

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

		In Baht					
		Consolidated			Separate		
		financial statements			financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
ASSETS	Notes		(Restated)	(Restated)		(Restated)	(Restated)
CURRENT ASSETS							
Cash and cash equivalents	8	175,934,456	354,250,608	261,771,921	150,493,438	327,082,224	242,783,021
Short - term investments	9	406,000,000	205,600,000	155,600,000	400,000,000	200,000,000	150,000,000
Trade and other receivables	10	95,990,917	63,329,176	61,106,435	94,744,394	67,181,529	60,466,716
Accounts receivable - planters	11	39,644,803	49,733,247	28,821,956	39,644,803	49,733,247	28,821,956
Inventories	12	339,471,694	356,817,670	336,257,594	339,471,694	356,817,670	336,257,594
TOTAL CURRENT ASSETS		<u>1,057,041,870</u>	<u>1,029,730,701</u>	<u>843,557,906</u>	<u>1,024,354,329</u>	<u>1,000,814,670</u>	<u>818,329,287</u>
NON - CURRENT ASSETS							
Fixed deposits pledged as collateral	13	15,197,026	14,942,195	14,672,090	-	-	-
Investment in subsidiary	14	-	-	-	23,353,658	23,353,658	23,353,658
Property, plant and equipment	15	367,991,602	381,281,051	407,198,912	367,505,586	380,463,619	406,033,043
Intangible - computer software	16	4,037,904	4,578,806	2,976,673	4,037,904	4,578,806	2,976,673
Deferred tax assets	5	8,118,798	7,013,679	7,689,616	7,894,870	6,729,889	7,421,223
Other non - current assets		1,760,186	4,204,971	5,054,007	1,759,286	4,204,071	5,053,107
TOTAL NON - CURRENT ASSETS		<u>397,105,516</u>	<u>412,020,702</u>	<u>437,591,298</u>	<u>404,551,304</u>	<u>419,330,043</u>	<u>444,837,704</u>
TOTAL ASSETS		<u>1,454,147,386</u>	<u>1,441,751,403</u>	<u>1,281,149,204</u>	<u>1,428,905,633</u>	<u>1,420,144,713</u>	<u>1,263,166,991</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 2013

		In Baht					
		Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY	Notes						
CURRENT LIABILITIES							
Trade and other payables	18	81,671,642	93,435,016	69,410,638	79,896,062	91,601,251	68,303,082
Accrued income tax		7,164,707	17,236,470	4,801,658	6,879,075	16,616,562	3,895,749
Other current liabilities		3,179,695	2,827,322	2,733,864	3,028,847	2,767,340	2,608,996
TOTAL CURRENT LIABILITIES		92,016,044	113,498,808	76,946,160	89,803,984	110,985,153	74,807,827
NON - CURRENT LIABILITIES							
Employee benefit obligations	19	35,301,931	29,588,203	26,241,311	34,182,292	28,169,254	24,899,344
TOTAL LIABILITIES		127,317,975	143,087,011	103,187,471	123,986,276	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	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	381,145,725	381,145,725
Premium on share capital		68,000,000	68,000,000	68,000,000	68,000,000	68,000,000	68,000,000
Retained earnings							
Appropriated for legal reserve	20	38,115,000	38,115,000	38,115,000	38,115,000	38,115,000	38,115,000
Unappropriated		839,568,686	811,403,667	690,701,008	817,658,632	793,729,581	676,199,095
TOTAL SHAREHOLDERS' EQUITY		1,326,829,411	1,298,664,392	1,177,961,733	1,304,919,357	1,280,990,306	1,163,459,820
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,454,147,386	1,441,751,403	1,281,149,204	1,428,905,633	1,420,144,713	1,263,166,991

