



Part 3.

11. Financial Highlight

(1) Financial statements

The company paid 700,000 THB to the auditor for a

udit fee. There was no non-audit fee.

(a) Auditor report

The auditor has reported the financial statements of Pato Chemical Industry Public Co., Ltd. as of 31 December of 2017 - 2020 without any conditions.

(b) Balance Sheet, Statement of Income, Statement of cash flows

**PATO Chemical Industry Public Company Limited and Subsidiary****Comparative Statements of Financial Position for the year ended December 31 (Unit: Thousand THB)**Separated financial statements

	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	37,740	5.25	18,303	2.34	51,220	8.04	88,843	14.68
Short - term investments	257,147	35.75	177,325	22.69	165,002	25.90	208,932	34.52
Trade accounts receivable	123,049	17.11	159,489	20.41	61,289	9.62	58,261	9.63
Inventories	159,436	22.17	281,772	36.06	226,995	35.64	126,218	20.85
Total current assets	577,372	80.28	636,889	81.51	504,506	79.20	482,254	79.68
NON - CURRENT ASSETS								
Available-for-sale investment	51,675	7.19	57,110	7.31	53,281	8.36	52,341	8.65
Investment in subsidiary	5,000	0.70	5,000	0.64	5,000	0.78	5,000	0.83
Property, plant and equipment	57,903	8.05	56,463	7.23	48,810	7.66	42,521	7.03
Right of use assets	-	-	-	-	-	-	387	0.06
Intangible assets	26,014	3.62	21,426	2.74	18,746	2.94	15,773	2.61
Deferred tax assets	1,209	0.17	4,325	0.55	6,563	1.03	6,895	1.14
Other non - current assets	21	0.00	156	0.02	64	0.01	52	0.01
Total non-current assets	141,822	19.72	144,478	18.49	132,464	20.80	122,969	20.32
Total Assets	719,194	100.00	781,367	100.00	636,970	100.00	605,223	100.00

Consolidated

	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
	46,829	6.49	21,809	2.76	53,343	8.31	54,762	15.56
	257,147	35.64	185,339	23.42	165,022	25.70	208,952	34.31
	115,159	15.96	151,331	19.12	58,584	9.12	54,002	8.87
	163,592	22.68	290,760	36.75	234,055	36.45	129,815	21.32
	582,727	80.77	649,259	82.05	511,0004	79.58	4878,531	80.06
	51,675	7.16	57,110	7.22	53,281	8.30	52,341	8.60
	-	-	-	-	-	-	-	-
	57,903	8.03	56,461	7.14	48,843	7.61	42,632	7.00
	-	-	-	-	-	-	387	
	27,903	3.87	24,002	3.03	22,362	3.48	19,116	3.14
	1,209	0.17	4,325	0.55	6,563	1.02	6,896	1.13
	21	0.00	156	0.02	64	0.01	52	0.01
	138,711	19.23	142,054	17.95	131,113	20.42	121,423	19.94
	721,438	100.00	793,313	100.00	642,117	100.00	608,954	100.00

Separated financial statements

	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES								
Short - term loans from financial institutions	13,531	1.88	84,163	10.77	45,705	7.18	16,503	2.73
Trade accounts payable - related companies	56,595	7.87	75,400	9.65	33,093	5.20	31,375	5.18
Current portion of hire-purchase contracts payable	-	-	-	-	-	-	475	0.08
Accrued income tax	21,341	2.97	18,668	2.39	8,536	1.34	11,466	1.89
Others current liabilities	878	0.12	879	0.11	728	0.11	675	0.11
Total Current Liabilities	92,345	12.84	179,110	22.92	88,062	13.83	60,494	10.00
NON - CURRENT LIABILITIES								
Hire-purchase contracts payable-net	-	-	-	-	-	-	-	-
Employee benefit obligations	11,840	1.65	16,537	2.12	22,757	3.57	23,894	3.96
Total Liabilities	104,185	14.49	195,647	25.04	110,819	17.40	84,388	13.94
SHAREHOLDERS' EQUITY								
Share capital-ordinary share THB. 1.00 par value								
Authorizes share capital								
2017: Authorized shared capital 142,377,000 ordinary shares.								

Consolidated

2017		2018		2019		2020	
Amount	%	Amount	%	Amount	%	Amount	%
13,531	1.88	87,382	11.04	46,851	7.30	16,503	2.71
57,152	7.92	79,591	10.06	34,951	5.44	12,771	5.38
-	-	-	-	-	-	475	0.08
22,003	3.05	19,875	2.51	9,318	1.45	12,147	1.99
984	0.14	950	0.12	791	0.12	681	0.11
93,670	12.98	187,780	23.73	91,911	14.31	62,577	10.28
-	-	-	-				
11,840	1.64	16,537	2.09	22,757	3.54	23,894	3.92
105,510	14.62	204,317	25.82	114,688	17.86	86,471	14.20

Separated financial statements

	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
2018: Authorized share capital 142,372,000 Ordinary shares.								
2019: Authorized share capital 142,372,000 Ordinary shares.								
2020: Authorized share capital 142,372,000 Ordinary shares.	142,372	-	142,372	-	142,372	-	142,372	-
Issued and paid-up share capital								
2017: 2018 : 2019 and 2020: 143,372,000 ordinary shares	142,372	19.80	142,372	18.22	142,372	22.35	142,372	23.52
Premium on share capital	162,015	22.53	162,015	20.73	162,015	25.44	162,015	26.77
Reserve for warrants purchasing shares								
Capital reserve for unvested stock warrant under ESOP	-	-	-	-	-	-	-	-
Retained earning								
Appropriated for legal reserve	14,238	1.98	14,238	1.82	14,238	2.24	14,238	2.35
Unappropriated	291,749	40.57	271,166	34.70	214,657	33.70	210,677	34.81
Other components of equity	4,635	0.64	(4,071)	(0.52)	(7,131)	(1.12)	(8,467)	(1.40)
Total Shareholders' Equity	615,009	85.51	585,720	74.96	526,151	82.60	520,835	86.06
Total Liabilities and Shareholders' Equity	719,194	100	781,367	100	636,970	100.00	605,223	100.00
Book value per share (THB)	4.32		4.11		3.70		3.66	
Par Value	1		1		1		1	

Consolidated

2017		2018		2019		2020	
Amount	%	Amount	%	Amount	%	Amount	%
142,372	-	142,372	-	142,372	-	142,372	-
142,372	19.73	142,372	17.99	142,372	22.17	142,372	23.38
162,015	22.46	162,015	20.47	162,015	25.23	162,015	26.61
-	-	-	-			-	-
14,238	1.97	14,238	1.80	14,238	2.22	14,238	2.34
292,668	40.57	272,442	34.43	215,955	33.63	212,325	34.87
4,635	0.64	(4,071)	(0.51)	(7,131)	(1.11)	(8,467)	(1.39)
615,928	85.38	586,996	74.18	527,449	82.14	522,483	85.80
721,438	100	791,313	100	642,117	100.00	608,954	100.00
4.33		4.12		3.70	-	3.67	
1		1		1		1	



Common Share	142,372,000		142,372,000		142,372,000		142,372,000	
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142,372,000		142,372,000		142,372,000		142,372,000	
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PATO Chemical Industry Public Company Limited and Subsidiary Statements of Income for the year ended December 31 (Unit: Thousand)

Separated financial statements

	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Sales	837,194	100.00	789,290	100.00	552,697	100.00	536,165	100.00
Cost of sales	(534,779)	(63.88)	(529,772)	(67.12)	(390,808)	(70.71)	(380,606)	(70.99)
Gross profit	302,415	36.12	259,518	32.88	161,889	29.29	155,559	29.01
Investment income	10,622	1.24	4,728	0.59	6,241	1.09	2,981	0.54
Gain on disposal of assets	-	-	-	-	-	-	-	-
Gain (loss) on exchange rate	184	0.02	(288)	(0.04)	4,216	0.74	2,239	0.41
Revenue dividend for subsidiary	6,500	0.76	8,150	1.01	4,500	0.79	4,000	0.73
Other income	3,537	0.41	5,052	0.63	4,289	0.75	2,000	0.37
Profit before expenses	323,258	37.67	277,160	34.35	181,135	31.67	166,779	30.47
Selling expenses	(42,158)	(4.91)	(41,271)	(5.11)	(31,719)	(5.55)	(28,096)	(5.13)
Administrative Expenses	(40,842)	(4.76)	(40,200)	(4.98)	(41,530)	(7.26)	(37,659)	(6.88)
Finance cost	(617)	(0.07)	(1,638)	(0.20)	(1,661)	(0.29)	(349)	(0.06)
Total Expenses	(83,617)	(9.75)	(83,109)	(10.30)	(74,910)	(13.10)	(66,106)	(12.08)
Profit before Income Tax	239,641	27.93	194,051	24.05	106,225	18.57	100,673	18.39
Income Tax	(44,742)	(5.21)	(36,400)	(4.51)	(19,520)	(3.41)	(19,230)	(3.51)
Net Profit of the year	194,899	22.71	157,651	19.54	86,705	15.16	81,443	14.88
Other comprehensive income:								
Gain (loss) on change in value of available								
Sale investments	2,594	0.30	(8,706)	(1.08)	(3,060)	(0.54)	(1,336)	(0.24)

Consolidated

	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
	867,696	100.00	816,701	100.00	568,236	100.00	552,011	100.00
	(552,045)	(63.62)	(541,023)	(66.24)	(397,714)	(69.99)	(387,970)	(70.28)
	315,651	36.38	275,678	33.76	170,522	30.01	164,041	29.72
	10,622	1.21	4,743	0.58	6,247	1.08	2,981	0.53
	-	-	-	-	-	-	-	-
	185	0.02	(173)	(0.02)	4,243	0.73	2,173	0.39
	-	-	-	-	-	-	-	-
	132	0.02	1,456	0.18	2,361	0.41	125	0.02
	326,590	37.17	281,704	34.24	183,373	31.56	168,320	30.38
	(43,627)	(4.97)	(42,966)	(5.22)	(32,410)	(5.58)	(28,962)	(5.20)
	(41,227)	(4.69)	(40,571)	(4.93)	(41,845)	(7.20)	(37,886)	(6.80)
	(622)	(0.07)	(1,670)	(0.20)	(1,689)	(0.29)	(364)	(0.07)
	(85,476)	(9.73)	(85,207)	(10.36)	(75,944)	(13.07)	(67,232)	(12.06)
	241,114	27.44	196,497	23.88	107,429	18.49	102,088	18.32
	(46,398)	(5.28)	(38,489)	(4.68)	(20,702)	(3.56)	(20,295)	(3.64)
	194,716	22.16	158,008	19.21	86,727	14.92	81,793	14.68
	(8,706)	(1.06)	(3,060)	(0.53)	(3,060)	(0.53)	(1,396)	(0.24)



	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Actuarial loss on defined employee benefit	(2,420)	(0.28)	(3,117)	(0.39)	(841)	(0.15)	-	-
Total comprehensive income for the year	195,073	22.73	145,828	18.07	82,804	14.48	80,107	14.63
Profit attributable to:								
Equity holders of the parent	194,899	22.71	157,651	19.54	86,705	15.16	81,443	14.88
Non-controlling interests	-	-	-	-				
Net profit for the year	194,899	22.71	157,651	19.54	86,705	15.16	81,443	14.88
Profit attributable to:								
Equity holders of the parent	195,073	22.73	145,828	18.07	82,804	14.48	80,107	14.63
Non-controlling interests	-	-						
Total comprehensive income for the year	195,073	22.73	145,828	18.07	82,804	14.48	80,107	14.63
Basic earnings per share								
Equity holders of the parent	1.37		1.11		0.61		0.57	
Diluted earnings per share								
Equity holders of the parent	1.37		1.11		0.61		0.57	

	2017		2018		2019		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Actuarial loss on defined employee benefit	(2,420)	(0.28)	(3,117)	(0.38)	(841)	(0.14)	-	-
Total comprehensive income for the year	194,890	22.18	146,185	17.77	82,826	14.25	80,457	14.44
Profit attributable to:								
Equity holders of the parent	194,716	22.16	158,008	19.21	86,727	14.92	81,793	14.88
Non-controlling interests	-	-	-	-				
Net profit for the year	194,716	22.16	158,008	19.21	86,727	14.92	81,793	14.69
Profit attributable to:								
Equity holders of the parent	194,890	22.18	146,185	17.77	82,826	14.25	80,457	14.44
Non-controlling interests	-	-	-	-				
Total comprehensive income for the year	194,890	22.18	146,185	(3,117)	82,826	14.25	80,457	14.44
Basic earnings per share								
Equity holders of the parent	1.37		1.11		0.61		0.57	
Diluted earnings per share								
Equity holders of the parent	1.37		1.11		0.61		0.57	

