1. GENERAL INFORMATION

Chiangmai Frozen Foods Public Company Limited was listed on the Stock Exchange of Thailand in 1993. The Group are engaged in business of manufacturing and exporting of frozen vegetable. The address of its registered office are as follows :

Head Office is located at 149/34 floor 3rd - 4th Soi Anglo Plaza, Surawongse road, Surawongse, Bangrak, Bangkok.

Branch Office 1 is located at 92 Moo.3, Chiangmai - Phrao road, Tumbol Nongjom, Amphur Sansai, Chiangmai.

Branch Office 2 is located at 299 Moo.14, Chiangmai - Phrao road, Tumbol Maefak mai,Amphur Sansai, Chiangmai.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

The consolidated and the separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

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

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

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

The significant transactions between the Company and its subsidiary have been eliminated in the consolidated financial statements.
For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

3. NEW ACCOUNTING STANDARDS

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits

TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
Financial Reporting Standards:	
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
Accounting Standard Interpretations:	
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
Financial Reporting Standard Interpretations:	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies*
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These accounting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These accounting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards not yet effective

Revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are not yet effective and have not been early adopted by the Company. The new and revised TFRS are expected to become effective for annual financial period beginning on or after 1 January in the year indicated in the following table:

- Financial reporting standards, involve changes to key principles are as follows:

		Effective Date
Accounting Standard		
TAS 1 (Revised 2014)	Presentation of Financial Statements	1 January 2015
TAS 19 (Revised 2014)	Employee Benefits	1 January 2015
TAS 27 (Revised 2014)	Separate Financial Statements	1 January 2015
TAS 28 (Revised 2014)	Investments in Associates and Joint Venture	1 January 2015
TAS 34 (Revised 2014)	Interim Financial Reporting	1 January 2015
		Effective Date
Financial Reporting Standard		
TFRS 10	Consolidated Financial Statements	1 January 2015
TFRS 11	Joint Arrangements	1 January 2015
TFRS 12	Disclosure of Interests in Other Entities	1 January 2015
TFRS 13	Fair Value Measurement	1 January 2015
Financial Reporting Standard Interpretations		
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2015

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed “remeasurements” and will be recognised immediately in ‘other comprehensive income’ (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no impact to the Group.

TAS 27 (revised 2014) provides the requirements relating to separate financial statements.

TAS 28 (revised 2014) provides the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, ‘Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group.

TFRIC 14 (Revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

- **These accounting standards do not have any significant change and impact on the financial statements as below.**

		Effective Date
Accounting Standard		
	The Conceptual Financial Reporting Standard	1 January 2015
TAS 2 (Revised 2014)	Inventories	1 January 2015
TAS 7 (Revised 2014)	Statement of Cash Flows	1 January 2015
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2015
TAS 10 (Revised 2014)	Events After the Reporting Period	1 January 2015
TAS 11 (Revised 2014)	Construction Contracts	1 January 2015
TAS 12 (Revised 2014)	Income Taxes	1 January 2015
TAS 16 (Revised 2014)	Property, Plant and Equipment	1 January 2015
TAS 17 (Revised 2014)	Leases	1 January 2015

		Effective Date
TAS 18 (Revised 2014)	Revenue	1 January 2015
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2015
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates	1 January 2015
TAS 23 (Revised 2014)	Borrowing Costs	1 January 2015
TAS 24 (Revised 2014)	Related Party Disclosures	1 January 2015
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans	1 January 2015
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economics	1 January 2015
TAS 33 (Revised 2014)	Earnings per Share	1 January 2015
TAS 36 (Revised 2014)	Impairment of Assets	1 January 2015
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	1 January 2015
TAS 38 (Revised 2014)	Intangible Assets	1 January 2015
TAS 40 (Revised 2014)	Investment Property	1 January 2015
Financial Reporting Standard		
TFRS 2 (Revised 2014)	Share-based Payment	1 January 2015
TFRS 3 (Revised 2014)	Business Combinations	1 January 2015
TFRS 4 (Revised 2014)	Insurance Contracts	1 January 2016
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2015
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources	1 January 2015
TFRS 8 (Revised 2014)	Operating Segments	1 January 2015
Accounting Standard Interpretations		
TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities	1 January 2015
TSIC 15 (Revised 2014)	Operating Leases - Incentives	1 January 2015
TSIC 25 (Revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	1 January 2015
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2015