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 2013

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Note	(Restated)		(Restated)	
Revenues from sales	1,426,501,997	1,491,528,703	1,407,755,784	1,466,095,469
Cost of sales	<u>(1,112,921,285)</u>	<u>(1,110,785,319)</u>	<u>(1,112,921,285)</u>	<u>(1,108,120,889)</u>
Gross profit	313,580,712	380,743,384	294,834,499	357,974,580
Gain on exchange rate	17,716,686	11,596,008	11,157,296	8,409,509
Other income	<u>19,116,538</u>	<u>17,737,626</u>	<u>19,195,791</u>	<u>17,812,886</u>
Profit before expenses	<u>350,413,936</u>	<u>410,077,018</u>	<u>325,187,586</u>	<u>384,196,975</u>
Selling expenses	(104,589,553)	(110,222,020)	(89,282,182)	(93,906,589)
Administrative expenses	<u>(89,108,615)</u>	<u>(91,421,620)</u>	<u>(83,913,927)</u>	<u>(86,032,937)</u>
Total expenses	<u>(193,698,168)</u>	<u>(201,643,640)</u>	<u>(173,196,109)</u>	<u>(179,939,526)</u>
Profit before Income tax expenses	156,715,768	208,433,378	151,991,477	204,257,449
Income tax expenses	26 <u>(20,897,795)</u>	<u>(34,371,059)</u>	<u>(19,918,315)</u>	<u>(33,367,303)</u>
Profit for the year	135,817,973	174,062,319	132,073,162	170,890,146
Other comprehensive income for the year				
Actuarial losses - net of tax	<u>(936,436)</u>	<u>-</u>	<u>(1,427,593)</u>	<u>-</u>
Total comprehensive income for the year	<u>134,881,537</u>	<u>174,062,319</u>	<u>130,645,569</u>	<u>170,890,146</u>
Profit attributable to:				
Equity holders of the parent	135,817,973	174,062,319	132,073,162	170,890,146
Non - controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>135,817,973</u>	<u>174,062,319</u>	<u>132,073,162</u>	<u>170,890,146</u>
Total comprehensive income attributable to:				
Equity holders of the parent	134,881,537	174,062,319	130,645,569	170,890,146
Non - controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>134,881,537</u>	<u>174,062,319</u>	<u>130,645,569</u>	<u>170,890,146</u>
BASIC EARNINGS PER SHARE				
Profit attributable to equity holders of the parent	<u>0.36</u>	<u>0.46</u>	<u>0.35</u>	<u>0.45</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 2013

		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 2012 - as previously reported		381,145,725	68,000,000	38,115,000	683,011,392	-	1,170,272,117
Cumulative effect of the change in accounting policy relating to income tax	5	-	-	-	7,689,616	-	7,689,616
Balance as at 1 January 2012 - as restated		381,145,725	68,000,000	38,115,000	690,701,008	-	1,177,961,733
Dividends paid	21	-	-	-	(53,359,660)	-	(53,359,660)
Total comprehensive income for the year		-	-	-	174,062,319	-	174,062,319
Balance as at 31 December 2012		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>811,403,667</u>	<u>-</u>	<u>1,298,664,392</u>
Balance as at 1 January 2013 - as previously reported		381,145,725	68,000,000	38,115,000	804,389,988	-	1,291,650,713
Cumulative effect of the change in accounting policy relating to income tax	5	-	-	-	7,013,679	-	7,013,679
Balance as at 1 January 2013 - as restated		381,145,725	68,000,000	38,115,000	811,403,667	-	1,298,664,392
Dividends paid	21	-	-	-	(106,716,518)	-	(106,716,518)
Total comprehensive income for the year		-	-	-	134,881,537	-	134,881,537
Balance as at 31 December 2013		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>839,568,686</u>	<u>-</u>	<u>1,326,829,411</u>

