

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

<u>ASSETS</u>	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
CURRENT ASSETS					
Cash and cash equivalents	6	354,250,608	261,771,921	327,082,224	242,783,021
Short - term investments	7	205,600,000	155,600,000	200,000,000	150,000,000
Trade and other receivables	8	60,671,633	58,593,091	64,578,302	58,039,592
Accounts receivable - planters	9	49,733,247	28,821,956	49,733,247	28,821,956
Inventories	10	356,817,670	336,257,594	356,817,670	336,257,594
Other current assets		<u>2,657,543</u>	<u>2,513,344</u>	<u>2,603,227</u>	<u>2,427,124</u>
TOTAL CURRENT ASSETS		<u>1,029,730,701</u>	<u>843,557,906</u>	<u>1,000,814,670</u>	<u>818,329,287</u>
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	11	14,942,195	14,672,090	-	-
Investment in subsidiary	12	-	-	23,353,658	23,353,658
Property, plant and equipment	13	381,281,051	407,198,912	380,463,619	406,033,043
Computer software - installation		4,578,806	2,976,673	4,578,806	2,976,673
Other non - current assets		<u>4,204,971</u>	<u>5,054,007</u>	<u>4,204,071</u>	<u>5,053,107</u>
TOTAL NON - CURRENT ASSETS		<u>405,007,023</u>	<u>429,901,682</u>	<u>412,600,154</u>	<u>437,416,481</u>
TOTAL ASSETS		<u>1,434,737,724</u>	<u>1,273,459,588</u>	<u>1,413,414,824</u>	<u>1,255,745,768</u>

The notes to financial statements are an integral part of these financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2012

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	Notes	2012	2011	2012	2011
CURRENT LIABILITIES					
Trade and other payables	15	93,435,016	69,410,638	91,601,251	68,303,082
Accrued income tax		17,236,470	4,801,658	16,616,562	3,895,749
Other current liabilities		2,827,322	2,733,864	2,767,340	2,608,996
TOTAL CURRENT LIABILITIES		113,498,808	76,946,160	110,985,153	74,807,827
NON - CURRENT LIABILITIES					
Employee benefit obligations	16	29,588,203	26,241,311	28,169,254	24,899,344
TOTAL LIABILITIES		143,087,011	103,187,471	139,154,407	99,707,171
SHAREHOLDERS' EQUITY					
Share capital - Baht 1 par value					
Authorized shares					
381,146,251 common shares		381,146,251	381,146,251	381,146,251	381,146,251
Issued and paid - up shares					
381,145,725 common shares		381,145,725	381,145,725	381,145,725	381,145,725
Premium on share capital		68,000,000	68,000,000	68,000,000	68,000,000
Retained earnings					
Appropriated for legal reserve	17	38,115,000	38,115,000	38,115,000	38,115,000
Unappropriated		804,389,988	683,011,392	786,999,692	668,777,872
TOTAL SHAREHOLDERS' EQUITY		1,291,650,713	1,170,272,117	1,274,260,417	1,156,038,597
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,434,737,724	1,273,459,588	1,413,414,824	1,255,745,768

