

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

FOR THE THREE - MONTH AND NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2016

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

| <u>ASSETS</u> | Notes | In Baht | |
|---|-------|----------------------------------|-------------------------------|
| | | 30 September 2016 (Unaudited) | 31 December 2015 (Audited) |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 290,175,186 | 259,786,030 |
| Short - term investments | 6 | 300,248,500 | 300,000,000 |
| Trade and other receivables | 7 | 114,314,437 | 78,777,184 |
| Accounts receivable - planters | 8 | 31,257,642 | 24,390,237 |
| Receivable from the liquidation of a subsidiary | 10 | 31,180,508 | 31,180,508 |
| Inventories | 9 | 412,251,390 | 451,872,687 |
| TOTAL CURRENT ASSETS | | <u>1,179,427,663</u> | <u>1,146,006,646</u> |
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | 11 | 339,889,021 | 328,028,136 |
| Lease deposit | 12 | 25,358,949 | - |
| Intangible assets - software | 13 | 7,879,808 | 7,497,315 |
| Deferred tax assets | | 9,828,606 | 7,046,170 |
| Other non - current assets | | 1,385,089 | 43,419 |
| TOTAL NON - CURRENT ASSETS | | <u>384,341,473</u> | <u>342,615,040</u> |
| TOTAL ASSETS | | <u><u>1,563,769,136</u></u> | <u><u>1,488,621,686</u></u> |

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2016

| | Notes | In Baht | |
|--|-------|----------------------|----------------------|
| | | 30 September 2016 | 31 December 2015 |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | <u>(Unaudited)</u> | <u>(Audited)</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 61,070,267 | 82,160,665 |
| Accrued income tax | | 16,358,881 | 13,000,451 |
| Other current liabilities | | <u>3,186,096</u> | <u>3,583,531</u> |
| TOTAL CURRENT LIABILITIES | | 80,615,244 | 98,744,647 |
| NON - CURRENT LIABILITIES | | | |
| Employee benefit obligations | 15 | <u>43,762,355</u> | <u>40,934,900</u> |
| TOTAL LIABILITIES | | <u>124,377,599</u> | <u>139,679,547</u> |
| SHAREHOLDERS' EQUITY | | | |
| Share capital - Baht 1 par value | | | |
| Authorized shares | | | |
| 30 September 2016 : 381,145,725 common shares | | | |
| 31 December 2015 : 381,146,251 common shares | | | |
| | 16 | <u>381,145,725</u> | <u>381,146,251</u> |
| Issued and paid - up shares | | | |
| 381,145,725 common shares | | | |
| | | 381,145,725 | 381,145,725 |
| Premium on share capital | | | |
| | | 68,000,000 | 68,000,000 |
| Retained earnings | | | |
| Appropriated for legal reserve | | | |
| | | 38,115,000 | 38,115,000 |
| Unappropriated | | | |
| | | <u>952,130,812</u> | <u>861,681,414</u> |
| TOTAL SHAREHOLDERS' EQUITY | | <u>1,439,391,537</u> | <u>1,348,942,139</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | <u>1,563,769,136</u> | <u>1,488,621,686</u> |

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIOD ENDED 30 SEPTEMBER 2016

| | In Baht | | |
|---|-------------------------|----------------------|----------------------|
| | Consolidated | Separate | |
| | financial statements | financial statements | |
| Note | 2015 | 2016 | 2015 |
| Revenues from sales | 400,531,809 | 395,842,766 | 400,531,809 |
| Cost of sales | <u>(274,197,877)</u> | <u>(282,416,731)</u> | <u>(274,197,877)</u> |
| Gross profit | 126,333,932 | 113,426,035 | 126,333,932 |
| Gain (loss) on exchange rate | (13,574,947) | 6,867,783 | (13,574,947) |
| Other income | <u>2,629,530</u> | <u>3,733,453</u> | <u>2,439,603</u> |
| Profit before expenses | <u>115,388,515</u> | <u>124,027,271</u> | <u>115,198,588</u> |
| Selling expenses | (24,968,189) | (25,527,067) | (24,968,189) |
| Administrative expenses | <u>(20,350,616)</u> | <u>(18,616,906)</u> | <u>(20,330,496)</u> |
| Total expenses | <u>(45,318,805)</u> | <u>(44,143,973)</u> | <u>(45,298,685)</u> |
| Profit before Income tax expenses | 70,069,710 | 79,883,298 | 69,899,903 |
| Income tax expenses | 19 <u>(10,434,664)</u> | <u>(15,863,300)</u> | <u>(10,434,664)</u> |
| Profit for the period | <u>59,635,046</u> | <u>64,019,998</u> | <u>59,465,239</u> |
| Other comprehensive income for the period | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>59,635,046</u> | <u>64,019,998</u> | <u>59,465,239</u> |
| Profit attributable to: | | | |
| Equity holders of the parent | 59,635,046 | 64,019,998 | 59,465,239 |
| Non - controlling interests | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>59,635,046</u> | <u>64,019,998</u> | <u>59,465,239</u> |
| Total comprehensive income attributable to: | | | |
| Equity holders of the parent | 59,635,046 | 64,019,998 | 59,465,239 |
| Non - controlling interests | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>59,635,046</u> | <u>64,019,998</u> | <u>59,465,239</u> |
| BASIC EARNINGS PER SHARE | | | |
| Net profit attributable to equity holders of the parent | <u>0.16</u> | <u>0.17</u> | <u>0.16</u> |

