814	70.5	818,329	64.8
Investments in subsidiary	23,354	1.6	23,354	1.6	23,354	1.9
Property, plant and equipment-net	367,506	25.7	380,464	26.8	406,033	32.1
Computer software-net	4,038	0.3	4,579	0.3	2,977	0.2
Deferred tax assets	7,895	0.6	6,730	0.5	7,421	0.6
Other non-current assets	1,759	0.1	4,204	0.3	5,053	0.4
TOTAL ASSETS	1,428,906	100.0	1,420,145	100.0	1,263,167	100.0

(Unit: Thousand baht)

LIABILITIES AND SHAREHOLDERS' EQUITY	Separate Financial Statements					
	2013	%	2012	%	2011	%
Current Liabilities						
Trade and other payables	79,896	5.6	91,601	6.4	68,303	5.4
Accrued income tax	6,879	0.5	16,617	1.2	3,896	0.3
Other current liabilities	3,029	0.2	2,767	0.2	2,609	0.2
Total Current Liabilities	89,804	6.3	110,985	7.8	74,808	5.9
Employee benefit obligations	34,182	2.4	28,169	2.0	24,899	2.0
Total Liabilities	123,986	8.7	139,154	9.8	99,707	7.9
Shareholders' Equity						
Share capital - Baht 1 par value						
Authorized shares						
381,146,251 common shares						
in 2011- 2013						
Issued and paid-up Shares						
381,146,251 in 2011-2013	381,146	26.7	381,146	26.8	381,146	30.2
Premium on share capital	68,000	4.8	68,000	4.8	68,000	5.4
Retained earnings						
-Appropriated for legal reserve	38,115	2.7	38,115	2.7	38,115	3.0
-Un appropriated	817,659	57.1	793,730	55.9	676,199	53.5
Total Shareholders' Equity	1,304,920	91.3	1,280,991	90.2	1,163,460	92.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,428,906	100.0	1,420,145	100.0	1,263,167	100.0

Statements of Financial Position

(Unit: Thousand baht)

ASSETS	Consolidated Financial Statements					
	2013	%	2012	%	2011	%
Current Assets						
Cash and cash equivalents	175,934	12.1	354,251	24.6	261,772	20.4
Short-term investments	406,000	27.9	205,600	14.3	155,600	12.2
Trade and other receivables	95,991	6.6	63,329	4.4	61,106	4.8
Accounts receivable-planters-net	39,645	2.7	49,733	3.4	28,822	2.2
Inventories-net	339,472	23.4	356,818	24.7	336,258	26.2
Total Current Assets	1,057,042	72.7	1,029,731	71.4	843,558	65.8
Fixed deposit pledged as collateral	15,197	1.0	14,942	1.0	14,672	1.2
Property, plant and equipment-net	367,991	25.3	381,281	26.5	407,199	31.8
Computer software-net	4,038	0.3	4,579	0.3	2,977	0.2
Deferred tax assets	8,119	0.6	7,013	0.5	7,689	0.6
Other non-current assets	1,760	0.1	4,205	0.3	5,054	0.4
TOTAL ASSETS	1,454,147	100.0	1,441,751	100.0	1,281,149	100.0

(Unit: Thousand baht)

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated Financial Statements					
	2013	%	2012	%	2011	%
Current Liabilities						
Trade and other payables	81,671	5.6	93,435	6.5	69,410	5.4
Accrued income tax	7,165	0.5	17,237	1.2	4,802	0.4
Other current liabilities	3,180	0.2	2,827	0.2	2,734	0.2
Total Current Liabilities	92,016	6.3	113,499	7.9	76,946	6.0
Employee benefit obligations	35,302	2.5	29,588	2.0	26,241	2.1
Total Liabilities	127,318	8.8	143,087	9.9	103,187	8.1
Shareholders' Equity						
Share capital - Baht 1 par value						
Authorized shares						
381,146,251 common shares						
in 2011- 2013						
Issued and paid-up Shares						
381,146,251 in 2011-2013	381,146	26.2	381,146	26.4	381,146	29.7
Premium on share capital	68,000	4.7	68,000	4.7	68,000	5.3
Retained earnings						
-Appropriated for legal reserve	38,115	2.6	38,115	2.7	38,115	3.0
-Un appropriated	839,568	57.7	811,403	56.3	690,701	53.9
Total Shareholders' Equity	1,326,829	91.2	1,298,664	90.1	1,177,962	91.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,454,147	100.0	1,441,751	100.0	1,281,149	100.0