**Statement of Cash Flows for the Year Ended December 31 (Unit: Thousand THB)**Separated financial statements

	2017	2018	2019	2020
Cash Flows from Operating Activities				
Profit before income tax	239,641	194,052	106,255	100,673
Adjustments to reconcile net income to net cash				
Provided by operating activities				
Retirement employee benefit	923	950	5,168	1,137
Unrealized (gain) loss on exchange rate	(36)	(515)	(730)	444
Unrealized (gain) loss from changes in value of investments	(3,009)	2,004	(716)	949
Gain on disposal of short-term investment	(1,159)	(1,096)	(675)	(366)
Employee benefit expenses under Employee Plan (ESOP)	-	-	-	-
Dividend income for subsidiary	(6,500)	(8,150)	(4,500)	(4,000)
Amortization of intangible assets	7,695	7,247	5,002	-
Dividend income	(6,416)	(5,607)	(4,820)	(3,551)
Depreciation and amortization	6,915	7,129	7,714	12,076
Doubtful account(reversal)	-	-	96	(96)
Gain on disposal of vehicles	(31)	(1,368)	(2,250)	(44)
Interest expenses	618	1,638	1,661	349
Profit from operational activities before change in operational				
Assets and liabilities	238,641	196,284	112,175	107,571
and (Increase) decrease in operating assets				
Trade account receivables	12,788	(37,416)	94,455	2,623
Inventories	40,512	(122,336)	54,777	100,777
Other current assets	-	-	-	-
Advance for inventories	-	-	-	-
Refundable Income Tax	-	-	-	-

Consolidated

	2017	2018	2019	2020
	241,114	196,496	107,429	102,088
	923	950	5,168	1,137
	(36)	(532)	(732)	444
	(3,009)	1,990	(702)	948
	(1,159)	(1,096)	(694)	(366)
	-	-	-	-
	-	-	-	-
	7,695	7,592	5,106	-
	(6,416)	(5,607)	(4,820)	(3,551)
	6,915	7,129	7,714	12,480
	-	-	96	(96)
	(31)	(1,368)	(2,250)	(44)
	623	1,669	1,689	364
	246,619	207,225	118,004	113,404
	15,028	(36,171)	92,651	4,677
	39,721	(127,188)	56,725	104,240
	-	-	-	-
	-	-	-	-
	-	-	-	-



	2017	2018	2019	2020
Other non-current assets	35	(135)	92	103
Increase(decrease) in operating liabilities				
Trade accounts payable-other companies	(17,577)	18,763	(41,992)	(1,850)
Liability arising from guarantee	-			
Accrued expenses	-			
Employee benefit obligations	(136)	(150)	-	-
Other current liabilities	(166)	12	(146)	(14)
Cash received from operation	274,097	55,022	219,361	209,210
Income tax paid	(43,500)	(39,234)	(30,915)	(16,389)
Net cash provided by (used in) operating activities	230,597	15,788	188,446	192,821

2017	2018	2019	2020
35	(135)	92	103
(18,154)	22,397	(44,325)	(2,312)
-	-	-	-
-	-	-	-
(136)	(150)	-	-
(67)	(23)	(154)	(71)
283,046	65,955	222,993	220,041
(45,365)	(40,795)	(32,504)	(17,556)
237,058	25,160	190,489	202,485

**Statement of Cash Flows for the Year Ended December 31 (Unit: Thousand THB)**Separated financial statements

	2017	2018	2019	2020
Cash flows from investing activities				
Temporary investment cash increased (decreased)	(81,000)	77,103	13,500	(44,513)
Cash paid for investing in short-term investments	31	1,368	9,981	224
Proceeds from disposal of assets	(11,116)	(5,687)	(7,794)	(1,008)
Cash paid for acquisition of equipment and vehicles	(1,752)	(2,659)	(2,322)	(1,058)
Cash paid for acquisition of intangible asset	(7,257)	(14,507)	217	(729)
Cash paid available-for-sale investment	-	-	-	-
Cash paid for investment in subsidiary	14,390	14,733	12,970	8,051
Dividends income	(86,704)	70,351	26,552	(39,033)
Net cash provided by (used in) investing activities				
Cash Flows from Financing Activities				
Increase(decrease)in short-term loans from financial institutions	(20,484)	71,190	(38,042)	(29,515)
Interest expenses	(618)	(1,637)	(1,662)	(349)
Payment of lease liabilities				(839)
Dividend paid	(131,023)	(175,129)	(142,377)	(85,462)
Net cash used in financing activities	(151,507)	(105,576)	(182,081)	(116,165)
Net Increase (Decrease) in Cash and Cash equivalents	(8,231)	(19,437)	32,917	37,623
Cash and cash equivalents, beginning of year	45,971	37,740	18,303	51,220
Cash and cash equivalents, end of year	37,740	18,303	51,220	88,843

Consolidated

	2017	2018	2019	2020
(81,000)	69,103	21,500	(44,513)	
31	1,368	9,981	224	
(11,116)	(5,687)	(7,826)	(1,100)	
(2,252)	(3,691)	(3,467)	(1,174)	
(7,257)	(14,507)	217	(729)	
-	-	-	-	
6,416	5,607	4,820	3,551	
(95,178)	52,193	25,225	(43,741)	
(20,484)	74,425	(40,114)	(30,660)	
(623)	(1,669)	(1,689)	(364)	
			(839)	
(131,023)	(175,129)	(142,377)	(85,462)	
(151,507)	(102,373)	(184,180)	(117,325)	
(9,627)	(25,020)	31,534	41,419	
56,456	46,809	21,809	53,343	
46,829	21,809	53,343	94,762	



(c) Financial Ratio 2016-2019

Separate Financial Statements
Consolidated

	2017	2018	2019	2020
Liquidity Ratio				
Current Ratio (Time)	6.25	3.56	5.73	7.97
Quick Ratio (Time)	4.53	1.98	3.15	5.89
Cash Flow Ratio (Time)	2.08	0.12	1.41	2.60
Receivable Turnover (Time)	6.43	5.59	5.01	8.97
Collection Period (Day)	56	64	72	40
Inventory Turnover (Time)	2.98	2.40	1.54	2.16
Inventory T/Period (Day)	121	150	234	167
Account Payable Turnover (Time)	6.00	4.61	3.28	6.00
Payment Period (Day)	60	78	110	60
Cash Cycle (Day)	117	136	196	147
Profitability Ratio				
Gross Profit Margin (%)	36.12	32.88	29.29	29.01
Profit from operation (%)	26.65	23.16	17.58	17.54
Other profit (%)	2.00	1.60	1.88	1.28
Cash (%)	103.34	8.64	193.98	205.04
Net Profit Margin (%)	22.71	19.54	15.16	14.88
Return on Equity (%)	33.43	26.26	15.60	15.56
Efficiency Ratio				
Return on Total Assets (%)	27.70	21.01	12.23	13.11
Return on Fixed Assets (%)	361.66	288.17	179.38	204.79
Assets Turnover (Time)	121.93	107.55	80.65	88.13
Financial Ratio				
Debt to Equity (Time)	0.17	0.33	0.21	0.16
Interest Coverage (Time)	447.25	32.86	126.21	608.60
Cash Basis (Time)	1.60	0.09	1.24	2.18
Payout Ratio (%)	89.85	90.31	98.52	99.64
Per Share (THB)				
Book Value (THB)	4.32	4.11	3.70	3.66
Earnings per Share (THB)	1.37	1.11	0.61	0.57
Dividend per Share (THB)	1.23	1.00	0.60	0.57
Growth Rate				
Total Sale (%)	4.50	8.64	(18.48)	(4.98)
Cost of Goods Sold (%)	(24.11)	87.79	(43.36)	(23.95)
Sales Revenue (%)	21.60	(5.72)	(29.98)	(2.99)
Selling & Admin Expense (%)	13.77	(0.89)	(24.01)	(4.08)
Net Profit (%)	42.48	(19.11)	(45.00)	(6.07)

2017	2018	2019	2020
6.22	3.46	5.56	7.79
4.47	1.91	3.01	5.72
2.11	0.18	1.36	2.62
7.07	6.13	5.41	9.81
51	59	66	37
3.01	2.38	1.52	2.13
120	151	238	109
6.13	4.55	3.20	5.92
59	79	113	61
112	131	191	145
36.38	33.76	30.01	29.72
26.64	23.68	18.10	18.02
1.21	0.58	1.08	1.53
102.84	13.01	185.17	203.56
22.16	19.21	14.92	14.68
33.34	26.27	15.56	15.58
27.57	20.89	12.10	13.08
361.33	288.79	179.37	206.12
124.39	108.77	81.08	89.09
0.17	0.35	0.22	0.17
457.72	39.11	126.04	613.03
1.65	0.14	1.24	2.29
89.94	90.10	98.50	99.22
4.33	4.12	3.70	3.67
1.37	1.11	0.61	0.57
1.23	1.00	0.60	0.57
4.36	9.69	(18.85)	(5.16)
(24.25)	93.65	(43.88)	(24.59)
22.31	(5.88)	(30.42)	(2.86)
15.11	(1.77)	(24.36)	(3.90)
41.83	(18.85)	(45.11)	(5.69)

2) Management Discussion and Analysis

The performance of PATO Chemical Industry Plc and subsidiary indicated net profit (loss) totaled THB 158.01, 86.73, and 81.79 million in 2018 – 2020 respectively. These figures represent an increase or a reduction %age of (18.85), (45.11), and (5.60) respectively.

In 2018, global economy continued to expand in a narrow range comparing to the past years. International Monetary Fund (IMF) was expecting that the global economy of the present year would grow by 3.70 % (as of October 2018). The economic situation still has to face with many risks such as the effects from trade war between America and China, fragile economy of some countries in many regions, and tendency of strained global financial situation.

American economy continued to improve by growing by 2.9 % due to the increasing of spending in the country including on consumption and overall investment. At the same time, the labor market in America has been very strong with low unemployment rate. The inflation rate has moved to the expected level. This resulted in Federal Reserve Board agreed to maintain the policy interest rate at the rate of 2.00-2.25 %.

European economy within the group of Germany, France, Italy, and Spain grew by 2.0 % with the supporting factors from the improvement of consumption and private sector investment. Though, there was an effect in the first half of 2018 from the governmental transition in Italy and Spain, there was some improvement in the second half of the year. This brings more confidence in the economic situation.

Japanese economy grew by 1.1 % due to the low expansion of household consumption, the increasing price of consumer goods, and natural disasters including earthquake and severe storms, which affected tourism and household consumption. In addition, the central bank of Japan has decided to maintain the low policy interest rate due to the likelihood of economic stagnation.

Chinese economy grew by 6.6%. The continuity of economic reformation and debt restructuring policies caused slowdown in manufacturing sector, investment, and domestic consumption.

The economic conditions in the ASEAN-5, which included Indonesia, Malaysia, the Philippines, Thailand and Vietnam, has continuously expanded by 5.3 %.

Regarding Thai economic condition, it is affected by the global economic situation, which caused Thai economy to grow by 4.1 % in 2018 due to the main factors of the likelihood of export deceleration, which caused by the effects of trade restriction between America and China. The exporting value in the



main markets, which were China, Japan, America, and European Union, is decreasing. This caused the decreasing in exporting volume and product prices. However, it is still expanding well in the overall condition. There is an investment in machines and equipment to increase the production efficiency in order to respond to the increasing domestic demand that followed the increasing of household income, which relevant to the expansion of private sector consumption in all expenditure categories. This result was part of the Government Welfare Card project that supports household purchasing power at the ground level to gradually improve. Due to the betterment of economic situation, it caused the majority of business sector to invest more on machinery, equipment, and automatic system in order to continually improve the effectiveness of production to respond to the purchasing order from both domestic and international. In terms of tourism, it still continue to expand in every region, which reflects the growth in the number of both Thai and international tourists comparing to the previous years. For the real estate business, the expansion continues only in Bangkok, metropolitan area, and major touristic cities, which is relevant to the expansion of governmental construction project. However, at the provincial level, the expansion is quite still. The inflation and interest rate were also at low level, which was considered to be a relaxed financial policy and supportive for the expansion of Thai economy.