		Effective Date
TSIC 29 (Revised 2014)	Service Concession Arrangements: Disclosures	1 January 2015
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services	1 January 2015
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs	1 January 2015

Financial Reporting Standard Interpretations

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2015
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease	1 January 2015
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2015
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2015
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment	1 January 2015
TFRIC 12 (Revised 2014)	Service Concession Arrangements	1 January 2015
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes	1 January 2015
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate	1 January 2015
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners	1 January 2015
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers	1 January 2015
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2015

4. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below;

4.1 Cash and cash equivalents

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

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

4.2 Accounts receivable

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

4.3 Allowance for doubtful accounts

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

4.4 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

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

4.5 Investments in subsidiary

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

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

4.6 Property, plant and equipment

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

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

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

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

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

4.7 Intangible asset and amortization

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

4.8 Impairment of assets

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

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

4.9 Foreign currency transactions

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

4.10 Accounting for leases - where a company is the lessee

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

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

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in other comprehensive income.

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

4.12 Provisions

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

4.13 Revenue recognition

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

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

4.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Basic earnings per share

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

4.16 Financial instruments

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

4.17 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Allowance for net realizable value

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

Property plant and equipment/Depreciation

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

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

4.18 Related person and companies

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiary and fellow subsidiary are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

5. TRANSACTIONS WITH RELATED COMPANIES

5.1 Relationships and pricing policies

The relationship and pricing policies among the Company, Subsidiary and related companies are as follows:

	Relationship
Subsidiary :	
Agrifood Processing Co., Ltd.	Shareholding and Directorship
Related companies :	
Itochu Corporation Co., Ltd.	-
P.P. Foods Supply Co., Ltd.	Common shareholder
C.T.Prosper Group Co.,Ltd.	Common Shareholders and directors

	Pricing policy
Sales	Compare to market price
Rental income	At contract price which had been agreed upon
Service income	At price which had been agreed upon
Service expense	At price which had been agreed upon
Commission	At rate 1.50 – 3.00% of sales

5.2 Balances of transactions with subsidiary and related companies

Balances of transactions among the Company, Subsidiary and related companies as at 31 December 2014 and 2013 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivable				
Agrifood Processing Co., Ltd.	-	-	-	16,518,707
Itochu Corporation Co., Ltd.	-	7,525,537	-	4,113,942
Total	-	7,525,537	-	20,632,649
Accrued expenses				
Itochu Corporation Co., Ltd.	-	1,087,461	-	650,847
P. P. Foods Supply Co., Ltd.	138,037	506,740	138,037	506,740
Total	138,037	1,594,201	138,037	1,157,587
Deposit				
Agrifood Processing Co., Ltd.	-	-	30,000	30,000

5.3 Revenue and expenses among the Company, subsidiary and related companies

Revenue and expenses among the Company, subsidiary and related companies for the years then ended 31 December 2014 and 2013 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Revenues from sales				
Agrifood Processing Co., Ltd.	-	-	206,000,052	246,557,546
Itochu Corporation Co., Ltd.	-	185,398,834	-	128,020,938
Total	-	185,398,834	206,000,052	374,578,484
Other income				
Agrifood Processing Co., Ltd.	-	-	644,800	675,600
C.T.Prosper Group Co.,Ltd.	90,000	90,000	90,000	90,000
Total	90,000	90,000	734,800	765,600
Commission expenses				
Itochu Corporation Co., Ltd.	-	3,934,503	-	2,700,290
P.P. Foods Supply Co., Ltd.	1,997,887	2,087,662	1,997,887	2,087,662
Total	1,997,887	6,022,165	1,997,887	4,787,952
Directors and management's benefits	30,108,523	33,203,805	27,969,123	30,770,355

6. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	100,644	141,145	100,644	136,146
Regular checking accounts	129,040,461	180,925	128,979,961	10,000
Saving accounts	28,264,340	175,561,561	10,000	150,296,467
Fixed deposit 3 months	15,479,142	50,825	51,488	50,825
Total	172,884,587	175,934,456	129,142,093	150,493,438

7. SHORT – TERM INVESTMENTS

As at 31 December 2014, the Group has 4 to 15 months (2013: 6-13 months) which bear interest at the rate of 2.40%-2.95% per annum (2013: 1.05%-3.20% per annum)