Statements of Comprehensive Income

(Unit: Thousand baht)

Particular	Separate Financial Statements					
	2013	%	2012	%	2011	%
Revenues from sales	1,407,756	100.0	1,466,095	100.0	1,267,970	100.0
Cost of sales	(1,112,922)	(79.1)	(1,108,121)	(75.6)	(1,048,132)	(82.7)
Gross profit	294,834	20.9	357,974	24.4	219,838	17.3
Gain on exchange rate	11,157	0.8	8,410	0.6	11,133	0.9
Other income	19,196	1.4	17,813	1.2	11,793	0.9
Profit before expenses	325,187	23.1	384,197	26.2	242,764	19.1
Selling expenses	(89,282)	(6.3)	(93,907)	(6.4)	(103,576)	(8.2)
Administrative expenses	(83,914)	(6.0)	(86,033)	(5.9)	(82,634)	(6.5)
Profit before income tax	151,991	10.8	204,257	13.9	56,554	4.4
Income tax	(19,918)	(1.4)	(33,367)	(2.2)	(4,012)	(0.3)
Profit for the year	132,073	9.4	170,890	11.7	52,542	4.1
Earnings per share	0.35		0.45		0.14	
Actuarial losses-net of tax	(1,427)		-		-	
Total comprehensive income for the year	130,646		170,890		52,542	
Equity holders of the parent	130,646		170,890		52,542	
Un-appropriated retained earnings Beginning balance	793,729		676,199		771,460	
Cumulative effect of the change in accounting policy relating to income tax	-		-		7,421	
Appropriated for						
-Dividend paid	(106,716)		(53,360)		(133,399)	
Employee benefit obligations	-		-		(21,825)	
Ending balance	817,659		793,729		676,199	

Statements of Comprehensive Income

(Unit: Thousand baht)

Particular	Consolidated Financial Statements					
	2013	%	2012	%	2011	%
Revenues from sales	1,426,502	100.0	1,491,529	100.0	1,293,386	100.0
Cost of sales	(1,112,921)	(78.0)	(1,110,786)	(74.5)	(1,049,127)	(81.1)
Gross profit	313,581	22.0	380,743	25.5	244,259	18.9
Gain on exchange rate	17,717	1.3	11,596	0.8	12,782	1.0
Other income	19,116	1.3	17,738	1.2	11,604	0.9
Profit before expenses	350,414	24.6	410,077	27.5	268,645	20.8
Selling expenses	(104,589)	(7.3)	(110,222)	(7.4)	(120,368)	(9.3)
Administrative expenses	(89,109)	(6.3)	(91,422)	(6.1)	(87,559)	(6.8)
Profit before income tax	156,716	11.0	208,433	14.0	60,718	4.7
Income tax	(20,898)	(1.5)	(34,371)	(2.3)	(4,922)	(0.4)
Profit for the year	135,818	9.5	174,062	11.7	55,796	4.3
Earnings per share	0.36		0.46		0.15	
Actuarial losses-net of tax	(936)		-		-	
Total comprehensive income for the year	134,882		174,062		55,796	
Equity holders of the parent	134,882		174,062		55,796	
Un-appropriated retained earning Beginning balance	811,403		690,701		783,709	
Cumulative effect of the change in accounting policy relating to income tax	-		-		7,690	
Appropriated for						
-Dividend paid	(106,717)		(53,360)		(133,399)	
Employee benefit obligations	-		-		(23,095)	
Ending balance	839,568		811,403		690,701	

STATEMENTS OF CASH FLOWS

(Unit: Thousand baht)