In terms of the overall conditions of agricultural economy in 2018, it grew by 4.6 % when comparing to 2017 due to the supportive amount of water and weather condition for agriculture, governmental, private sector, and public policies that facilitating plantation in suitable areas, provide water resources and quality seeds, which make farmers to expand planting area. However, some of the crops were affected by flood and drought in some area, which affects the agricultural products. The types of crops with the increasing number of goods include off-season rice, maize, sugar cane, pineapple, rubber, and palm oil. The important kinds of crops with the decreasing number of goods include wet season rice and cassava. Especially, wet season rice production becomes lower due to drought in certain area of the Northeastern region in the beginning of planting time and the delay of rain when the rice was bearing grains. This caused damages to some of the wet season rice.

For these reasons, agricultural product price in average is rising. This includes the price of rice, maize, and cassava. The price of rice increased due to the higher demand in foreign market, while the rising of maize price due to the increasing demand from animal feed industry and measures for purchasing maize in order to maintain the stability of the price. The price of cassava rose due to the decreasing of products,

which is inadequate for the market demand. The crop types with the decreasing in average price include sugar cane, pineapple, rubber sheet, and palm oil. The price of these crops decreased due to oversupply in both domestic and international market.

In 2019, the global economy continued to expand from the end of last year in a narrow range. The International Monetary Fund (IMF) predicted that the global economy this year will expand by 3.0 % which is a low level of growth. The global economy is growing weak and slowing down caused by the decreasing of growth in the manufacturing sector. This is in addition to many other factors, such as the trade war between the United States and China and geopolitical problems such as Brexit, political stability in many countries and conflicts between major economies. These are the factors that have caused uncertainty in global trade and economic policy, continued to cause the decline in global export and investment conditions resulting in the low confidence in the business sectors.

The United States economy is continually expanding, which grew by 2.40 % as private consumption continued to expand. This is in line with improved employment rate while industrial production and exports tend to decrease. As the core inflation is below the monetary policy target of 2.0 %, resulting in the Federal Reserve cut interest rates.

The eurozone economy (Germany, France, Italy and Spain) grew at a low level of 1.20 % due to the weakness of industrial production since mid-year 2018, which has been impacted by the trade and economic protectionism measures of the trading partner countries which slowed down. Also, the adjustment of new greenhouse gas emission standards, which impacts the production in the automotive category. However, household spending continued to expand well.

Japanese economy grew by 0.9 % due to accelerated household consumption before the consumption tax increase, which is effective from 1 October 2019. Government spending and investment has increased; however, the exports are still in downward trend.

Chinese economy grew by 6.1 % from the support of domestic demand including private consumption. This continued to slowdown as well as in the private investment. The exports declined because of the trade war between the United States and China and including the economic slowdown of trading partner countries.

The economy of ASEAN 5 (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) grew by 4.8 %, with trade and investment significantly slowing down due to trade protectionism measures and uncertainty of global economic which has impacted on the economy, especially in the production and export sectors.

The Thai economy was impacted by the global economy that occurred in foreign countries, resulting the Thai economy in 2019 expanded 2.40% due to the decline in exports. The main reason is due to the intense of trade and economic protectionism measures between the United States and China. This is resulting in the decline of value in the exports in the main markets, which are China, Japan, the United States and the European Union. As well as the appreciation of Thai Baht and the impact of factors within the country's manufacturing sector in addition to the demand of trading partner countries that are still uncertain about the trade and investment policies. The private investment sectors have improved in the construction sector and the continuous expansion of machine tools sector to increase production efficiency in accordance with the expansion of private consumption with supportive factors from interest and inflation rates. The unemployment rate was still low and government stimulus measures to support income and stimulate spending in the economy. There were decreased in government investment as well as government consumption expenditure due to budget delay. The industrial and manufacturing sector have decreased. However, tourism sector continued to expand significantly from key groups of tourists from China, India, Japan, Russia and Taiwan.

The overall agricultural economy in 2019 increased by 0.5 % compared to the year 2018 due to drought. Thus, the amount of rain falls is not enough for cultivation and shortage of water that can be used in an irrigation system. There is crisis of water shortage as the weather is not favorable for cultivation resulting in reduced agricultural production. However, some major crops have increased production, namely, cassava, rubber, palm oil, etc. The increasing of the productivity is due to the expanded area of cultivation. On the other hand, other major crops were decreased in production, for example, in-season rice, off-season rice, maize, sugarcane, pineapple. In-season rice, in particular, the production was reduced due to the reduced area of cultivation as well as some areas experiencing drought, therefore, the farmers cannot grow rice. Moreover, between the end of August to the beginning of September farmers were affected by the storm causing flooding and damaged the production. Other products, the decrease in cultivated land due to insufficient water supply, drought and the replacement of the crops with better incentive crop.

Therefore, the reduction of agricultural productions resulting in increased agricultural product prices, such as pineapple, durian and rambutans due to the fewer number of products being released into the market inadequate to meet the market demands. On the other hand, the production that decreased in price was cassava, maize, sugarcane, unsmoked rubber sheet, palm oil, longan and mangosteen. Especially in rice, this is because of the less demand from the international market. As for other products, the prices decreased due to the large number of products released to the market and imported products from foreign countries. Furthermore, the overall economic slowdown in China from the trade war between China and the

United States, causing weaken demand in the market. With above mentioned factors, therefore affecting the company's operating results causing the operating results over the past 3 years to appear as follows:

In 2020, International Money Fund (IMF) in October 2020 has forecasted that the 2020 global economy to contract by 4.4%, impacted by the COVID-19 epidemic with vast number of infections in countries around the world. Hence, there is a need for efforts to reduce the COVID-19 outbreak. The lockdown measure is one of the ways to control the pandemic, however, this is resulting in severe economic contraction. The severity of the economic contraction in each country depends on the strictness of the lockdown measures, in which the economic contraction deepened the most in the second quarter of 2020. This is leading to higher unemployment rate due to the massive layoffs, which hinders labor efficiency and the trend of economic growth in the long term. This is a widespread trend across both developed and developing countries, which will lead to income inequality among developed and developing countries. This could result in more than 90 million people of the world in poverty. In addition, the global economy is still facing major risk factors such as rising corporate bankruptcy rate, slow labor market recovery, dwindling demand, tourism sector contraction, financial markets and international capital flows concern, world crude oil price and trade war between the United States and China.

The US economy contracted by 4.3%, improving from recent government stimulus measures such as government subsidies and unemployment income insurance benefits. However, the US economy still faces several risks, including the number of COVID-19 infections, lower household spending and weaken US dollar.

Eurozone economy (Germany, France, Italy, and Spain) contracted 8.3%, which is improving from recent past since the economy began to recover from the relief of the lockdown. The banks in the member countries are using more relaxed monetary policy, keep interest rates low to stabilize the financial system and alleviate problems of the decline in domestic demand, such as the German government's economic stimulus measures that is the extension of short-time work (STW) scheme, abolish certain types of taxation and French economic stimulus measures by reducing taxes for the business sector etc.

The Japanese economy contracted by 5.3%, improving from the recent past as the economy began to recover after the government ended its state of emergency including the business sector started to expand production capacity.

The Chinese economy grew by 1.9% from the recent past since China can curb COVID-19 pandemic. The economy has been growing after the government ended various emergency measures resulting in a surge in the domestic demand and an improvement in imports.

ASEAN-5 economies (Indonesia, Malaysia, Philippines, Thailand, and Vietnam) contracted by 3.4%, improving from the recent past because various measures of member countries can control the COVID-19 pandemic. This has resulted in ease restrictions to stimulate the economy.

The Thai economy has been impacted by the global economy, which has been hit by the coronavirus pandemic in many countries around the world. As a result, the Thai economy in 2020 is expected to fall by 6.0%. In the early stages of the COVID-19 outbreak, the overall picture of Thailand demonstrates to the world that it can cope well with the first outbreak. However, during the final months of 2020, Thailand was facing new challenge due to the second wave of outbreaks from foreign workers in Samut Sakhon Province and many other clusters transmitting the virus. This was posed potentially serious risks to the Thai economy because Thailand has been relied on tourism industries. The income from this sector alone was accounted for up to 13% of the Gross Domestic Product (GDP), which is considered a high proportion. It also faced a stagnation in the manufacturing sector and the impact of lower revenues. In addition, there is domestic political problems during the last quarter of the year.

The Thai government declared state of emergency and set measures to control the spread in the early stages such as international travel restrictions, work from home and social distancing policy, impacting the business sector especially in the service sectors related to the tourism industries, affecting income, employment, as well as the ability to pay household debt. The Thai government has gradually released stimulus packages to alleviate the severity such as the 1 trillion-baht loan scheme, the energy, water, and internet accounts payments assistance scheme, the Khon La Krueng (50:50 co-payment) subsidy scheme, Rao Tiew Duay Kan (We Travel Together) scheme, Rao Chana (We Win) scheme, Mor. 33 Rao Rak Kan (We Love Each Other) subsidy scheme, farmers financial assistance scheme to stimulate spending and support domestic tourism in a variety of formats. These schemes contributed to maintain some consumption in the private sector, even though only for a short period of time. As for private investment, the government also issued loan assistance scheme for export to relief and revitalize the economy. In addition, the interest rate policy has been cut to a record low to help both public and domestic sectors with debt moratorium, debt restructuring scheme including the reduction of contributions to the Financial Institutions Development Fund (FIDF) to encourage commercial banks to cut interest rates on their loans to help businesses, especially SMEs that suffer from liquidity problems. These efforts are to rebuild Thai economy to return to normal as quickly as possible.

Overall economic conditions in the Thai agricultural sector in 2020 contracted 3.3% compared to year 2019 due to drought. The amount of rain that falls was insufficient and water shortage crisis resulting in a decrease in agricultural production of some major crops such as off-season rice, cassava, sugar cane, pineapple, rubber plants, palm oil. Water content was not enough rice farming causing the area to grow rice



decreased including the outbreak of rice blast disease and cassava mosaic disease. The COVID-19 pandemic has caused labor shortage in agricultural industries. The production of some major crops have been increased, for example, in-season rice, maize, longan and durian, since in the middle of 2020, there was more rainfall in comparison with 2019, allowing farmers to grow more in-season rice for the second round. Farmers can manage to control the outbreak of fall armyworm and the price is in favorable market trends. The combination of these factors is an incentive for farmers to cultivate more.

From the decline in agricultural production, the average prices continued rising in rice, sugar cane, pineapple, rubber, palm oil, durian. This is due to the less output to market, and some shortages, not enough to meet the market demand, especially during the lockdown measures to prevent the spread of COVID-19. For example, rubber was in high demand because of the rubber glove industry. In addition, the quality of durian production has been managed to meet the need of the market demand while some agricultural products prices declined such as maize, cassava, longan due to the large number of products released to the market from domestically and internationally from Burma such as maize. This is coupled with poor product quality. The various factors as mentioned above was affecting the performance of the company. The operation results over the past three years appear as follows:

Performance of the company from 2018-2020 were as follows:

Unit- Million Baht

	2018			2019			2020		
	Amount	%	% Change	Amount	%	% Change	Amount	%	% Change
Sales Revenue	816.70	100.00	(5.88)	568.24	100.00	(30.42)	552.01	100.00	(2.86)
Other Revenue	6.03	0.74	(44.88)	12.85	2.26	113.26	5.28	0.96	(58.92)
Total Revenue	822.73	100.74	(6.36)	581.09	102.26	(29.37)	557.29	100.96	(3.99)
Cost of Sales	(541.02)	(66.24)	2.00	(397.71)	(69.99)	(26.49)	(387.97)	(70.28)	(2.45)
Gross Profit	275.68	33.76	(12.66)	170.52	30.01	(38.14)	164.04	29.72	(3.80)

In 2018, there was a small expansion of market condition, which was the result from the global economic condition abroad in America, European Union, Japan, China, and ASEAN. This caused agricultural and other important product export value of Thailand decreased. So, this has affected Thai economic condition in many factors. The positive factor includes the overall water amount and weather condition that support agriculture, which the quantity of water in the main reservoirs is adequate for planting. Negative factors include flood, drought, and the delay of rain in many provinces in the Northeastern region. These issues have caused a lot of damages to agricultural production, which led to the decreasing product quantity and continually affected agricultural product price. Therefore, public sector

needs to solve this by determining different policies and measures in order to facilitate agricultural sector and encourage reformation of agricultural sector by employing production follows marketing principle together with the utilization of technology and innovation. The crucial policies that should be implemented include Proactive Management, Improvement of Agricultural Products Quality, and the development towards Smart Farmer, which will help increasing production effectiveness, reducing production cost, strengthening agricultural organizations, encouraging farmers to be more professional and have more capacity in producing, processing, and marketing for agricultural products to be relevant to the market demand and quality standards.