8. TRADE AND OTHER RECEIVABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivable - related companies (Note 5.2)	-	9,043,421	-	20,632,649
Trade receivable - other companies	83,261,270	81,526,634	83,261,270	68,747,164
Value added tax receivable	3,099,809	1,517,895	3,099,809	1,497,290
Income tax receivable (Note 24)	1,331,600	-	1,331,600	-
Interest receivable	1,557,010	1,396,129	1,535,974	1,360,453
Other receivables	2,332,382	2,506,838	2,332,382	2,506,838
Total	91,582,071	95,990,917	91,561,035	94,744,394

The aging of outstanding balance as at 31 December 2014 and 2013 are as follows:

In Baht	
Consolidated financial statements	Separate financial statements

	2014	2013	2014	2013
Trade receivable - related parties				
Within credit terms	-	8,194,615	-	21,301,727
Overdue				
Less than 3 months	-	848,806	-	848,806
Total Trade receivable - related parties	-	9,043,421	-	22,150,533
Trade receivable - other companies				
Within credit terms	78,057,504	80,153,410	78,057,504	65,856,056
Overdue				
Less than 3 months	5,203,766	1,373,224	5,203,766	1,373,224
Total Trade receivable - other companies Net	83,261,270	81,526,634	83,261,270	67,229,280

9. ACCOUNTS RECEIVABLE – PLANTERS

Consolidated financial statements and Separate financial statements

	In Baht	
	2014	2013
Accounts receivable-planters	25,435,761	40,208,588
Less Allowance for doubtful accounts	(604,860)	(563,785)
	24,830,90	39,644,80
Net	1	3

10. INVENTORIES

Consolidated financial statements and Separate financial statements

	In Baht					
	Cost		Allowance for diminution of inventories		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods and semi - finished products	382,950,979	286,580,350	(919,719)	(1,383,441)	382,031,260	285,196,909
Raw material and Supplies	27,726,549	27,864,589	(584,565)	(564,000)	27,141,984	27,300,589
Seeds, insecticide Fertilizer	28,196,280	27,120,236	(703,894)	(146,040)	27,492,386	26,974,196
Total	438,873,808	341,565,175	(2,208,178)	(2,093,481)	436,665,630	339,471,694

11. FIXED DEPOSITS PLEDGED AS COLLATERAL

As at 31 December 2013, the subsidiary has fixed deposit amounted to Baht 15.2 million, which pledged as collateral against credit line from a local financial institution.

12. INVESTMENTS IN SUBSIDIARY

As at 31 December 2014 and 2013.

	Activities	Paid up Capital (In Baht)	% Holdings	At Cost (In Baht)
Agrifood Processing Co.,Ltd.	Transmuted Sweet corn distribution	30,000,000	100.0	23,353,658

In December 2014, Agrifood Processing Co.,Ltd. has to suspend the business operation, transmuted sweet corn distribution and transfer businees and employees to Chiangmai Frozen foods PCL.

On 14 August 2014, at the Board of Directors meeting No.4/2557, the Board of Directors have an expansion plan to invest in Republic of the Union of Myanmar for expansion of production plan. It is currently to study business plan and feasibility of such expansion plan.

13. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED FINANCIAL STATEMENTS

	In Baht						
	Land and Improvement	Building and Improvement	Machineries and equipment	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	Total
As at 1 January 2013							
Cost	110,493,651	450,948,610	729,016,477	38,927,635	22,620,809	18,612,371	1,370,619,553
Less Accumulated depreciation	(6,307,701)	(293,921,487)	(627,633,493)	(34,735,120)	(20,474,065)	-	(983,071,866)
Allowance for impairment	-	(1,019,563)	(5,247,073)	-	-	-	(6,266,636)
Net book amount	104,185,950	156,007,560	96,135,911	4,192,515	2,146,744	18,612,371	381,281,051
Transactions for the year ended 31 December 2013							
Opening net book amount	104,185,950	156,007,560	96,135,911	4,192,515	2,146,744	18,612,371	381,281,051
Add Acquisition	-	522,620	11,569,104	4,897,579	958,656	28,492,458	46,440,417
Transfer in (out)	-	-	23,889,542	-	-	(23,889,542)	-
Less Disposals and amortization	-	(2)	(172,095)	-	(23,607)	-	(195,704)
Depreciation	-	(25,503,924)	(30,279,249)	(2,869,716)	(881,273)	-	(59,534,162)
Closing net book amount	104,185,950	131,026,254	101,143,213	6,220,378	2,200,520	23,215,287	367,991,602
As at 31 December 2013							
Cost	110,493,651	451,000,649	753,424,908	43,825,215	22,677,297	23,215,287	1,404,637,007
Less Accumulated depreciation	(6,307,701)	(319,025,266)	(649,358,577)	(37,604,837)	(20,476,777)	-	(1,032,773,158)
Allowance for impairment	-	(949,129)	(2,923,118)	-	-	-	(3,872,247)
Net book amount	104,185,950	131,026,254	101,143,213	6,220,378	2,200,520	23,215,287	367,991,602