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE - MONTH PERIOD ENDED 30 SEPTEMBER 2016

| | Notes | In Baht | | |
|---|-------|---------------|----------------------|---------------|
| | | Consolidated | | |
| | | financial | Separate | |
| | | statements | financial statements | |
| | | 2015 | 2016 | 2015 |
| Revenues from sales | | 1,114,613,870 | 1,147,530,104 | 1,114,613,870 |
| Cost of sales | | (838,724,736) | (824,641,818) | (838,724,736) |
| Gross profit | | 275,889,134 | 322,888,286 | 275,889,134 |
| Gain (loss) on exchange rate | | (13,282,163) | 3,115,485 | (13,282,163) |
| Dividend income from subsidiary | 5.2 | - | - | 16,799,993 |
| Other income | | 9,757,180 | 11,016,355 | 9,383,664 |
| Profit before expenses | | 272,364,151 | 337,020,126 | 288,790,628 |
| Selling expenses | | (72,710,065) | (73,187,973) | (72,710,065) |
| Administrative expenses | | (60,165,797) | (58,207,849) | (60,092,859) |
| Total expenses | | (132,875,862) | (131,395,822) | (132,802,924) |
| Profit before Income tax expenses | | 139,488,289 | 205,624,304 | 155,987,704 |
| Income tax expenses | 19 | (28,152,989) | (38,946,880) | (27,923,989) |
| Profit for the period | | 111,335,300 | 166,677,424 | 128,063,715 |
| Other comprehensive income for the period | | - | - | - |
| Total comprehensive income for the period | | 111,335,300 | 166,677,424 | 128,063,715 |
| Profit attributable to: | | | | |
| Equity holders of the parent | | 111,335,300 | 166,677,424 | 128,063,715 |
| Non - controlling interests | | - | - | - |
| | | 111,335,300 | 166,677,424 | 128,063,715 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent | | 111,335,300 | 166,677,424 | 128,063,715 |
| Non - controlling interests | | - | - | - |
| | | 111,335,300 | 166,677,424 | 128,063,715 |
| BASIC EARNINGS PER SHARE | | | | |
| Net profit attributable to equity holders of the parent | | 0.29 | 0.44 | 0.34 |

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

(Unaudited)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE - MONTH PERIOD ENDED 30 SEPTEMBER 2015

| | Note | In Baht | | | | Total |
|---|------|--|--------------------------------|--|--------------------|----------------------|
| | | Issued and paid-up share capital | Premium on share capital | Retained earnings Appropriated for legal reserve | Unappropriated | |
| Balance as at 1 January 2015 | | 381,145,725 | 68,000,000 | 38,115,000 | 780,236,984 | 1,267,497,709 |
| Dividends paid | 17 | - | - | - | (38,114,042) | (38,114,042) |
| Profit for the period | | - | - | - | 111,335,300 | 111,335,300 |
| Other comprehensive income for the period | | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | 111,335,300 | 111,335,300 |
| Balance as at 30 September 2015 | | <u>381,145,725</u> | <u>68,000,000</u> | <u>38,115,000</u> | <u>853,458,242</u> | <u>1,340,718,967</u> |

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

(Unaudited)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE - MONTH PERIOD ENDED 30 SEPTEMBER 2016

| | Note | In Baht | | | | Total |
|---|------|--|--------------------------------|-----------------------------------|--------------------|----------------------|
| | | Issued and paid - up share capital | Premium on share capital | Retained earnings | | |
| | | | | Appropriated for legal reserve | Unappropriated | |
| Balance as at 1 January 2015 | | 381,145,725 | 68,000,000 | 38,115,000 | 755,673,072 | 1,242,933,797 |
| Dividends paid | 17 | - | - | - | (38,114,042) | (38,114,042) |
| Profit for the period | | - | - | - | 128,063,715 | 128,063,715 |
| Other comprehensive income for the period | | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | 128,063,715 | 128,063,715 |
| Balance as at 30 September 2015 | | <u>381,145,725</u> | <u>68,000,000</u> | <u>38,115,000</u> | <u>845,622,745</u> | <u>1,332,883,470</u> |
| Balance as at 1 January 2016 | | 381,145,725 | 68,000,000 | 38,115,000 | 861,681,414 | 1,348,942,139 |
| Dividends paid | 17 | - | - | - | (76,228,026) | (76,228,026) |
| Profit for the period | | - | - | - | 166,677,424 | 166,677,424 |
| Other comprehensive income for the period | | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | 166,677,424 | 166,677,424 |
| Balance as at 30 September 2016 | | <u>381,145,725</u> | <u>68,000,000</u> | <u>38,115,000</u> | <u>952,130,812</u> | <u>1,439,391,537</u> |