From the factors mentioned above, it caused the sales of 2018 amount 816.70 million baht reduced by 51.00 million baht, which represented 5.88% decrease. Cost of sales in 2018 was 541.02 million baht or an increase of 18.97 which represent 2% increase. This resulted in the gross profit of 2018 amount 275.68 million baht decreased by 39.97 million baht or 12.66 %.

The important issues can be concluded as follows :

1. The sales of 2018, due to the small expansion of economic condition. Though the weather condition, rain quantity, and level of water in reservoirs were supportive for agriculture and had positive effects on agricultural good production. As can be seen from the expansion of off-season rice, maize, sugar cane, rubber, and palm oil plantation areas that increased by 22.79, 2.14, 26.23, 4.90, and 5.27 % respectively. (Source: Center for Agricultural Information, Office of Agricultural Economics) This caused the increasing product quantity especially for off-season rice, while the product quantity for wet season rice decreased.

2. The quantity of crucial agricultural crops increased, this includes off-season rice, maize, sugar cane, pineapple, rubber, palm oil that increased by 29.18, 9.84, 31.60, 2.12, 7.60, and 9.12 % respectively. At the same time, wet season rice quantity decreased by 0.40 % comparing to the previous year due to flood, drought, and delay of rain during the planting season in many provinces of the Northeastern region such as Nakhon Ratchasima, Sisaket, Surin, Roi-et, Khonkaen, and Buriram, which were center for wet season rice plantation of the country.

The average price of agricultural products that increased were rice, maize, and cassava, which increased by 37.64, 28.15, and 52.75 %, respectively, due to the increasing demand of foreign market, the expansion of animal feed industry, measures on maize purchasing in order to maintain the price stability,

and inadequate supply of cassava. The average price of agricultural products that decreased were sugar cane, pineapple, rubber sheet, and palm oil, which decreased by 22.57, 42.54, 27.99, and 24.54 % respectively due to the oversupply of products.

3. Public sector provides assistance to farmers by announcing measures to help farmers and maintain the stability of rice price for the production year 2018/2019. There were 3 marketing projects: Giving credit to delay selling paddy and assistance in harvesting and quality improvement for farmers who plant wet-season rice in order to delay selling of jasmine rice paddy, sticky rice paddy, round shaped rice paddy, and Phathumthani 1 rice paddy. Another project is to provide credit in order to collect rice and add more value by giving credit to Farmers Institute in order to collect rice paddy to sell or process. This way we can prevent oversupply of rice paddy.

4. The export value of Thai agricultural product during January – October 2018 decreased by 2.10 % when comparing to the same period of 2017. Especially, the export value of maize, sugar, and rubber products has decreased due to the continual domestic demand for agricultural products, measures of exporting partners to delay importing, and high competition in the exporting market. The export value of all kinds of rice, cassava, and palm oil has increased due to the continual demand of international market together with the decreasing of quality and price to the same level of global market price.

5. The demand for using pesticide has decreased due to the demand and supply factors and other obstacles in producing agricultural products including the decline of product quality, which affected in the decreasing of product price.

From the aforementioned reasons, it caused a decreasing of financial liquidity of farmers, which led to the decrease of purchasing power and demand of products. There is an intense competition in the market among competitors in all aspects such as price and promotion in order to maintain market share.

The sales of all products including commodity product and specialty product have increased, especially major products using in rice plantation. This accounted for 66 % of 2018 annual sale, which increased by 18.92 % comparing to the sales of 2017, except for the sales of pesticide products, which have decreased due to less fungi and insect pest epidemic.

In terms of overall product quantity, it decreased according to the sales ratio, while the foreign exchange rate of the baht kept fluctuated throughout the year and depreciated a lot during the 3rd quarter and started to appreciate during the 4th quarter, which is similar to the foreign exchange rate of the baht in

the beginning of 2018. There is a tendency for increasing in the price of imported raw materials. Moreover, the market price of the raw material started to increase due to the enforcement of law related to pollution and environment in China, which is the main raw material producer. This caused the limitation in the raw material quantity or some of the raw material sources were closed down and could not produce or need to improve the production process to meet the requirements, which led to a higher cost in production process. For this reason, the quantity of products has decreased and the price of raw material rose.

At the same time, adequate labor force was required in the production process. Therefore, it requires for labor outsourcings. At the current situation, this caused a small decrease in labor cost comparing to the previous year. The production expenses also have a small decrease. From the effects on the decreasing of production quantity and other factors, it caused the cost of sales to reduce by 2.00 % when comparing to last year. This was an important reason causing a decrease in 2018 gross profit from 275.68 million baht or accounted as 33.76 % of the sales by 39.97 million baht or equivalent to 12.66 % comparing to last year gross profit. As the rate of reduction in 2018 cost of sales was lower than the rate of reduction in sales, it shows that the company still needs to bear the increasing in capital from the external factors, which led to the decreasing of gross profit.

Other income in 2018 amount 6.03 million baht decreased by 4.91 million baht or 44.88 % lower, in comparison to last year, which caused by the decreased in return on investment due to the effects from the huge decrease of investment in stock market throughout the year. This caused the return on investment amount 4.74 million baht, which mainly includes profit and loss from disposal of investment, unrealized gain (loss) from the changes in investment value, dividend receivable, and interest receivable to decrease by 5.88 million baht or 55.35 %. The loss in exchange rate was caused by the fluctuation of the exchange rate throughout the year, even though the company has a preventive policy by doing forward contract. The loss of the exchange rate still continues to increase. Other income has increased from the selling of cars and old forklift, and trade in office equipment and old package.

In 2019, the Thai economy continued to expand slightly, which has been impacted by the global economic conditions occurring in foreign countries such as the United States, the European Union, Japan, China and ASEAN-5 as mentioned above. This sent the direct negative effects to the value of agricultural exports and Thai products to decrease and therefore, affecting the Thai economy, across the whole agricultural sector, which increase only 0.5% compared to 2018. In addition, Thailand also encountered

various negative factors such as the drought, causing insufficient rainfall as well as the water in the irrigation systems causing the water shortage crisis between the end of August and September 2019. Moreover, in the northeastern and of the northern regions. by tropical Storm “Podul” causing flooding problems and resulting in damages to cultivated areas. Lastly, outbreaks of diseases and pests that caused decreasing in the production. Therefore, the government has taken the corrective actions by formulating policies and measures to help agriculture, such as developing Smart Farmer program to support farmers to increase production efficiency, reduce production costs, facilitate farmers to have better processing and marketing by using new technology and innovation. This is to ensure that the agricultural products will in line with the market demands and have high standard quality.

From the above factors, sales in the year 2019 were 568.24 million-baht, 30.42% decrease, the cost of sales was 397.71 million-baht, decrease of 26.49%, resulting in a gross profit of 170.52 million baht, decrease of 38.14%. The summary of the main reasons can be summarized as follows:

1. The decrease of sales in 2019 was due to the slight economic growth. This is the impact from the global economy. Water shortage crisis, insufficient water for cultivation from the inadequate amount of rain. In addition, some cultivated regions were flooded causing damages. Because of bad weather, the cultivated areas were limited for arable crops such as in-season rice, off-season rice, and maize. The decrease was 0.03, 8.88 and 0.78%, respectively. However, there was increase of cultivated area for cassava, sugarcane, rubber plant and oil palm by 4.07, 2.45, 4.75 and 4.66 respectively, in comparison with 2018 (Source: Agricultural Information Center, Office of Agricultural Economics)

2. The increase in agricultural production of major crops such as cassava, rubber plant, oil palm, which increased by 6.06, 4.80 and 7.97%, respectively. The increase of cultivated land was to replace other crops. On the other hand, there were the reduction in agricultural product such as in-season rice, off-season rice, and maize, sugarcane, and pineapple, which decreased by 3.20, 9.97, 2.59, 12.96 and 28.48% respectively. Due to the drought crisis, farmers cannot grow rice and, in some areas, damaged by flooding resulting in reduced rice production and also the cause of the incentives, therefore, farmers switched to cultivate other crops instead.

On the other hand, the average prices of some agricultural products have increased such as pineapples price increased 91.64% due to less production, while there was continued needs from factories. The rise in this year price has contrasted with last year slump. However, other the market prices of agricultural products were fell, namely, rice, cassava, maize, sugarcane, unsmoked rubber sheet, oil palm. The price decreased by 2.44, 7.66, 2.03, 20.13, 20.88 and 0.63 respectively. The fallen prices were due to fewer orders and less demands from trade policies in foreign countries. Still, the products were released to the market as well as imported from foreign countries.

3. The government sector aided farmers by establishing agricultural development policies that focus on farmers and emphasis on the importance to the operation sector. This is for the farmers to receive the most benefits, including the promotion of farmer development and cooperative systems, to develop knowledge and new technology to facilitate the production, processing, marketing, therefore increase the potential to help the community. This is to achieve the self-sustain and lead to “Smart Farmer”. The aid also providing financial support for debt and production by giving loans as working capital and compensating to small-scale farmers through cooperative farmers groups. The small-scale farmers that is in debt and experiencing natural disasters received moratorium, write-off the debts, manufactured interest and redeem the mortgage, repurchase or redemption and, not allowing the creditors to enforce the debt under the law.

4. The exports of agricultural products and Thai products during January to October 2019, decreased 7.0% compared to the same period in 2018, with declined in all major export markets including ASEAN, China, Japan, the United States and the European Union due to the impact from the trade protectionism measures and uncertainties in trade policy of partner countries causing the demand of trading partner countries to decrease. In addition, the competition in the export market has increased.

The export value decreased in the agricultural products and major exported products such as rice, cassava, rubber, palm oil and fruit products due to lower demand in foreign markets as well as lower product quality and reduced price. Moreover, Thai Baht appreciation causing the export market to further decrease in value.

5. Demand for chemicals decreased due to demand and supply factors from various obstacles which caused production problems both quantity and quality not meet the standard requirements resulting in reduced agricultural product prices.

From the above reasons, the financial liquidity of farmers decreased and reduced purchasing power resulting in decreased demand for chemical products. The competition in the market between the competitors were more intense in all aspects such as price and sales promotion.to maintain their market share in addition to the effect of the abolition of the use of three chemical substances, namely, paraquat glyphosate and chlorpyrifos.

Sales of all other of products including commodity products and specialty products decreased in all categories due to various factors mentioned above including less overall outbreak of pests such as insect pests, weeds, fungi and mites when comparing to the previous year.

As for the overall product quantity, the production decreased in proportion to sales while the Thai baht appreciates throughout the year causing the price of imported raw materials to tend to decrease and also the overall market price of imported raw materials began to decline slightly due to the enforcement of

pollution and the environment laws of China last year that the main raw material manufacturers begin to improve the production process to comply with the law. Therefore, some manufacturers can re-start producing products that have previously been limited and be able to deliver to the customer.

While the production process needs sufficient labor to, therefore it is required to secure external labor force. Due to the current situation, the labor costs decreased by 10.76%. Production overhead expenses also decreased by 9.88% compared to the previous year. This is because the decrease in production process and other factors which caused the cost of sales decreased by 26.49% compared to last year. Therefore, this is the main reason that the gross profit in the year of 2019 is 170.52 million baht or 30.01%, decreasing by 150.16 million baht or 38.14% when compared to the previous year. The rate of decrease in cost of sales in 2019 is less than the rate of sales decline demonstrated that the company still obligated to bear the higher cost burden from the above factors, therefore resulting in reduced gross profit.

In term of other incomes in the year 2019 as of 12.85 million baht, increase of 6.82 million baht or 113.26% compared to the previous year, consisted of the gain in investment income due to the fluctuation in the stock market, which increased in the first half of the year and decreased during the second half. The Stock Exchange of Thailand Index on December 30, 2019 closed at 1,579.84 points, resulting in investment income, most of which were profits from sales of investments and unrealized profits from increased investment value changes while the dividends decreased. Therefore, the investment income of 6.25 million baht which has been increased by 1.50 million baht or 31.71%. Foreign exchange rate gain is 4.24 million baht, an increase of 4.42 million baht or 2,544.26% thanked to hedge policy to prevent the exchange rate volatility throughout the year by using Forward Contract and T/R to reduce the impact from exchange rate including the baht value in the year 2019, appreciating on average, closing at 30.3313 baht, resulting in increased exchange rate profits. Moreover, other income also extended to the sale of used vehicles, selling 657 square wah of land in Samut Prakan province at a price of 9.85 million baht with a profit after deducting expenses of 1.99 million baht and trade in office supplies and selling of old packing materials.