13. PROPERTY, PLANT AND EQUIPMENT (CON'T)

CONSOLIDATED FINANCIAL STATEMENTS

	In Baht						
	Land and Improvement	Building and Improvement	Machineries and equipment	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	Total
Transactions for the year ended 31 December 2014							
Opening net book amount	104,185,950	131,026,254	101,143,213	6,220,378	2,200,520	23,215,287	367,991,602
Add Acquisition	-	4,145,630	8,031,330	1,614,117	692,477	25,153,165	39,636,719
Transfer in (out)	-	3,463,889	42,000,145	-	912,913	(46,376,947)	-
Less Disposals and amortization	-	(24)	(122,872)	(31,198)	(7,019)	-	(161,113)
Depreciation	-	(25,223,374)	(32,259,496)	(1,905,793)	(847,410)	-	(60,236,073)
Closing net book amount	104,185,950	113,412,375	118,792,320	5,897,504	2,951,481	1,991,505	347,231,135
At 31 December 2014							
Cost	110,493,651	454,482,312	780,231,129	37,479,386	22,818,465	1,991,505	1,407,496,448
Less Accumulated depreciation	(6,307,701)	(340,191,243)	(659,576,578)	(31,581,882)	(19,866,984)	-	(1,057,524,388)
Allowance for impairment	-	(878,694)	(1,862,231)	-	-	-	(2,740,925)
Net book amount	104,185,950	113,412,375	118,792,320	5,897,504	2,951,481	1,991,505	347,231,135

13. PROPERTY, PLANT AND EQUIPMENT (CON'T)

THE SEPARATE FINANCIAL STATEMENTS

	In Baht						
	Land and Improvement	Building and Improvement	Machineries and equipment	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	Total
As at 1 January 2013							
Cost	110,493,651	450,948,610	729,016,477	37,148,635	21,641,420	18,612,371	1,367,861,164
Less Accumulated depreciation	(6,307,701)	(293,921,487)	(627,633,493)	(33,693,065)	(19,575,163)	-	(981,130,909)
Allowance for impairment	-	(1,019,563)	(5,247,073)	-	-	-	(6,266,636)
Net book amount	104,185,950	156,007,560	96,135,911	3,455,570	2,066,257	18,612,371	380,463,691
Transactions for the year ended 31 December 2013							
Opening net book amount	104,185,950	156,007,560	96,135,911	3,455,570	2,066,257	18,612,371	380,463,619
Add Acquisition	-	522,620	11,569,104	4,897,579	895,656	28,492,458	46,377,417
Transfer in (out)	-	-	23,889,542	-	-	(23,889,542)	-
Less Disposals and amortization	-	(2)	(172,095)	-	(23,606)	-	(195,703)
Depreciation	-	(25,503,924)	(30,279,249)	(2,513,917)	(842,657)	-	(59,139,747)
Closing net book amount	104,185,950	131,026,254	101,143,213	5,839,232	2,095,650	23,215,287	367,505,586
As at 31 December 2013							
Cost	110,493,651	451,000,649	753,424,908	42,046,215	21,656,216	23,215,287	1,401,836,926
Less Accumulated depreciation	(6,307,701)	(319,025,266)	(649,358,577)	(36,206,983)	(19,560,566)	-	(1,030,459,093)
Allowance for impairment	-	(949,129)	(2,923,118)	-	-	-	(3,872,247)
Net book amount	104,185,950	131,026,254	101,143,213	5,839,232	2,095,650	23,215,287	367,505,586