The notes to financial statements are an integral part of these financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Revenues from sales	1,491,528,703	1,293,386,520	1,466,095,469	1,267,969,807
Cost of sales	<u>(1,110,785,319)</u>	<u>(1,049,127,207)</u>	<u>(1,108,120,889)</u>	<u>(1,048,132,207)</u>
Gross profit	380,743,384	244,259,313	357,974,580	219,837,600
Gain on exchange rate	11,596,008	12,782,132	8,409,509	11,132,990
Other income	<u>17,737,626</u>	<u>11,603,976</u>	<u>17,812,886</u>	<u>11,793,612</u>
Profit before expenses	<u>410,077,018</u>	<u>268,645,421</u>	<u>384,196,975</u>	<u>242,764,202</u>
Selling expenses	(110,222,020)	(120,368,268)	(93,906,589)	(103,576,397)
Administrative expenses	<u>(91,421,620)</u>	<u>(87,558,544)</u>	<u>(86,032,937)</u>	<u>(82,633,880)</u>
Total expenses	<u>(201,643,640)</u>	<u>(207,926,812)</u>	<u>(179,939,526)</u>	<u>(186,210,277)</u>
Profit before income tax	208,433,378	60,718,609	204,257,449	56,553,925
Income tax	<u>(33,695,122)</u>	<u>(4,922,254)</u>	<u>(32,675,969)</u>	<u>(4,011,990)</u>
Profit for the year	<u>174,738,256</u>	<u>55,796,355</u>	<u>171,581,480</u>	<u>52,541,935</u>
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>174,738,256</u>	<u>55,796,355</u>	<u>171,581,480</u>	<u>52,541,935</u>
Profit attributable to:				
Equity holders of the parent	174,738,256	55,796,355	171,581,480	52,541,935
Non - controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>174,738,256</u>	<u>55,796,355</u>	<u>171,581,480</u>	<u>52,541,935</u>
BASIC EARNINGS PER SHARE				
Net profit attributable to equity holders of the parent	<u>0.46</u>	<u>0.15</u>	<u>0.45</u>	<u>0.14</u>
Weighted average number of common shares (shares)	<u>381,145,725</u>	<u>381,145,725</u>	<u>381,145,725</u>	<u>381,145,725</u>

The notes to financial statements are an integral part of these financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

		In Baht					
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total
				Appropriated for legal reserve	Unappropriated		
BALANCE as at 1 January 2011		381,145,725	68,000,000	38,115,000	760,614,291	-	1,247,875,016
Dividends paid	18	-	-	-	(133,399,254)	-	(133,399,254)
Total comprehensive income for the year		-	-	-	55,796,355	-	55,796,355
BALANCE as at 31 December 2011		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>683,011,392</u>	<u>-</u>	<u>1,170,272,117</u>
BALANCE as at 1 January 2012		381,145,725	68,000,000	38,115,000	683,011,392	-	1,170,272,117
Dividends paid	18	-	-	-	(53,359,660)	-	(53,359,660)
Total comprehensive income for the year		-	-	-	174,738,256	-	174,738,256
BALANCE as at 31 December 2012		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>804,389,988</u>	<u>-</u>	<u>1,291,650,713</u>

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CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

		In Baht					
		Issued and paid - up share capital	Premium on share capital	Retained earnings		Other components of equity	Total
Notes	Appropriated for legal reserve			Unappropriated			
BALANCE as at 1 January 2011		381,145,725	68,000,000	38,115,000	749,635,191	-	1,236,895,916
Dividends paid	18	-	-	-	(133,399,254)	-	(133,399,254)
Total comprehensive income for the year		-	-	-	52,541,935	-	52,541,935
BALANCE as at 31 December 2011		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>668,777,872</u>	-	<u>1,156,038,597</u>
BALANCE as at 1 January 2012		381,145,725	68,000,000	38,115,000	668,777,872	-	1,156,038,597
Dividends paid	18	-	-	-	(53,359,660)	-	(53,359,660)
Total comprehensive income for the year		-	-	-	171,581,480	-	171,581,480
BALANCE as at 31 December 2012		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>786,999,692</u>	-	<u>1,274,260,417</u>