In 2020, Thai economy contracted as it was affected by the global economic conditions that occurred in the United States, European Union, Japan, China, and ASEAN-5 as mentioned above. As a result, the export value of agricultural products and the major products of Thailand decreased impacting the whole Thai economy. This caused a 3.3% contraction when compared to 2019. Moreover, Thailand also faced negative factors such as drought, not enough rainfall, and insufficient water in irrigation systems, therefore, causing water shortage crisis affecting the cultivation of plants as well as the outbreak of plant diseases lead to a decline in product quality and yield. In responding to the COVID-19 pandemic, the government has implemented lockdown measures resulting in no flights and staff for goods transportation.

The border closure with neighboring countries also created logistical problems and import-export difficulties for agricultural products, causing disruption to production, transportation, and tourism activities and various service sectors lead to labor shortages.

The government has offered to reinvigorate the economy, which has been hit hard by the Covid-19 pandemic, through stimulus measures such as 5,000-baht financial assistance scheme for farmers for three consecutive months to help alleviate the problem and provide some income for farmers to be able to continue agriculture work. Continuing the Smart Farmers program and strengthening Agricultural Groups have improved production efficiency, lower production costs, increase production potential, process, and marketing. Introduction of new technologies and innovations to ensure that the agricultural products are met with the current market demand and standards, as well as increasing the sale distribution via online platforms such as Lazada, Shopee, etc.

From the above factors, the sales in 2020 was 552.01 million baht, 2.86% lower, cost of sales was 787.97 million baht, a decrease of 2.45%, resulting in a gross profit of 164.04 million baht, a decrease of 3.80%. The notable issues can be summarized as follows:

1. Sales in 2020 declined due to contraction of the economy as a result from the global economic. Water shortage crisis and not enough rainfall led to insufficient water supply for cultivation causing damage in terms of quality and quantity of agricultural products. In addition, the COVID-19 pandemic has caused labor shortages from the lockdown measure, disturbed various services and production, affected international trade, thus causing a decrease in exports.

2. The increase in agricultural production of major crops was in-season rice, maize, longan and durian by 5.39%, 1.39%, 0.44% and 9.20% growth, respectively. This is due to the fact that in the middle of 2020, there was more rainfall in comparison with 2019, allowing farmers to grow in-season rice for the second round of the year, together with the higher prices for products such as in-season rice and durian. Effective pest controls have also increased productivity that meets the standards required by the market. On the other hand, some major crops dropped in productivity were off-season rice, cassava, sugar cane, pineapples, rubber, palm oil with a 36.66%, 5.23%, 41.93%, 23.61%, 1.84% and 1.45% decrease, respectively. This is due to the drought crisis and insufficient water supply which have led to losses in cultivation area, outbreaks of plant diseases have resulted in poor quality produces, moreover, the impact of the spread of COVID-19 has caused labor shortage and therefore reductions in production.

The average prices of some agricultural products have increased when compared to 2019, namely, rice, sugar cane, pineapple, rubber, palm oil, durian. which increased by 10.30%, 17.28%, 94.97%, 4.55%, 65.63% and 2.29%, respectively, due to significant increase in demand from the prevention of the COVID-19 outbreak and for rice export. The supply decreased for the above reasons causing the average price of

agricultural products to increase. Nevertheless, the lower average prices were maize, cassava, with a decrease of 0.38% and 9.80%, respectively, due to more imports from neighboring countries and the low quality of local product.

3. The government provided various supports to farmers due to the COVID-19 pandemic and the severe drought situation, therefore has released various measures for those affected by the pandemic and drought. These supports from the government have provided income to farmers and allow them to continue their agriculture business. The government also released a rural response plan to support the return of workers from the urban area. This is to help these workers to return to their hometown to work in agriculture and able to support themselves and led to the development of knowledge in production, processing, and marketing to the introduction of new technologies, therefore, help farmers and communities (Smart Farmers program) by providing rural financial support and counsellors, by allowing easier access to grants and assistance as well as moratorium and compensation for productivity and profitability of farms.

4. Export of agricultural products and Thai products from January to October 2020 has dropped 2.66% compared to the same period in 2019, with declined in all major export markets such as ASEAN, the US, China, and Japan, as the global economy slowed down due to the COVID-19 pandemic. The uncertainty of the trade policy of the trading partners and deceleration of the purchasing power have caused the reduction in demand. In addition, a higher competitiveness in the export market, as the prices of Thai products are generally higher than competitors, which have led to lower export demand. The agricultural products with lower export volumes and values are, namely, rice, maize, sugar, rubber products, palm oil, pineapples, etc. The decrease in export volume has caused to a weakening in the domestic prices of agricultural products.

5. The decreased use of pesticide due to the demand and supply factors as well as various obstacles led to production problems. As a result, quantity and quality of agricultural products were not up to the market standard hence resulted in lower the agricultural product prices.

The combinations of the above reasons resulted in financial difficulties and less purchasing power of farmers which led to a lower demand for products. Therefore, market competition among trade competitors was more intense in all areas such as price and sale promotion to maintain the market share. In addition, banning the use of chlorpyrifos and paraquat, and controlling the use of glyphosate caused the market price of some products to be lower than their production costs thus resulting in a loss from sales and an adjustment in product price.

The sales of products in the commodity and specialty products decreased in terms of insecticides and herbicides, on the contrary, fungicides and pesticides had an increase in sale when compared to last year due to an outbreak of rice blast disease and mites in durian.

The overall production of the products decreased proportionally to the sale volume of the products while the baht experienced periods of high volatility throughout the year therefore the costs of imported raw materials tended to be higher. Since the implementation of environmental laws of China, which is the main raw material producer, China has improved the production process in accordance to the law and started exporting again this year. This enabled the production of some products that were not able to produce last year, namely, pellet insecticide product and thus increased the sale volume.

While the production process still needs sufficient labor to support it. Same as last year by recruiting external workforce, which from the current situation, the labor costs decreased by 0.01% and production overheads decreased by 0.76% from the previous year. From the impact of the reduced production quantity and other factors that makes cost of sales decreased by 2.4% compared to the previous year by using the total loss, the adjustment of the value of products to 5.38 million baht, which is the main reason that the gross profit in 2020 to 164.04 million baht or 29.72%, a decrease of 6.48 million baht or 3.80% compared to the previous year. The rate of decline in cost of sales in 2020 is less than the rate of decline in sales demonstrated that the Company still had to undertake the higher cost from the above factors, therefore reducing the gross profit.

Other income in 2020, 5.28 million baht, a decrease of 7.57 million baht or 58.92% from the previous year, which consists of investment income plunged due to the volatile effects of investing in the stock market. However, the index fell and increased during the first 2 quarters of the year and then dropped and increased during the last 2 quarters of the year. The stock market index at the end of each quarter closed at 1,125.86, 1339.60, 1,237.04 and 1,449.35 points, a decrease from the closing as of December 30, 2019 at 1,579.80, a decrease of 130.49 points, in line with the global market due to the impact of the second wave of COVID-19 epidemic situation in many countries including Thailand. Therefore, the income from investments, which is mainly profits from the sale of securities investments and the unrealized profit from the change in investment value decreases including dividends received. Therefore, investment income of 8.98 million baht changed, a decrease of 3.26 million baht or 52.27%. Profit and loss from exchange rate of 2.17 million baht, decreased by 2.07 million baht or 48.79% due to foreign exchange hedging policy. Volatility throughout the year, although by Forward Contract and T/R to reduce the impact of exchange rates, still resulting in lower exchange profits. Other income of 0.136 million baht changed, a decrease of 2.23 million baht or 94.69% from the previous year from the sale of used vehicles and old packaging materials. In addition, last year, there was a sale of vacant land with profit after deducting expenses of 1.99 million baht.

**Financial Cost and Corporate Tax from 2018-2020**

Unit : Million

	2018			2019			2020		
	Amount	Amount Increase (Decrease)	% Change	Amount	Amount Increase (Decrease)	% Change	Amount	Amount Increase (Decrease)	% Change
Selling Expenses	42.97	(0.66)	(1.52)	32.41	(10.56)	(24.57)	28.98	(3.43)	(10.58)
Administrative Expenses	40.57	(0.66)	(1.59)	41.84	1.27	3.14	37.88	(3.96)	(9.46)
Financial Cost	1.67	1.05	168.21	1.69	0.02	1.18	0.36	(1.33)	(78.70)
Income Tax	38.49	7.91	(17.05)	20.70	(17.79)	(46.21)	20.29	(0.41)	(1.98)

In 2018, when considering on types of sales expenses of 2018 amount 42.97 million baht decreased by 0.66 million baht or decreased by 1.52 % of the previous year. The sales volume decreased due to aforementioned factors, which caused less demand of the products in the market and high competitiveness according to market mechanism. For this reason, the company was required to preserve and increase market share, which led to higher expenses in sales promotion cost 14.61 million baht. The cost of sales promotion increased by 1.68 million baht or 12.96 %. However, there was a minor reduction in overall expenses.

Administrative expenses of 2018 was 40.57 million baht, which decreased by 0.66 million baht or 1.59 % when comparing to the previous year. This was due to the decrease in employee welfare expenses.

The reduction of sales expenses and administrative expenses, which occurred within the decreasing of sales, shows that the company could manage the capital in terms of expenses effectively, especially in terms of sales promotional cost in order to stimulate market demand. Regarding the expenses in other forms, the investment was done economically and worthy with the concern of effectiveness maximizing income.

Financial capital of 2018 was 1.67 million baht, which increased by 1.05 million baht or increased by 168.21 % when comparing to the previous year. All of these were T/R interest from the increasing of importing raw material from abroad during the period when the exchange rate was fluctuating. This caused by the effects of global economic situation, which led to the flow of foreign investment in Thailand. Later, there was an outflow of investment, when the Federal Reserve raised policy interest rate, which caused Thai baht to depreciate during the second quarter. Therefore, debt settlement management was required to consider on the current situation in order to create the least financial burden cost. Especially, when considering on payment according to the TERM received from sellers or postponed the TERM by conducting T/R. Moreover, policy on presenting risk from the effects of exchange rate by conducting forward contract or T/R on Thai baht at a proper exchange rate in order to T/R support debt settlement with

the lowest cost. However, in 2018, there was an increase in T/R interest rate from 1.62 % to 2.54 %, which resulted in higher financial capital.

Corporate income tax of 2018 was 38.49 million baht, which decreased by 7.91 million baht or decreased by 17.05 % when comparing to the previous year of 2017, due to the decrease of sale. Profit before deducting income tax was 196.50 million baht, which decreased by 45.24 million baht or decreased by 18.71 %. The company was entitled to exempt from dividend tax of the investment units which relevant to possession conditions and profit from adjusting available for sales securities (investment unit).

In 2019, when considered the expense transaction account of selling for 2019 was 32.41 million baht, decreased by 10.50 million baht or 24.57% compared to the previous year. It was found that the reduced sales due to various factors as mentioned above has impacted the market demands to decrease while increase the market competition, which the company needed to maintain and increased the market share. Therefore, there was the need for investing in the form of promotion expenses commissions, transportation costs, etc. cause the cost of sales to fall at a rate lower than the rate of sales decreased.

The administrative expenses in the year 2019, was 41.84 million baht, an increase of 1.27 million baht or 3.14% compared to the previous year due to the increase of employee salary and benefits. In the 2nd quarter, the company provided the retirement benefit of 3.95 million baht as a result of the current labour protection law regarding the retirement compensation. This is for employees who have worked for 20 years or more, the compensation benefits were calculated as 400 days. Previously, any employees who have worked for 10 years or more only entitle for compensation benefits for 300 days.

Reduction in selling costs and administrative expenses, which occurred under the decrease in sales exhibited that managing investment in the form of expenses, especially in terms of sales promotion to stimulate the demand for products in the market. Other forms of expenses is the investment that is economical and worthwhile under the efficiency so the company can generate full income.

Financial costs in 2019 of 1.69 million baht, increased 0.02 million baht or 1.18% compared to the previous year. All of which were T / R interest from the purchase of raw materials from overseas while the Thai baht exchange rate fluctuates, and Thai baht appreciated. The company has a policy to delay debt repayment by doing T/R to wait for a good and appropriate opportunity. Also, a forward contract to protect against risk and the effects of exchange rates due to the said policy, it takes longer time including the increase of T/R interest rates resulting in increased financial costs

The corporate income tax in 2019 was 20.70 million baht, decreased by 17.79 million baht or 46.21% compared to the previous year due to the decline of sales. As a result, the profit before tax in 2019 was 107.43 million baht, decreased by 107.59 million baht or 89.07%. The company is entitled to tax

exemption from dividends of the investment units that meet the holding criteria and profit from revaluation of trading securities (investment units).