13. PROPERTY, PLANT AND EQUIPMENT (CON'T)

THE SEPARATE FINANCIAL STATEMENTS

	In Baht						
	Land and Improvement	Building and Improvement	Machineries and equipment	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	Total
Transactions for the year ended 31 December 2014							
Opening net book amount	104,185,950	131,026,254	101,143,213	5,839,232	2,095,650	23,215,287	367,505,586
Add Acquisition	-	4,145,630	8,031,330	1,614,117	679,486	25,153,165	39,623,728
Transfer in (out)	-	3,463,889	42,000,145	-	912,913	(46,376,947)	-
Less Disposals	-	(24)	(122,872)	(4)	(7,019)	-	(129,919)
Depreciation	-	(25,223,374)	(32,259,496)	(1,555,841)	(810,148)	-	(59,848,859)
Closing net book amount	104,185,950	113,412,375	118,792,320	5,897,504	2,870,882	1,991,505	347,150,536
At 31 December 2014							
Cost	110,493,651	454,482,312	780,231,129	37,479,386	21,784,394	1,991,505	1,406,462,377
Less Accumulated depreciation	(6,307,701)	(340,191,243)	(659,576,578)	(31,581,882)	(18,913,512)	-	(1,056,570,916)
Allowance for impairment	-	(878,694)	(1,862,231)	-	-	-	(2,740,925)
Net book amount	104,185,950	113,412,375	118,792,320)	5,897,504	2,870,882	1,991,505	347,150,536

14. INTANGIBLE ASSETS - SOFTWARE

	In Baht		
	Consolidated and separate financial statement		
	Software	Software in progress	Total
As at 31 December 2013			
Cost	4,489,696	4,037,904	8,527,600
Accumulated amortizatiom	(1,854,909)	-	(1,854,909)
Allowance for impairment of assets	(2,634,787)	-	(2,634,787)
Net book value	-	4,037,904	4,037,904
Transactions for the year ended 31 December 2014			
Opening net book amount	-	4,037,904	4,037,904
Add : Acquisition	-	2,756,431	2,756,431
Transfer in (out)	1,697,652	(1,697,652)	-
Less : Amortization	(42,790)	-	(42,790)
Net book value	1,654,862	5,096,683	6,751,545
As at 31 December 2014			
Cost	6,187,348	5,096,683	11,284,031
Accumulated amortizatiom	(1,897,699)	-	(1,897,699)
Allowance for impairment of assets	(2,634,787)	-	(2,634,787)
Net book value	1,654,862	5,096,683	6,751,545

15. BANK OVERDRAFTS AND SHORT-TERM LOANS

As at 31 December 2014 and 2013, the Company has the overdrafts and short-term loans lines amounted to Baht 273.1 million and Baht 432.9 million, respectively. The facilities charge an interest at the rate of MOR per annum.

16. TRADE AND OTHER PAYABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables	35,389,796	36,845,438	35,389,796	36,845,438
Accrued commission expenses (Note 5.2)	138,037	5,017,747	138,037	4,581,133
Accrued expenses	38,358,285	39,341,703	36,939,906	38,002,737
Others	300,974	466,754	300,974	466,754
Total	74,187,092	81,671,642	72,768,713	79,896,062

17. EMPLOYEE BENEFIT OBLIGATIONS

The Group adopted TAS 19 Employee Benefits with effect from 1 January 2011.

The Group operate post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
For the year ended 31 December				
Defined benefit obligations at 1 January	35,301,931	29,588,203	34,182,292	28,169,254
Current service costs and interest	6,120,567	5,000,683	6,095,206	4,686,047
Transfer to accrued expenses	(1,825,000)	-	(680,000)	-
Benefit paid for the year	(1,299,000)	(457,500)	(1,299,000)	(457,500)
Actuarial loss	2,005,322	1,170,545	2,005,322	1,784,491
Defined benefit obligations at 31 December	40,303,820	35,301,931	40,303,820	34,182,292

Expense recognized in profit or loss for the year ended 31 December 2014 and 2013:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs	4,334,456	4,174,157	4,367,188	3,889,376
Interest on obligation	1,786,111	826,526	1,728,018	796,671
Total	6,120,567	5,000,683	6,095,206	4,686,047

The above expense recognized in profit or loss is recognized in the following line items for the year ended 31 December 2014 and 2013:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Costs of sales	4,933,391	3,914,006	4,933,391	3,914,006
Sales expenses	274,052	226,639	267,044	136,246
Administrative expenses	913,124	860,038	894,771	635,795
Total	6,120,567	5,000,683	6,095,206	4,686,047