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	In Baht					Total
		Issued and paid - up share capital	Premium on share capital	Retained earnings		Other components of equity	
				Appropriated for legal reserve	Unappropriated		
Balance as at 1 January 2012 - as previously reported		381,145,725	68,000,000	38,115,000	668,777,872	-	1,156,038,597
Cumulative effect of the change in accounting policy relating to income tax	5	-	-	-	7,421,223	-	7,421,223
Balance as at 1 January 2012 - as restated		381,145,725	68,000,000	38,115,000	676,199,095	-	1,163,459,820
Dividends paid	21	-	-	-	(53,359,660)	-	(53,359,660)
Total comprehensive income for the year		-	-	-	170,890,146	-	170,890,146
Balance as at 31 December 2012		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>793,729,581</u>	<u>-</u>	<u>1,280,990,306</u>
Balance as at 1 January 2013 - as previously reported		381,145,725	68,000,000	38,115,000	786,999,692	-	1,274,260,417
Cumulative effect of the change in accounting policy relating to income tax	5	-	-	-	6,729,889	-	6,729,889
Balance as at 1 January 2013 - as restated		381,145,725	68,000,000	38,115,000	793,729,581	-	1,280,990,306
Dividends paid	21	-	-	-	(106,716,518)	-	(106,716,518)
Total comprehensive income for the year		-	-	-	130,645,569	-	130,645,569
Balance as at 31 December 2013		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>817,658,632</u>	<u>-</u>	<u>1,304,919,357</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 CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	In Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expenses	156,715,768	208,433,378	151,991,477	204,257,449
Adjustments to reconcile net profit to net cash provided by operating activities				
Unrealized loss(gain) on exchange rate	(939,458)	(1,906)	(846,512)	722
Reversal of doubtful accounts	-	(446,639)	-	(446,639)
Reversal of diminution in value of inventories	(2,822,922)	(1,440,016)	(2,822,922)	(1,440,016)
Loss (gain) on disposal and amortization	23,825	(3,222,650)	43,824	(3,214,326)
Depreciation and amortization	59,698,261	61,749,248	59,303,846	61,367,612
Loss on impairment of assets and intangible assets	2,634,787	4,679,188	2,634,787	4,679,188
Provisions for employee benefit obligations	5,000,683	3,727,292	4,686,047	3,650,310
Profit from operating activities before change in operational assets and liabilities	220,310,944	273,477,895	214,990,547	268,854,300
Decrease (Increase) in operational assets				
Trade and other receivables	(31,561,389)	(2,239,373)	(26,570,360)	(6,732,582)
Accounts receivable - planters	10,088,444	(20,464,652)	10,088,444	(20,464,652)
Inventories	20,168,898	(19,120,060)	20,168,898	(19,120,060)
Other non - current assets	2,444,785	849,036	2,444,785	849,036
Increase (Decrease) in operational liabilities				
Trade and other payables	(8,388,608)	20,426,104	(8,315,522)	19,698,404
Other current liabilities	180,985	(380,400)	90,119	(380,400)
Benefits paid	(457,500)	(92,949)	(457,500)	(28,063)
Cash receipt from operation	212,786,559	252,455,601	212,439,411	242,675,983
Income tax paid	(31,840,567)	(21,260,310)	(30,463,884)	(19,955,156)
Net cash provided by operating activities	180,945,992	231,195,291	181,975,527	222,720,827

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in short - term investments	(200,400,000)	(50,000,000)	(200,000,000)	(50,000,000)
Increase in fixed deposits pledged as collateral	(254,831)	(270,105)	-	-
Proceeds from disposal of equipment	171,879	5,311,504	151,879	5,303,154
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(49,976,078)	(38,982,617)	(49,913,078)	(38,949,392)
Cash paid for acquisition of intangible	(2,257,984)	(1,602,133)	(2,257,984)	(1,602,133)
Net cash used in investing activities	<u>(252,717,014)</u>	<u>(85,543,351)</u>	<u>(252,019,183)</u>	<u>(85,248,371)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for dividends (Supplement of cash flows information 2)	<u>(106,545,130)</u>	<u>(53,173,253)</u>	<u>(106,545,130)</u>	<u>(53,173,253)</u>
Net cash used in financing activities	<u>(106,545,130)</u>	<u>(53,173,253)</u>	<u>(106,545,130)</u>	<u>(53,173,253)</u>
Net Increase (Decrease) in cash and cash equivalents	(178,316,152)	92,478,687	(176,588,786)	84,299,203
Cash and cash equivalents, beginning of year	<u>354,250,608</u>	<u>261,771,921</u>	<u>327,082,224</u>	<u>242,783,021</u>
Cash and cash equivalents, end of year	<u><u>175,934,456</u></u>	<u><u>354,250,608</u></u>	<u><u>150,493,438</u></u>	<u><u>327,082,224</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	(46,440,417)	(42,599,429)	(46,377,417)	(42,566,204)
Increase (Decrease) in payable from acquisition of assets	<u>(3,535,661)</u>	<u>3,616,812</u>	<u>(3,535,661)</u>	<u>3,616,812</u>
Cash paid for acquisition of plant and equipment	<u>(49,976,078)</u>	<u>(38,982,617)</u>	<u>(49,913,078)</u>	<u>(38,949,392)</u>
<u>2. Cash paid for dividends</u>				
Dividends paid	(106,716,518)	(53,359,660)	(106,716,518)	(53,359,660)
Increase in accrued dividends	<u>171,388</u>	<u>186,407</u>	<u>171,388</u>	<u>186,407</u>
Cash paid for dividends	<u>(106,545,130)</u>	<u>(53,173,253)</u>	<u>(106,545,130)</u>	<u>(53,173,253)</u>

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