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CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	208,433,378	60,718,609	204,257,449	56,553,925
Adjustments to reconcile net profit to net cash provided by provided by operating activities				
Unrealized gain (loss) on exchange rate	(1,906)	(630,567)	722	(469,378)
Doubtful accounts (reversal)	(446,639)	319,613	(446,639)	319,613
Loss on diminution of inventories (reversal)	(1,440,016)	4,700,570	(1,440,016)	4,700,570
Gain on disposal of equipment and written off	(3,222,650)	(62,066)	(3,214,326)	(62,073)
Depreciation	61,749,248	66,977,615	61,367,612	66,604,462
Impairment of assets	4,679,188	-	4,679,188	-
Provisions for employee benefit obligations	3,727,292	3,146,297	3,650,310	3,074,551
Profit from operating activities before change in operational assets and liabilities	273,477,895	135,170,071	268,854,300	130,721,670
Decrease (Increase) in operational assets				
Trade and other receivables	(2,095,174)	(3,486,574)	(6,556,479)	2,490,646
Accounts receivable - planters	(20,464,652)	7,042,661	(20,464,652)	7,042,661
Inventories	(19,120,060)	(30,999,704)	(19,120,060)	(30,999,704)
Other current assets	(144,199)	(548,486)	(176,103)	(497,725)
Other non - current assets	849,036	(1,848,920)	849,036	(1,848,920)
Increase (Decrease) in operational liabilities				
Trade and other payables	20,426,104	(11,802,366)	19,698,404	(11,549,290)
Employee benefit obligations	(380,400)	-	(380,400)	-
Other current liabilities	(92,949)	(845,866)	(28,063)	(931,485)
Cash receipt from operation	252,455,601	92,680,816	242,675,983	94,427,853
Income tax paid	(21,260,310)	(1,496,561)	(19,955,156)	(1,492,206)
Net cash provided by operating activities	231,195,291	91,184,255	222,720,827	92,935,647

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CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (Increase) in short - term investments	(50,000,000)	149,963,080	(50,000,000)	150,000,000
Increase in fixed deposits pledged as collateral	(270,105)	(180,405)	-	-
Proceeds from disposal of equipment	5,311,504	67,822	5,303,154	67,822
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(38,982,617)	(26,331,640)	(38,949,392)	(26,284,014)
Cash paid for acquisition of computer software	<u>(1,602,133)</u>	<u>(177,787)</u>	<u>(1,602,133)</u>	<u>(177,787)</u>
Net cash provided by (used in) investing activities	<u>(85,543,351)</u>	<u>123,341,070</u>	<u>(85,248,371)</u>	<u>123,606,021</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for dividends (Supplement of cash flows information 2)	<u>(53,173,253)</u>	<u>(133,297,300)</u>	<u>(53,173,253)</u>	<u>(133,297,300)</u>
Net cash used in financing activities	<u>(53,173,253)</u>	<u>(133,297,300)</u>	<u>(53,173,253)</u>	<u>(133,297,300)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,478,687	81,228,025	84,299,203	83,244,368
Cash and cash equivalents, beginning of the year	<u>261,771,921</u>	<u>180,543,896</u>	<u>242,783,021</u>	<u>159,538,653</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>354,250,608</u></u>	<u><u>261,771,921</u></u>	<u><u>327,082,224</u></u>	<u><u>242,783,021</u></u>
<u>Supplement disclosures of cash flows information</u>				
<u>1. Cash paid for acquisition of plant and equipment</u>				
Details of acquisition of plant and equipment during the year are as follows :				
Acquisition of plant and equipment during the year	(42,599,429)	(24,472,691)	(42,566,204)	(24,425,065)
Increase (Decrease) in payable from acquisition of assets	<u>3,616,812</u>	<u>(1,858,949)</u>	<u>3,616,812</u>	<u>(1,858,949)</u>
Cash paid for acquisition of plant and equipment	<u>(38,982,617)</u>	<u>(26,331,640)</u>	<u>(38,949,392)</u>	<u>(26,284,014)</u>
<u>2. Cash paid for dividends</u>				
Dividends paid	(53,359,660)	(133,399,254)	(53,359,660)	(133,399,254)
Increase in accrued dividends	<u>186,407</u>	<u>101,954</u>	<u>186,407</u>	<u>101,954</u>
Cash paid for dividends	<u>(53,173,253)</u>	<u>(133,297,300)</u>	<u>(53,173,253)</u>	<u>(133,297,300)</u>

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