In 2020, when considering each item distribution cost accounting (selling expenses) in 2020, 28.98 million baht, a decrease of 3.43 million baht or 10.58% from the previous year. Note that the sales decrease. due to various factors as mentioned above causing the market demand to drop. Competition in the market was fierce according to the market mechanism, the Company needs to maintain and increase its market share. Therefore, it is necessary to invest in the form of expenses according to the current situation such as promotional expenses freight cost, and registration fees to greater reduce the cost of distribution than the reduction rate of sales.

Administrative expenses in 2020 was 37.88 million baht, a decrease of 3.96 million baht or 9.46% from the previous year with a decrease in employee benefits in the second quarter of last year, the retirement benefit obligations were recorded in the amount of 3.95 million baht from the promulgation of the current labor protection law regarding retirement compensation. For employees who have worked for 20 years or more, the compensation benefit can be calculated in the amount of 400 days from the original calculation of increasing from the previous regulations that the employees who have worked 10 years or more can calculate the compensation benefit of 300 days.

Reduction in distribution costs and administrative expenses, together with the decline of sales. It shows that managing investments in the form of expenses, especially in the sales promotion to stimulate for increase the demand for products in the market. As for other types of expenses, have been efficiently managed with such very economical and worthwhile investment so that the Company can fulfill its potential to generate income.

Financial costs in 2020 was 0.36 million baht, a decrease of 1.33 million baht or 78.70% from the previous year due to the purchase of raw materials from abroad while Thai baht exchange rate fluctuated, the Company has a policy to postpone debt repayment by conducting T/R to wait for good and appropriate opportunities as well as Forward Contracts for hedging and reduce the foreign exchange risk, which in such a situation extended the time required. In addition, the reduction of T/R interest rates from 2-2.84% in 2019 decreased to 0.45-0.60% in 2020.

The corporate income tax in 2020 was 20.29 million baht, a decrease of 0.41 million baht or 1.98% from the previous year due to the decreased income from sales and other sources, resulting in profit before income tax expenses of 102.09 million baht, a decrease of 5.34 million baht or 4.97% due to various factors as mentioned above including tax exemption from dividends from investment units that meet the conditions of holding period.

Operational Profits/ Net Profits/ Return on Equity from 2018-2020

Unit : Million Baht

	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Operational Profits	193.42	23.68	102.87	18.10	99.47	18.02
Net Profits	158.01	19.35	86.73	15.26	81.79	14.82
Consolidated Net Profits	146.18	17.90	82.82	14.58	80.46	14.58
Return on Equity	26.27%		15.56%		15.58%	

In 2018, the sale decreased by 5.88 %, even though the weather, rainfall, and water level in reservoirs were suitable for additional plantation in many areas, caused the increase in various crop productions, for example, off-season rice, maize, sugar cane, rubber, and palm oil. However, during 2018, there were still many areas affected by flood, drought, and delay of rain. So, it caused the decrease of agricultural products in those areas. However, external factors such the rigid expansion of global economy that led to the delay of placing purchasing order of trade partner countries due to the decrease of demand in foreign market. This is the cause for the reduction of export, which affected domestic agricultural product price to have a higher average price namely, rice, maize, and cassava. Some agricultural product such as sugar cane, pineapple, rubber sheet, and palm oil average price decreased. From all these, it caused low financial liquidity of farmers, which public sector realized the problems. So, there was a policy to assist famers with the said problems.

In terms of marketing, there was decrease of product demand and high competitiveness in all aspects including price and sales promotion; this is to preserve the market share. At the same time, the cost of raw material was increased due to the factors on exchange rate and the effects from environmental policy of China. So, the company had to bear the higher cost of raw materials including the labor cost. Moreover, the production expenditure slightly decreased, which caused sales capital to decrease in the lower ratio than the ratio of sale. Thus, gross profit of 2018 decreased.

Sales and administrative expenses of 2018 slightly decreased. From the decrease of sale, the company still continued managing policy that emphasizes on expense investment that was cost saving, worthy, and most effective in order to maximize profit in current situation. While the marketing competition was getting more and more intense, the company was required to proceed on the policy to stimulate the demand for the products with different strategies in order to create customer motivation. Due to the increase of sales promotional expenses, the company gained operational profit of 193.42 million baht in 2018, which accounted for 23.68% of net sale. This decreased by 29.71 million baht or decreased by 13.31% comparing to the previous year.

From the aforementioned factors, the company's overall operation was considered to be satisfactory in the current situation, which brought 158.01 million baht or accounted for 19.35 % of profit in 2018. This resulted in the rate of return for the shareholders became 26.27 %, which decreased by 33.34 % from 2017.

In 2018, the company increased the investment on available for sales securities by 25.50 million baht. As of 31 December 2018, there was an adjustment on fair value of investment on available for sales securities. The adjustment was 10.88 million baht. This caused the value of available for sales securities to decrease by 5.09 %. Due to the decreasing in stock market throughout 2018 more than 200 points, this caused the loss as stated. The loss in investment on available for sales securities was 8.71 million baht and on value adjustment of post-employment benefits obligation due to loss forecasted according to Actuarial Science amount 3.12 million baht. Therefore, the comprehensive profit and loss of 2018 was 146.18 million baht or accounted for 17.90 %.

In 2019, sales decreased by 30.42% due to the slow economy growth that was impacted from global economy resulting from trade protectionism measures and the uncertainty of trade policy of trading partner countries. Demands in foreign markets decreased, causing export value to drop. The problem was also including the drought, insufficient water causing water shortage crisis for cultivation. On the other hand, during the 3rd quarter, some cultivated areas experienced flooding disaster resulting from storms causing damage to agricultural products in term of both quantity and quality. This was directly impacted to the average price of major crops in the country, such as rice, cassava, maize, sugarcane, unsmoked rubber sheet, palm oil, except for pineapples having higher average price. All those causes resulting in the financial liquidity of farmers to decrease, which the government sector is aware of the problems occurring, therefore, have various policies helping the farmers as mentioned above

In term of marketing, when the demand for products in the market decreases, the market competition between competitors has become more intense in all aspects such as price and promotion. In order to maintain the company's market share, as well as the impact of uncertainty to ban the use of three chemicals while the cost of raw materials in the production process to those who are likely to decrease due to the appreciation of Thai baht exchange rate factor and the implementation of environmental laws of China which the manufacturers have improved the production process under the applicable laws and be able to increase the production resulting in better availability of raw materials that used to be limited to customers. Moreover, the reduction costs of labour and production overhead causing the cost of sales to decrease at a rate that is less than the rate of sales decline causing gross profit in 2019 to decrease.

Selling and administrative expenses in 2019 of 74.25 million baht, the decrease of 9.29 million baht or 11.12% compared to the previous year due to the decrease in sales. The company policy still

focusing on investment in the form of various expenses by managing the expenses to be the most cost effective and efficient in economic sense to create maximum income under the current situation while the competition in the market continues to intensify, the company has implemented the policy to stimulate market demand with various strategies to motivate customers. In terms of promotion expenses and higher welfare benefits, which resulting from the new labour protection law enforcement, therefore, increasing the retirement compensation. Profit from operations in 2019 was 102.87 million baht, equivalent to 18.10% of net sales which decreased by 90.55 million baht or 46.81% compared to the previous year.

With the main factors as mentioned above, the company has achieved satisfactory performance in the current situation. Leading to the net profit in the year 2019 of 86.73 million baht, equivalent to 15.26% and the return rate to shareholders equal to 15.56%.

At the same time, the company has invested in available-for-sale securities as of 31 December 2019, the fair value of investments in available-for-sale securities has changed by receiving a loss of 3.83 million baht in fair value changes due to the fluctuations in the stock market throughout the year by increasing in the first half and decreased in the second half and re-valuation of post-employment benefit obligations with the actuarial losses of 1.05 million baht, resulting in total comprehensive income for the year 2019 of 82.82 million baht or 14.58%.

In 2020, the decrease sales of 2.86% were due to the shrinking economy, which is affected by the world economy in decline from the impact of the COVID-19 pandemic causing many countries to take lockdown measures created the widespread unemployment problem and bankruptcy in the business sectors. There is an uncertainty in the international trade policy of the trading partners. The demand in the international market has declined, therefore, the decrease export value. In addition, the problem of drought and the insufficient water used in the irrigation system generated a water shortage crisis for cultivation. It has affected the production of the agricultural sector both quantity and quality have decreased. Furthermore, the outbreak of plant disease led to the decreased agricultural outputs. Moreover, the situation of the COVID-19 epidemic, the government have taken the lockdown measures affected the business, transport, tourism, and other service sectors, therefore, halted production activities and labor shortages that impacted the average local price of major agricultural products to decline. All of which are the reasons for the decrease in the financial spending of farmers, even though the government has implemented a policy to issue various subsidiary and financial assistance.

In marketing aspect, the reduced demand for agricultural products in the market, and the intense competition among trade competitors were becoming more intense in all areas such as price and promotion in order to maintain their market shares, it also affected by the banning of paraquat and chlorpyrifos and regulating the use of glyphosate. As a result, some of the products sales were lower than their cost, causing

the Company to adjust the value of the products in recorded this year. While the cost of imported raw materials tends to be higher because the main raw material producer in China has changed the production process in accordance with the new environmental law to produce and sell the main raw materials and began to export as well as reduced labor and production costs. These issues have made the cost of sales to be reduced, however, less than the reduction of sales, therefore, decreased the gross profit in 2020.

Profit from exchange rate and other incomes decreased due to foreign exchange risk management policy which volatiles throughout the year by Forward Contracts and T/R to minimize the impact of foreign currency risk. Moreover, the Company has sold used vehicles and old materials this year.

Distribution costs and administrative expenses in 2020 were 66.87 million baht, a decrease of 7.39 million baht or 9.95% compared to the previous year due to the drop in sales, the Company still operates a management policy with emphasis on investment in the form of various ways with control management to be most economical, cost-effective, and efficient to generate maximum income under current circumstances. As the market competition continues to intensify, the Company must implement a policy to stimulate market demand through various strategies. This is to create incentives for customers in respect of promotional expenses. The freight and fees have decreased as well as product registrations fees, and administrative expenses in terms of welfare expenses also decreased compared to the previous year. As a result of the enforcement of the new labor protection law last year on retirement compensation, the Company has recorded an increase in employee retirement benefit liabilities in 2019, all resulting in the Company operating profit in 2020 was 99.47 million baht, or 18.02% of net sales. The decrease of 3.40 million baht or 3.31% from the previous year.

With the main issues as mentioned above, the Company has a satisfactory performance in the current situation that led to 2020 earnings of 81.79 million baht or 14.82% and a return to shareholders. Equal to 15.58%

At the same time, the Company has invested in equity securities as of December 31, 2020 has changed the fair value of equity investment, and received a loss of 1.67 million baht and impacted the income tax of 0.33 million baht due to investment in the stock market fluctuating throughout the year. Resulting in total comprehensive income for the year 2020 was 80.46 million baht or 14.58%.