Particular	Separate F/S.		
	2013	2012	2011
Cash flows from operating activities:			
Profit before income tax	151,991	204,257	56,554
Adjustments to reconcile net profit to net cash provided by operating activities			
Unrealized gain on exchange rate	(846)	1	(469)
Reversal of doubtful accounts	-	(447)	320
Reversal of loss on diminution of inventories	(2,823)	(1,440)	4,700
Loss(gain) on disposal of equipment and written off	44	(3,214)	(62)
Depreciation	59,304	61,368	66,604
Impairment of assets	2,635	4,679	-
Provisions for employee benefit obligations	4,686	3,650	3,074
Profit from operating activities before change in operational assets and liabilities	214,991	268,854	130,721
Decrease (increase) in operational assets			
Trade accounts receivables	(26,570)	(6,732)	1,993
Inventories	(20,169)	(19,120)	(31,000)
Accounts receivable-planters	10,088	(20,465)	7,043
Other non-current assets	2,445	849	(1,849)
Increase (decrease) in operational liabilities			
Trade accounts payable	(8,316)	19,698	(11,549)
Employee benefit obligations	90	(380)	-
Other current liabilities	(458)	(28)	(932)
Cash received from operation	212,439	242,676	94,427
Income tax paid	(30,464)	(19,955)	(1,492)
Net cash provided by operating activities	181,975	222,721	92,935

Cash flows from Investing Activities			
Decrease (increase) in short-term investments	(200,000)	(50,000)	150,000
Proceeds from disposal of vehicle and equipment	152	5,303	68
Cash paid for acquisition of plant and equipment	(49,913)	(38,950)	(26,284)
Cash paid for acquisition of computer software	(2,258)	(1,602)	(178)
Net cash provided by (use in) Investing Activities	(252,019)	(85,249)	123,606
Cash flows from financial activities			
Cash paid for dividends	(106,545)	(53,173)	(133,297)
Net cash used in financing activities	(106,545)	(53,173)	(133,297)
Net increase (decrease) in cash and cash equivalents	176,589	84,299	83,244
Cash and cash equivalents, Beginning of year	327,082	242,783	159,539
Cash and cash equivalents, End of year	150,493	327,082	242,783
<u>Supplement disclosure of cash flows information</u>			
1. Property, Plant and Equipment:-			
Acquisition of plant and equipment during the year	(46,377)	(42,566)	(24,425)
Increase (decrease) in payable from acquisition of assets	(3,536)	3,617	(1,859)
Cash paid for acquisition of plant and equipment	(49,913)	(38,949)	(26,284)
2. Cash paid for Dividends			
Dividends paid	(106,716)	(53,360)	(133,399)
Increase in accrued dividends	171	187	102
Cash paid for dividends	(106,545)	(53,173)	(133,297)

STATEMENTS OF CASH FLOWS

(Unit: Thousand baht)

Particular	Consolidated F/S.		
	2013	2012	2011
Cash flows from operating activities:			
Profit before income tax	156,716	208,433	60,719
Adjustments to reconcile net profit to net cash provided by operating activities			
Unrealized gain on exchange rate	(940)	(2)	(631)
Reversal of doubtful accounts	-	(446)	320
Reversal of loss on diminution of inventories	(2,823)	(1,440)	4,700
Loss(gain) on disposal of equipment and written off	24	(3,222)	(62)
Depreciation	59,698	61,749	66,978
Impairment of assets	2,635	4,679	-
Provisions for employee benefit obligations	5,001	3,727	3,146
Profit from operating activities before change in Operational assets and liabilities	220,311	273,478	135,170
Decrease (increase) in operational assets			
Trade accounts receivables	(31,561)	(2,239)	(3,487)
Inventories	20,169	(19,120)	(31,000)
Accounts receivable-planters	10,089	(20,465)	7,043
Other current assets	-	-	(549)
Other non-current assets	2,445	849	(1,849)
Increase (decrease) in operational liabilities			
Trade accounts payable	(8,389)	20,426	(11,802)
Employee benefit obligations	181	(380)	-
Other current liabilities	(458)	(93)	(845)
Cash received from operation	212,787	252,456	92,681
Income tax paid	(31,841)	(21,261)	(1,497)