Principal actuarial assumptions at the reporting date

	Consolidated and Separate financial statements	
	2014	2013
Discount rate	4.16 % per annum	4.5% per annum
Salary increase rate	5.82%	0.5-5.5%
Employee turnover rate	Scale related to Age ranging from 0 – 26%	Scale related to Age ranging from 0 – 26.32%
Mortality rate	According to Thailand TMO 2008 male and female tables tables	According to Thailand TMO 2008 male and female tables tables

18. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

19. DIVIDENDS PAID

According to the resolution of the ordinary shareholders' meeting for the year 2014 held on 23 April 2014 had the resolution to approve the payment of cash dividends at Baht 0.31 per share to the shareholders of 381,145,725 shares totaling Baht 118.2 million from operational result of year 2013. The Company paid dividends on 12 May 2014.

According to the resolution of the ordinary shareholders' meeting for the year 2013 held on 19 April 2013 had the resolution to approve the payment of cash dividends at Baht 0.28 per share to the shareholders of 381,145,725 shares totaling Baht 106.7 million from operational result of year 2012. The Company paid dividends on 10 May 2013.

20. EXPENSES BY NATURE

Significant expenses by nature are as follow :

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Changes in finished goods, semi - finished products and raw materials	(96,575,130)	15,764,878	(96,575,130)	15,764,878
Purchase raw materials	604,617,863	490,780,537	604,617,863	490,780,537
Depreciation and amortization	60,278,862	59,698,261	59,891,649	59,303,846
Staff costs	280,356,800	261,960,758	276,712,735	258,612,913

21. PROMOTIONAL PRIVILEGES

By virtue of the provisions of Industrial Investment Promotion Act. B.E. 1977, the Company was granted certain privileges as follows :

certificate No.1545(3)/2004 exemption from payment of income tax for eight years starting from the commencement date of the promoted business and 50 percent reduction from the normal income tax rate for the next five years after the period of eight years are expired.

As a promoted industry, the Company must comply with certain conditions and restrictions provided for in the promotional certificate.

Sales classified as promoted and non-promoted business, for the years ended 31 December 2014 and 2013 are summarized as follows:

	In Thousand Baht					
	2014			2013		
	Promoted Business	Non-Promoted Business	Total	Promoted Business	Non-Promoted Business	Total
Export sales	831,499	336,808	1,168,307	929,766	217,734	1,147,500
Domestic sales	8,589	209,219	217,808	12,686	247,569	260,255
Total	840,088	546,027	1,386,115	942,452	465,303	1,407,755

22. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group has engaged in business of manufacturing and distribution of frozen vegetables and operated in one geographical area in Thailand. Therefore, these financial statements do not present the geographical segment.

For the year 2014 and 2013, export sales of the Group was 99% of total sales

Major customers

For the year 2014, the Group has revenue from 3 major customers, representing 75 percent of total revenue, arising from manufacturing and distribution of frozen vegetables (2013: 76 percent of total revenue was derived from 3 major customers).

23. PROVIDENT FUND

The Company established a contributory registered provident fund in accordance with the Provident fund Act.B.E.1987 Under the provident fund, the Company contributes an amount equivalent to the employees' contribution, which is 3% of their basic salaries. The company appointed The Siam Commercial Bank Public Co., Ltd. as a fund manager to manage the fund in accordance with the Provident Fund Act (B.E. 1987), which was amended by the Provident Fund Act (No.2) (B.E. 1999), under supervision of the Office of the Securities and Exchange Commission.

The Company’s contribution net of the refund amount for the years ended 31 December 2014 and 2013 amounted to Baht 1.8 million and Baht 1.7 million, respectively.

24. ADDITIONAL TAX EXPENSES

In the second quarter of 2014, the Revenue Department examined the Company's valued add tax (VAT) filing and found that the average input VAT of the non-vat business was wrongly submitted. The Company has additional filed the VAT refund for a period from January 2012 to May 2014 and recalculated corporate income tax for years 2012 and 2013. The Company has to pay the unclaimed input VAT amounting to Baht 8.1 million and penalty amounting to Baht 3.4 million, totaling Baht 11.5 million and the Company paid such tax in July 2014. In addition, the Company is in the process of refund the additional corporate income tax of Baht 1.3 million, which recorded in the consolidated and separate statements of financial position under "Income tax receivable" (Note 8) and recorded the additional tax expense of Baht 9.4 million in the consolidated and separate statements of comprehensive income under “Administrative expenses” for the year ended 31 December 2014.