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE NINE - MONTH PERIOD ENDED 30 SEPTEMBER 2016

| | In Baht | | |
|--|-----------------------------|-----------------------------|--------------------|
| | Consolidated | Separate | |
| | <u>financial statements</u> | <u>financial statements</u> | |
| | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | 139,488,289 | 205,624,304 | 155,987,704 |
| Adjustments to reconcile net profit to net cash provided by operating activities | | | |
| Unrealized gain from changes in value of investments | - | (248,500) | - |
| Unrealized loss on exchange rate | 1,920,756 | 120,670 | 1,920,756 |
| Doubtful accounts (reversal) | (41,075) | 105,066 | (41,075) |
| Loss on diminution in value of inventories | 880,603 | 1,491,661 | 880,603 |
| Gain on disposal and amortization | (185,200) | (469,225) | (38,214) |
| Depreciation and amortization | 43,353,878 | 33,012,924 | 43,331,793 |
| Retirement employee benefit | 3,460,635 | 3,375,555 | 3,460,635 |
| Profit from operating activities before change in operational assets and liabilities | 188,877,886 | 243,012,455 | 205,502,202 |
| Decrease (Increase) in operational assets | | | |
| Trade and other receivables | (41,716,754) | (35,660,633) | (41,720,919) |
| Accounts receivable - planters | 2,154,622 | (6,972,471) | 2,154,622 |
| Inventories | (10,785,121) | 38,129,636 | (10,785,121) |
| Other non - current assets | 1,737,274 | (1,341,670) | 1,736,374 |
| Increase (Decrease) in operational liabilities | | | |
| Trade and other payables | (21,943,916) | (16,333,148) | (20,577,421) |
| Other current liabilities | 180,559 | 13,679 | 211,417 |
| Benefits paid by the plan | (1,979,800) | (548,100) | (1,979,800) |
| Cash received from operation | 116,524,750 | 220,299,748 | 134,541,354 |
| Income tax refund | 542,422 | - | 542,422 |
| Income tax paid | (18,461,805) | (38,370,886) | (17,752,260) |
| Net cash provided by operating activities | <u>98,605,367</u> | <u>181,928,862</u> | <u>117,331,516</u> |

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE - MONTH PERIOD ENDED 30 SEPTEMBER 2016

| | In Baht | | |
|---|----------------------|----------------------|--------------|
| | Consolidated | Separate | |
| | financial statements | financial statements | |
| | 2015 | 2016 | 2015 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Decrease in short - term investments | (4,000,000) | - | (10,000,000) |
| Proceeds from disposal of equipment | 246,051 | 628,687 | 40,551 |
| Cash paid for acquisition of plant and equipment <i>(Supplement of cash flows information 1)</i> | (17,371,694) | (49,499,504) | (17,371,694) |
| Cash paid for lease deposit | - | (25,358,949) | - |
| Cash paid for acquisition of computer software | (741,161) | (670,800) | (741,161) |
| Net cash used in investing activities | (21,866,804) | (74,900,566) | (28,072,304) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash paid for dividends <i>(Supplement of cash flows information 2)</i> | (37,895,471) | (76,639,140) | (37,895,471) |
| Net cash used in financing activities | (37,895,471) | (76,639,140) | (37,895,471) |
| Net increase in cash and cash equivalents | 38,843,092 | 30,389,156 | 51,363,741 |
| Cash and cash equivalents, beginning of period | 172,884,587 | 259,786,030 | 129,142,093 |
| Cash and cash equivalents, end of period | 211,727,679 | 290,175,186 | 180,505,834 |
| <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 period are as follows : | | | |
| Acquisition of plant and equipment during the period | (17,417,213) | (44,744,964) | (17,417,213) |
| Increase (decrease) in payable from acquisition of assets | 45,519 | (4,754,540) | 45,519 |
| Cash paid for acquisition of plant and equipment | (17,371,694) | (49,499,504) | (17,371,694) |
| <u>2. Cash paid for dividends</u> | | | |
| Dividends paid | (38,114,042) | (76,228,026) | (38,114,042) |
| Increase in accrued dividends | 218,571 | (411,114) | 218,571 |
| Cash paid for dividends | (37,895,471) | (76,639,140) | (37,895,471) |

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