Net cash provided by operating activities	180,946	231,195	91,184
Cash flows from Investing Activities			
Decrease (increase) in short-term investments	(200,400)	(50,000)	149,963
Increase in fixed deposits pledged as collateral	(255)	(270)	(180)
Proceeds from disposal of vehicle and equipment	172	5,312	68
Cash paid for acquisition of plant and equipment	(49,976)	(38,983)	(26,332)
Cash paid for acquisition of computer software	(2,258)	(1,602)	(178)
Net cash provided by (used in) Investing Activities	(252,717)	(85,543)	123,341
Cash flows from financing activities			
Cash paid for dividends	(106,545)	(53,173)	(133,297)
Net cash used in financing activities	(106,545)	(53,173)	(133,297)
Net increase (decrease) in cash and cash equivalents	(178,316)	92,479	81,228
Cash and cash equivalents, Beginning of year	354,250	261,772	180,544
Cash and cash equivalents, End of year	175,934	354,251	261,772
<u>Supplement disclosure of cash flows information</u>			
1. Property, Plant and Equipment			
Acquisition of plant and equipment during the year	(46,440)	(42,600)	(24,473)
Increase (decrease) in payable from acquisition of assets	(3,536)	3,617	(1,859)
Cash paid for acquisition of plant and equipment	(49,976)	(38,983)	(26,332)
2. Cash paid for dividends			
Dividends paid	(106,716)	(53,360)	(133,399)
Increase in accrued dividends	171	187	102
Cash paid for dividends	(106,545)	(53,173)	(133,297)

2) FINANCIAL RATIOS

(unit: thousand baht)

Particular	Unit	Consolidated F/S.			Separate F/S.		
		2013	2012	2011	2013	2012	2011
Liquidity Ratios							
Current ratio	Time	11.5	9.1	11.0	11.4	9.0	10.9
Quick ratio	Time	7.4	5.5	6.2	7.2	5.4	6.1
Cash flow ratio	Time	1.8	2.4	1.1	1.8	2.4	1.2
Account receivable turnover	Time	17.9	24.0	22.7	17.4	23.0	21.3
Debt collection period	Days	20	15	16	21	16	17
Inventory turnover	Time	3.2	3.2	3.2	3.2	3.2	3.2
Good distribution ratio period	Days	113	113	113	113	113	113
Account payable turnover	Time	12.7	13.6	13.9	13.0	13.9	14.1
Debt payment period	Days	28	26	26	28	26	26
Cash cycle	Days	105	102	103	106	103	104
Profitability Ratios							
Gross profit margin	%	22.0	25.5	18.9	20.9	24.4	17.3
Operation profit margin	%	8.4	12.0	2.8	8.6	12.1	2.7
Cash ratio against making profit	%	150.9	129.1	251.0	149.6	125.1	276.4
Net profit margin	%	9.5	11.7	4.3	9.4	11.7	4.1
Return on equity	%	10.3	13.9	4.6	10.2	14.0	4.3
Efficiency Ratios							
Return on total assets	%	9.4	12.8	4.2	9.3	12.7	4.0
Return on fixed assets	%	52.2	59.8	28.7	51.2	59.1	27.9
Total assets turnover	Time	1.0	1.1	1.0	1.0	1.1	1.0
Financial Policy Ratios							
Ratio debt against equity part	Time	0.1	0.1	0.1	0.1	0.1	0.1
Dividends paid rate	%	87.0	61.3	95.6	89.5	62.4	101.6

14. Explanation and analysis financial situation and operation result

a) Practical result in business proceeding

In the year 2013, the company had sale volume amount 24,400 metric tons, decreased from previous year amount 1,600 metric tons or 6.2% and lower than sale plan amount 2,100 metric tons or 7.9%.

b) Operation result

Financial Statements

(Unit: Thousand Baht)