25. INCOME TAX

Income tax expenses for the year ended 31 December 2014 and 2013 are made up as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax recognized in profit or loss				
Current income tax				
Current year	10,870,833	21,768,805	10,158,737	20,726,398
Deferred tax				
Relating to origination and reversal of temporary differences	(803,490)	(871,010)	(798,418)	(808,083)
Total	10,067,343	20,897,795	9,360,319	19,918,315
Income tax recognised in other comprehensive income				
Decrease in Actuarial losses	(401,063)	(234,109)	(401,063)	(356,898)

Reconciliation of effective tax rate

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before corporate income tax	70,493,430	156,715,768	67,132,548	151,991,477
Applicable tax rate (%)	20	20	20	20
Accounting profit before corporate income tax multiplied by applicable tax rate	14,098,686	31,343,154	13,426,510	30,398,295
Investment promotion	(5,493,778)	(9,582,318)	(5,493,778)	(9,582,318)
Incoming not subject to tax	(266,320)	-	(266,320)	-
Addition expenses deductible for tax purposes	(926,208)	(1,888,253)	(926,208)	(1,888,253)
Expenses not deductible for tax purposes	3,458,453	1,896,222	3,418,533	1,798,674
Current tax	10,870,833	21,768,805	10,158,737	20,726,398
Relating to origination and reversal of temporary differences	(803,490)	(871,010)	(798,418)	(808,083)
Income tax expense	10,067,343	20,897,795	9,360,319	19,918,315

Deferred tax assets is presented in the statement of financial positions as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Statements of financial position				
Increase in deferred tax assets				
Allowance for doubtful accounts	120,972	112,757	120,972	112,757
Allowance for diminution of inventories	441,636	418,696	441,636	418,696
Allowance for impairment of intangible assets	470,979	526,958	470,979	526,958
Provisions for employee benefit obligations	8,289,764	7,060,387	8,060,764	6,836,459
	9,323,351	8,118,798	9,094,351	7,894,870

26. FINANCIAL INSTRUMENTS

26.1 Credit risk

The Group exposed to credit risks mainly relating to their trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with their receivables.

26.2 Foreign currency risk and risk management

The Group exposure to foreign currency risk relates primarily to their business transactions which are denominated in foreign currencies. The Group has policies to hedge such risks by using derivative financial instruments. As at 31 December 2014, the Group have outstanding forward foreign exchange selling contracts total of U.S. Dollars 30.5 million in exchange of Baht 999.6 million with 3 commercial banks. The contract will be due in December 2015.Per comparative between fair value and contract value, the profit amounting Baht 3.4 million is incurred.

As at 31 December 2014, the Group has accrued commission amounting of U.S.Dollars 0.1 million which are not hedged.

26.3 Interest rate risk

The Group were exposed to interest risks because it held deposits to financial institutions. However, such financial assets are month short-term, the Company and subsidiary believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

26.4 Fair value of financial instruments

The financial assets and liabilities include cash and cash equivalents, short-term investment, trade accounts receivable, trade accounts payable, accrued income tax and accrued expenses. Their carried values approximate to their fair values.

27. COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2014

27.1 The Company has commitment to pay the uncalled investments in Agrifood Processing Co., Ltd. amounting to approximately Baht 90.0 million.

27.2 The Company has commitments for software license and system consulting agreement amounting of Baht 0.5 million.

27.3 The Company has commitment to pay the financial advisory about investment in Myanmar amounting to approximately Baht 1.2 million.

27.4 The Company has contingently liability for bank guarantees issued in favor of government agency amounting to approximately Baht 10.1 million.

28. EVENTS AFTER THE REPORTING PERIOD

On 26 February 2015, the Company’s Board of Directors meeting No. 1/2015 approved for payment of a final dividend of Baht 0.1 per share for 381,145,725 shares, or a total of approximately Baht 38.1 million, from the operating results for the year 2014.

However, this resolution will be further proposed for the shareholders’ approval in the Ordinary General Meeting of Shareholders for fiscal year 2015.

29. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements and separate financial statements have been approved by the Company's Board of Directors on 26 February 2015.