**Total Assets/ Total Liabilities/ Shareholdres' Equities 2018-2020**

Unit : Million Baht

	2018			2019			2020		
	Amount	Amount Increase (Decrease)	% Change	Amount	Amount Increase (Decrease)	% Change	Amount	Amount Increase (Decrease)	% Change
Total Assets	791.31	69.87	9.69	642.12	(149.19)	(18.85)	608.95	(33.17)	(5.16)
Total Liabilities	204.32	98.81	93.65	114.67	(89.65)	(43.88)	86.47	(28.20)	24.59)
Shareholders' Equities	586.99	(28.94)	(4.70)	527.45	(59.54)	(10.14)	522.48	(4.97)	(0.94)

Cash Flows 2018-2020

Unit : Million Baht

	2018	2019	2020
Cash Flows from Operation	25.16	109.49	202.48
Cash flows from Investment	52.19	25.22	(43.74)
Cash flows from financing activities	(102.37)	(184.18)	(117.32)

Finacial Ratio 2018-2020

	2018	2019	2020
Liquidity Ratio			
Current Ratio (Times)	3.46	5.56	7.79
Quick Ratio (Times)	1.91	3.01	5.72
Cash Flow Ratio (Times)	0.18	1.36	2.62
Collection Period (Days)	59	66	37
Inventory Turnover (Days)	151	238	169
A/C Payable Turnover (Days)	79	113	61
Cash Cycle (Days)	131	191	145
Efficiency Ratio			
Return on Total Assets (%)	20.89	12.10	13.08
Return on Fixed Assets (%)	288.79	179.37	206.12
Return on Current Assets (Times)	108.77	81.08	89.09
Financial Ratio			
Debt to Equity Ratio (Times)	0.35	0.22	0.17
Interest Coverage (Times)	39.11	126.04	613.03



In 2018, with the decreased sales volumes, the Company's operating results see net profit of THB 158.01 million, causing its balance sheet to be significantly different from that of 2017. The world economy from aforementioned situation caused the Company's total assets to increase to a total of THB 791.31 million, an increase of THB 69.87 million is an equivalent of 9.69 %, when compared to the previous year. Major sections that increased (decreased) are cash and cash deposits which decreased for THB (96.83) million or a different of (31.85)% y-o-y. Accounts receivable and other receivable increased by THB 36.17 million or an equivalent of 31.41 %. Inventory increased by THB 127.19 million or an equivalent of 77.75 % y-o-y. Available-for-sales securities increased from new investment and unrealized profits from the change of fair value totaled THB 5.44 million, an equivalent of 10.52% y-o-y. A decrease in property, plant and equipment for THB (1.44) million was an equivalent (2.49)% from the purchasing new machine and new forklift to replace old one. Intangible assets decreased by THB(3.90) million was an equivalent of (13.98) % from trade off some assets, the cancellation of product registration that did not respond to the market and products that were not allowed to be registered any more. Deferred Tax increased by THB 3.12 million or an equivalent of 257.71% from loss of value changes of available-for-sale securities due to the stock market conditions which decreased throughout the year 2018. The actuarial estimates of employee benefit obligations was another reason for the decrease.

The company's total liabilities of THB 204.32 million, increased for THB 98.81 million, or an equivalent of 93.65%, when compared to that of the previous year. This amount includes an increase (a decrease) in short term loan from financial institutions (T/R creditors) for THB 73.85 million or an equivalent of 545.82%, trade account payable and other creditors increased for THB 22.44 million or an equivalent of 39.26%. Income tax payable decreased for THB (2.15) million or an equivalent of (9.75)%. The employee benefit obligation increased by THB 4.70 million or 39.67% due to the increase in service cost and interest from obligation and the loss on the actuarial valuation from the change of assumption.

Shareholder's equity of THB 586.99 million, a decrease of (28.93) million or an equivalent of (4.70)%, when compared to that of the previous year. This amount came from a decrease in unappropriated retained earnings for THB (20.23) million, or an equivalent of (6.91)% from the decrease in net profit and other components of shareholder's equity which includes loss on revaluation of fair value of available-for-sale of THB (4.07) million, a decrease of (8.71) or an equivalent of (187.81)%.

The changes in the balance sheet came from the decrease in sales volume from various factors that affect farmers' financial liquidity, market demand decreased consequently. The competition intensified as per market mechanism. There were shortage of some raw materials due to strict enforcement of environmental laws in China. The Company had to prepare more raw materials in Q4 for production in 2019 at appropriate quantity for market demand.

Therefore, the cash and cash equivalents, short-term investments decreased while accounts receivable and inventories increased with a slower collection period and sales period. As the baht fluctuated, the company needs reduce the impact of exchange rates by covering the exposure with forward contracts at appropriate rate for T/R payment. Meanwhile, the demand of raw materials to fulfill production in accordance with the situation, the company had to place orders from China and account payables for raw materials increased by 33.43% from raw material and local packaging material purchased. As a result, average payment period was slower. As for financial liquidity management, the Company bought and sold temporary investments for debt repayment. The investments in various forms was to increase revenue.

From the Company's operating results in 2018, the cash flows decreased by 89.41 %. As for financial ratio, the liquidity ratio decreased from 6.22 times in 2017, to 3.46 times in 2018, and the quick liquidity ratio decreased from 4.47 times in 2017, to 1.9 times in 2018. At the same time, the cash flow liquidity ratio decreased from 2.11 times in 2017 to 0.18 times in 2018, and the average collection period increased from 51 days in 2017, to 59 days in 2018. The average sale period increased from 120 days in 2017, to 151 days in 2018, while the accounts payable payment period increased from 59 days in 2017, to 79 days in 2018, leaving the cash cycle to increase from 112 days in 2017 to 131 days in 2018.

The Company's cash flows from the investment increased by 154.84 %, when compared to the previous year. The Company applied a policy to manage financial liquidity by increasing investment in temporary investment for THB 69.10 million and increase investment in available-for-sale securities for THB 14.51 million and received dividend for THB 5.61 million. The Company bought machineries and vehicles for THB 4.32 million and paid for expenses related to the registration for the new license for THB 3.69 million.

Cash flows from financing activities reduced by (32.71%) when compared with the previous year since the order of raw materials from other countries increased from that of 2017, causing more T/R creditors. Due to the fluctuated baht and to prevent risk from forex loss, the Company covered exposure with forward contract and applied for appropriated T/R paid off period and led to cost savings and to get the most out of current situation. Interest rate for T/R increased from 1.62% per year to 2.54% and short-term loan from financial institution increased. The Company also paid for dividends for THB 175.13 million and financial cost of THB 1.67 million. Cash and cash equivalents by the end of the year then equal to THB 21.81 million. A difference of THB 25.02 million was equivalent to 53.43% y-o-y.

The Company's capital structure comprises debt-to-equity ratio, which was 0.17 times in 2017 and 0.35 times in 2018. The company managed to purchase raw materials to fulfill 2019 market demand and led to the increase in liabilities. With the increase in employee benefit obligation mentioned earlier and

the decrease in operational result compared to 2017, the company was still being able to manage and control effective financial position, as a result, debt-to-equity ratio reasonably increased but still at a low level and this ratio level is considered very well.

Interest coverage ratio decreased from 457.72 times in 2017 to 39.11 times in 2018. From the aforementioned operation result, the Company saw operation cash flow of THB 25.16 million, a decrease of THB 212.52 million, or an equivalent of 89.41 %. The policy to increase the raw material purchase and the pay-off T/R creditor led to the increase in financial cost. The increase in T/R interest rate in 2018 resulting in the interest coverage decreased accordingly.

The 2018 Company's operating results saw a decrease in net profit. Therefore, its return on assets decreased from 27.57% in 2017 to 20.89% in 2018; its return on fixed assets decreased from 361.33% in 2017 to 288.79% in 2018, and its asset turnover ratio decreased from 124.89 times in 2017 to 108.77 times in 2018. All in all, this still indicates the ability in profit generation from the wise and efficient use of assets in accordance with current situation when compared with the previous year.

In 2019, with the decreased sales volumes, the Company's operating results see net profit of THB 86.73 million, causing its balance sheet to be significantly different from that of 2018. The world economy from aforementioned situation caused the Company's total assets to decrease to a total of THB 642.12 million, a decrease of THB 149.19 million is an equivalent of 18.85%, when compared to the previous year. Major sections that increased (decreased) are cash and cash deposits, temporary investment which increased for THB 11.21 million or a different of 5.41% y-o-y. Accounts receivable, other receivable, and inventory decreased by THB (92.75) and (56.72) million or an equivalent of (61.29) and (19.51)% respectively. Available-for-sales securities, property, plant and equipment decreased for THB (3.83), (7.62) and (1.64) million were equivalent to (6.70), (13.49), and (6.83)% respectively. Deferred Tax increased by THB 2.24 million or an equivalent of 51.75% from loss of value changes of available-for-sale securities due to the stock market fluctuated conditions throughout the year 2019. The actuarial estimates of employee benefit obligations was another reason for the decrease.

The company's total liabilities of THB 114.67 million, decreased for THB 89.65 million, or an equivalent of 43.88%, when compared to that of the previous year. This amount includes an increase (a decrease) in short term loan from financial institutions (T/R creditors), trade account payable and other creditors, and income tax payable for THB (40.53), (44.64) and (10.64) million or an equivalent of (46.38), (56.09), and (53.07) respectively. The employee benefit obligation increased by THB 6.22 million or 37.61% due to the effectiveness of the current Labor Protection Law regarding retirement compensation for employees which the compensation benefit calculated change from 300 days to 400 days led to record of administrative cost and loss on the actuarial valuation from the change of assumption.



Shareholder's equity of THB 527.45 million, a decrease of (59.54) million or an equivalent of (10.14)%, when compared to that of the previous year. This amount came from a decrease in unappropriated retained earnings for THB (56.49) million, or an equivalent of (20.73)% from the decrease in net profit and other components of shareholder's equity which includes loss on revaluation of fair value of available-for-sale of THB 7.13 million, an increase of THB 3.06 million or an equivalent of 75.18%.

The changes in the balance sheet came from the decrease in sales volume from various factors that affect farmers' financial liquidity, market demand decreased consequently. The competition intensified as per market mechanism. There were shortage of some raw materials due to strict enforcement of environmental laws in China. In addition, the ban of 3 agrochemicals, the Company had to reduce raw materials imported for production at appropriate quantity for market demand.

Therefore, the cash and cash equivalents, short-term investments increased while accounts receivable and inventories decreased with a slower collection period and longer sales period. As the baht fluctuated, the company needs reduce the impact of exchange rates by covering the exposure with forward contracts at appropriate rate for T/R payment. Meanwhile, the demand of raw materials to fulfill production in accordance with the situation in China. The ban of 3 agrochemical led to a decrease in market demand. Import of raw materials decreased by 51.61% y-o-y. As a result, short term loan from financial institution significantly decreased. Account payables for raw materials and local packaging material purchased decreased. Average payment period was slower and financial liquidity increased.

From the Company's operating results in 2019, the cash flows increased by 235.17%. As for financial ratio, the liquidity ratio, the quick ratio and the cash flow liquidity ratio increased by 5.56, 3.01, and 1.39 times respectively. The average collection period, the average sale period, the accounts payable period, and the cash cycle increased to 66, 238, 113 and 191 days respectively.

The Company's cash flows from the investment decreased by 51.68 %, when compared to the previous year. The Company applied a policy to manage financial liquidity by increasing investment in temporary investment for THB 21.50 million and received dividend for THB 4.82 million. The Company bought machineries, used motor vehicle and selling of 657 square wah land of Samuthprakarn Province for THB 2.15 million and paid for expenses related to the registration for the new license for THB 3.47 million.

Cash flows from financing activities reduced by (79.92%) when compared with the previous year since the order of raw materials from other countries decreased from that of 2018. Due to the fluctuated baht and to prevent risk from forex loss, the Company covered exposure with forward contract and applied for appropriated T/R paid off period and led to cost savings and to get the most out of current situation. Interest rate for T/R increased to 2.00 to 2.80% per year causing higher financial cost. The Company also paid for

dividends for THB 142.38 million. Cash and cash equivalents by the end of the year then equal to THB 53.34 million. The increase of THB 31.53 million was equivalent to 144.59% y-o-y.

The Company's capital structure comprises debt-to-equity ratio, which was 0.22 times in 2019. The company managed to purchase raw materials to fulfill reduced market demand. Various factors affected sales revenue led to lower current liabilities. With the increase in employee benefit obligation mentioned earlier and the decrease in operational result compared to 2019, the company was still being able to manage and control effective financial position, as a result, debt-to-equity ratio reasonably decreased to a low level and this ratio level is considered very well.

Interest coverage ratio decreased from 128.70 times in 2019. From the aforementioned operation result, the Company saw operation cash flow increased. The policy to reduce the raw material purchase and the appropriate pay-off T/R creditor, the increase in T/R interest rate led to the increase in financial cost. The interest coverage increased when compared to the previous year.

The 2019 Company's operating results saw a decrease in net profit. Therefore, its return on assets, return on fixed assets decreased to 12.10%, and 179.37% respectively. The asset turnover ratio decreased to 81.08 times. All in all, this still indicates the ability in profit generation from the wise and efficient use of assets in accordance with current situation when compared with the previous year.