Particular	Consolidated F/S.			Separate F/S.		
	2013	2012	2011	2013	2012	2011
Total assets	1,454,147	1,441,751	1,281,149	1,428,906	1,420,145	1,263,167
Total liabilities	127,318	143,087	103,188	123,986	139,155	99,707
Shareholders' equity	1,326,829	1,298,664	1,177,962	1,304,919	1,280,990	1,163,460
Sale revenue	1,426,502	1,491,529	1,293,387	1,407,756	1,466,095	1,267,970
Total income	1,463,335	1,520,862	1,317,773	1,438,109	1,492,318	1,290,896
Gross profit	313,581	380,743	244,259	294,834	357,975	219,838
Net profit (loss)	135,818	174,062	55,796	132,073	170,890	52,542

Financial Ratio

Particular		Consolidated F/S.			Separate F/S.		
		2013	2012	2011	2013	2012	2011
Net profit ratio per total income	%	9.52	11.67	4.31	9.38	11.66	4.14
Return on equity	%	10.35	13.90	4.56	10.21	13.98	4.34
Return on assets	%	9.38	12.79	4.23	9.27	12.74	4.03
Net profit(loss) per share	Baht	0.36	0.46	0.15	0.35	0.45	0.14
Annual Dividend per share	Baht	0.31	0.28	0.14	0.31	0.28	0.14
Book value per share	Bahts	3.48	3.41	3.07	3.42	3.36	3.03
Net assets value per share	Bahts	3.82	3.78	3.34	3.75	3.73	3.29

Remark All this, the rights in receiving dividend from the operation year of 2013 is still uncertain owing it must ask consent from the shareholder meeting first.

In the year 2013, the company gained net profit-consolidated 135.8 million baht decreased from the year 2012 amount 38.3 million bahts or 22.0%, having details as following:

(Unit: Million baht)

Sales decreased	(58.3)
Cost of sales (increased)	(4.9)
Gross profit decreased	(63.2)
Gain on exchange rate increased	2.8
Other income increased	1.4
Profit before expenses decreased	(59.0)
Selling & Administrative expenses decreased	6.7
Income tax decreased	13.5
Total Expenses decreased	20.2
Net Profit decreased - Separate	(38.8)
Net Profit from Subsidiary (Agrifood) increased	0.5
Net Profit decreased - Consolidated	(38.3)

Important points with change on items

1. Income from sales decreased (58.3) million bahts happened from sale price increased 47.7 million bahts, from exchange rate decreased (17.9) million bahts and from sale volume decreased (88.1) million bahts.
2. Cost of Sales increased happened from increased on raw material cost, electricity charges and packaging cost chiefly.
3. Other incomes increased from interest income.
4. Selling and administrative expenses decreased which happened from freight charges decreased, transportation decreased and Bonus decreased..

c) Financial situation

At December 31, 2013, the company had assets amount 1,428.9 million bahts increased from previous year amount 8.8 million bahts, this was an increased of cash, cash equivalents and short term investment amount 23.4 million bahts, trade and other receivables increased amount 27.0 million bahts, accounts receivable-planters decreased (10.1) million bahts, inventories decreased (17.3) million bahts, Property, plant and equipment decreased (13.0) million bahts and other assets decreased amount (1.2) million bahts.

Liabilities decreased (15.1) million bahts happened from trade and other payables decreased (11.7) million bahts, accrued income tax decreased (9.7) million bahts, other liabilities increased 6.3 million bahts and shareholders' equity increased 23.9 million bahts.

Current ratio of company is at level 11.4 and quick ratio is at level 7.2 whereas ratio of company liabilities against shareholders equity is at level 0.10: 1 only.

The Company has its expense for investment in fixed assets amount 49.9 million baht by using financial from investment sources obtained from the company operation.

For subsidiary company, in the year 2013, Agrifood Processing Co., Ltd., had total assets amount 64.9 million bahts, total liabilities amount 19.9 million bahts and shareholders' equity amount 45.0 million bahts.

d) Factor and main influence that may affect on operation

In the year 2014, the company believes that it could export approx. 25,000 metric tons and expects that the operation result would neighboring with the year 2013.