In 2020, with the decreased sales volumes, the Company's operating results see net profit of THB 81.79 million, causing its balance sheet to be significantly different from that of 2019. The world economy from aforementioned situation caused the Company's total assets to decrease to a total of THB 608.95 million, a decrease of THB 33.179 million is an equivalent of 5.16%, when compared to the previous year. Major sections that increased (decreased) are cash and cash deposits and other current assets increased for THB 85.35 million or a different of 39.08% y-o-y. Accounts receivable, other receivable, and inventory decreased by THB (4.58) and (104.24) million or an equivalent of (7.82) and (44.54)% respectively. Other non-current financial assets, property, plant and equipment, intangible assets decreased for THB (0.94), (6.21) and (3.25) million were equivalent to (1.76), (12.71), and (14.52)% respectively. Deferred Tax and Rights of use assets increased by THB 0.33 and 0.39 million or an equivalent of 5.06% and 100.00% respectively from loss of value changes of available-for-sale securities due to the stock market fluctuated conditions throughout the year 2020. Records according to TFRS 16 on lease agreements which was enforced on January 1, 2020 led to the record of the Right-of-use assets transaction.

The company's total liabilities of THB 81.47 million, decreased for THB (28.20) million, or an equivalent of (24.59)%, when compared to that of the previous year. This amount includes an increase (a decrease) in short term loan from financial institutions (T/R creditors), trade account payable and other creditors, income tax payable, and liabilities under lease agreements due within 1 year for THB (30.35), (2.18), 2.83, and 0.48 million or an equivalent of (64.77), (6.24), 30.35, and 100% respectively. The employee benefit obligation increased by THB 1.14 million or 5%. There is an additional record according to TFRS 16 on lease agreements which was enforced on January 1, 2020.

Shareholder's equity of THB 522.485 million, a decrease of (4.97) million or an equivalent of (0.94)%, when compared to that of the previous year. This amount came from a decrease in unappropriated retained earnings for THB (4.97) million, or an equivalent of (0.94)% from the decrease in net profit and other components of shareholder's equity which includes loss on revaluation of fair value of available-for-sale of THB 8.4 million, an increase of THB 1.34 million or an equivalent of 18.20%.

The changes in the balance sheet came from the decrease in sales volume from various factors that affect farmers' financial liquidity, market demand decreased consequently. The market competition still intensified. In addition, the ban of Paraquat and Chlorpyrifos and the limitation of use of Glyphosate, the Company had to reduce raw materials imported for production at appropriate quantity for the situation and market demand.

Therefore, the cash and cash equivalents, and other current financial assets (Investment in unit trusts - open funds) increased. Accounts receivable and other receivable, and inventories decreased. The company offer a policy to allow customers to pay for products faster than the term received by receiving additional cash discounts for the benefit of customers and led to a faster collection period and sales period. As the baht fluctuated all through the year, the company needs reduce the impact of exchange rates by covering the exposure with forward contracts at appropriate rate for T/R payment. Meanwhile, the demand of raw materials to fulfill production in accordance with the situation of suppliers in China which have improved the production process in accordance with the law and being able to supply products. However, due to other factors in Thailand, the market demand decreased. Import of raw materials decreased by (3.11)% y-o-y. As a result, short term loan from financial institution and account payables for raw materials and local packaging material purchased decreased. Average payment period was faster and financial liquidity increased.

From the Company's operating results in 2020, the cash flows increased by 84.93%. As for financial ratio, the liquidity ratio, the quick ratio and the cash flow liquidity ratio increased by 7.79, 5.72, and

5.62 times respectively. The average collection period, the average sale period, the accounts payable period, and the cash cycle increased to 37, 169, 61, and 145 days respectively.

The Company's cash flows from the investment decreased by 273.43%, when compared to the previous year. The Company applied a policy to manage financial liquidity by increasing investment in Investment unit – Open fund for THB 44.51 million and received dividend for THB 3.55 million in 2020. The Company bought machineries, vehicle and paid for expenses related to the registration for the new license for THB 1.10, and 1.17 million respectively.

Cash flows from financing activities reduced by (36.30%) when compared with the previous year since the order of raw materials from other countries decreased. Due to all times fluctuated baht and to prevent risk from forex loss, the Company covered exposure with forward contract and applied for appropriated T/R paid off period and led to cost savings and to get the most out of current situation. Interest rate for T/R decreased to 0.45-0.60% per year causing lower financial cost. The Company also paid for dividends for THB 85.46 million. Therefore, cash and cash equivalents by the end of the year then equal to THB 94.76 million. The increase of THB 41.42 million was equivalent to 43.71% y-o-y.

The Company's capital structure comprises debt-to-equity ratio, which was 0.17 times in 2020. The company managed to purchase raw materials to fulfill reduced market demand. Various factors affected sales revenue led to lower current liabilities. The decrease in operational result compared to 2019, the company was still being able to manage and control effective financial position, as a result, debt-to-equity ratio reasonably decreased to a low level and this ratio level is considered very well.

Interest coverage ratio increased to 613.03 times in 2020. From the aforementioned operation result, the Company saw operation cash flow increased. The policy to reduce the raw material purchase and the extended pay-off T/R creditor awaiting for appropriate forex rate, and the decrease in T/R interest rate led to the decrease in financial cost. The interest coverage decreased when compared to the previous year.

The 2020 Company's operating results saw a decrease in net profit. Therefore, its return on assets, return on fixed assets increased to 13.08%, and 206.12% respectively. The asset turnover ratio increased to 89.09 times. All in all, this still indicates the ability in profit generation from the wise and efficient use of assets in accordance with current situation when compared with the previous year.

From the capital structure shown, the Company still has the policy to carefully manage its finance in order to achieve maximum returns, while keeping risks that may impact its operation to a minimum. The Company still places emphasis on investment in wise and efficient spending to achieve highest revenue possible. To this end, the Company set the policy to properly order raw materials in terms of quantity, quality and price, to be in accordance with the market situation at that particular moment. In terms of

exchange rate risk, which is outside factor that may impact the Company's operating results, the Company has set the policy to prevent risk from fluctuation. To doing so, the Company has managed foreign debt payment term in order to achieve the lowest cost capital possible by doing forward contract to reduce its risks.

The Company has continuously recognized the importance of financial stability. Therefore, the Company has a policy to carefully manage its finance by using its current liabilities to invest in current assets in order to achieve financial liquidity and maximum returns while making the most efficient use of financial capital possible. This goal is to generate the highest returns to shareholders while keeping important financial ratios in good levels, which can be seen in the operating results of 2020, as mentioned earlier.

Important key factors that have impact to the operation in the year 2021, Thai economy has a tendency that there are limitations from the conditions and risk factors from the fluctuations of the global economy, which is expected to continue to grow continuously in a narrow range under support factors from:

1. Economy has improved from a low base in 2020. The government is continuing to stimulate the economy and the recovery from the economic cycle and increasing foreign demand, employment, low inflation, and interest rates, including government financial assistance measures for low-income earners who affected by COVID-19 pandemic were contributing factor to the continued improvement in household spending.

2. Private investment is likely to improve, especially those related to public investment and the export sector. In addition, the positive signs from the industrial sectors showed the gradual recovery in line with product demand that is associated with the prevention of the outbreak and work from home policy.

3. Government is likely to expand the investment and accelerating disbursement from the annual expenditure budget for 2021, combined with the use of loans in accordance with the social and economic recovery program from the effects of the epidemic of COVID-19. On the other hand, many large infrastructure projects have been delayed but the value of the total investment is likely to outspend the previous year.

4. Domestic consumption has been boosted and is continued to benefit from the extension of the spending stimulus package and tourism subsidiary measures in the country. Also, purchasing power from the middle-class income earners and high-income earners is key factor to help drive growth in domestic consumption.

5. Tourism industrial continues to be affected by COVID-19 outbreak. Although there is progress with the development and the vaccination, it expected that the significant increase in the number of international travellers will not happen until the fourth quarter of 2021 and it will take at least a few more years until foreign tourists return to the same levels before the pandemic. Therefore, the employment and businesses related to the tourism sector are likely to remain sluggish.

However, the recovery of Thai economy is still with uncertainty both the development and production of vaccines that may not meet the target to vaccinate enough the global population. This may delay the global economic recovery. The volatility in money market which will affect the international capital flows and the movement of Thai baht. The international trade policy between the United States and China under the new administration of the United States, which may affect the Thai export sector. The key domestic factors which are the risks include the severity of the new COVID-19 outbreak, the protracted political rally, slow recovery of the tourism sector, unemployment problem, and rising household debt. These issues will affect the spending power and ability to repay debt of the household sector. The recovery of the business sector, especially SMEs, after the expiration of the financial assistance measures from government and financial institutions. From the cooperation within the ASEAN countries together with China, Japan, South Korea, Australia, and New Zealand, it is expected to contribute to the export, investment, and growth of the Thai economy in the future.

Outlook for the agricultural economy in 2021 is expected to expand in a narrow range or shrink slightly that expands in the production sector (Source: Agricultural Economic Conditions 2020 and Trends in 2021 from the Agricultural Development Policy and Planning Division, Office of Agricultural Economics), with supporting factors including the implementation of various agricultural policies and measures that will continue benefit farmers, for example, water and resources management, development of Smart Farmers and Yong Smart Farmers program, creating Big Data database for decision making, promoting the use of technology in production, upgrading the quality of agricultural products, and promoting farmers cooperation. The use of market principles to lead the production will make the product in line with the needs of the market consumers, providing appropriate production planning and proper use of resources, which reduces production costs, therefore, generate more stable incomes for farmers.

General weather and water content are still favorable to agricultural production with the government planning to use water from irrigation projects throughout the country properly. This is for the sufficiency of season crops and not to experience severe drought crisis as the previous year. Furthermore, the public and private sectors encourage farmers to grow crops in appropriate areas and also facilitate the development of production, processing and marketing of agricultural products. Altogether, this will help to

increase the efficiency of production process. However, it still needs to monitor various situations and factors that may have impact the crops cultivation in the country including the water content in major irrigation dams, climate variability, the outbreaks of various pests and plant diseases, as well as the situation of COVID-9 in Thailand and worldwide.

In terms of price, it is expected that the durian, rice, and mangosteen are priced favorably. due to the continuous demand of both domestic and international markets. In addition, the government created a farmer development policy to equip them with better knowledge in order to understand the product quality and product development to meet the needs of consumers. On the other hand, maize, pineapple, rubber, palm oil, longan and rambutan are similar in price to last year and it is also expected that sugarcane will have a better price as the market demand increases and the reduction in productivity.

The production of agricultural products that are expected to be increased, namely in-season rice, maize, cassava, pine apple, rubber, oil palm, longan, durian and mangosteen. The agricultural products that are expected to be decreased, namely off-season rice, sugar cane, and rambutan.

In terms of price, it is expected that the durian, rice, and mangosteen are priced favorably due to the continuous demand of both domestic and international markets. In addition, the government created a farmer development policy to equip them with better knowledge in order to understand the product quality and product development to meet the needs of consumers. On the other hand, maize, pineapple, rubber, palm oil, longan and rambutan are similar in price to last year and it is also expected that sugarcane will have a better price as the market demand increases and the reduction in productivity.

In agricultural sector production, the Government will continue to provide its full support in all areas such as:

1. Technology development - Developing production technology by educating farmers and providing good plant breeds in order to further develop quality of output and create competitive capability.
2. Marketing - Helping to sustain agricultural prices, let market forces operate on their own, and seeking market channel abroad.
3. Finances – Providing loan support which might be in the form of a village fund, low-interest loans so as to create opportunity for farmers and allow farmers to easier fund accessibility.
4. Promote agricultural processing – This is done by creating added value to products which would develop product quality and enable to export.

Government support on production and its strategy to restructure agricultural products to make it in line with market needs and create competitiveness for the country, will improve farmers' situation and living standards.

Raw material prices rising higher with world market conditions are a risk factor, making the cost price of products higher. The fluctuation of oil prices, THB fluctuation and weakening, drought and flooding, the new regulation from the government enforced recently, and the pandemic of COVID-19 are also external factors which are beyond control. However, the company has devised a policy to ease the effects from these risk factors.

1. Company policy to manage forex on raw material imports, for example, with an extension of account payable and the using of forward contract to reduce risks with prudent consideration of favorable exchange rate.
2. Practicing more caution when ordering raw materials, seeing that it concords with needs. This will reduce damage from excessive inventory. However, lead Time is considered to avoid short of inventory.
3. Making careful consideration before opening new trade accounts and expanding credit lines to prevent damage from bad debts and strictly performing in accordance with collection policy.
4. Disseminate knowledge on technology and correct usage of product to increase yields, promote safety, with no environmental effects.
5. Arrange enough budget to handle with the Hazardous substance Act (No.3) B.E. 2551 enforced.

These above factors affect the company's operations and financial position. Therefore, it is the policy of the company to try and reduce the adverse effects from these various factors through the above mentioned measures. Although, these are outside factors that cannot be controlled, it is expected that this policy will reflect in better operations for the company.