

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

<u>ASSETS</u>	<u>Notes</u>	<u>In Baht</u>	
		2016	2015
CURRENT ASSETS			
Cash and cash equivalents	6	405,131,595	259,786,030
Short - term investments	7	350,681,734	300,000,000
Trade and other receivables	8	69,962,214	78,777,184
Accounts receivable - planters	9	48,280,500	24,390,237
Receivable from the liquidation of a subsidiary	10	-	31,180,508
Inventories	11	345,065,455	451,872,687
TOTAL CURRENT ASSETS		1,219,121,498	1,146,006,646
NON - CURRENT ASSETS			
Investment property	12	22,128,578	22,128,578
Property, plant and equipment	13	330,294,513	305,899,558
Lease deposit	14	25,358,949	-
Computer software - installation	15	8,556,610	7,497,315
Deferred tax assets	25	10,408,712	7,046,170
Other non - current assets		1,646,944	43,419
TOTAL NON - CURRENT ASSETS		398,394,306	342,615,040
TOTAL ASSETS		1,617,515,804	1,488,621,686

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	Notes	In Baht	
		2016	2015
CURRENT LIABILITIES			
Trade and other payables	17	74,885,608	82,160,665
Accrued income tax		25,451,961	13,000,451
Other current liabilities		<u>3,180,112</u>	<u>3,583,531</u>
TOTAL CURRENT LIABILITIES		103,517,681	98,744,647
NON - CURRENT LIABILITIES			
Employee benefit obligations	18	<u>44,907,938</u>	<u>40,934,900</u>
TOTAL LIABILITIES		<u>148,425,619</u>	<u>139,679,547</u>
SHAREHOLDERS' EQUITY			
Share capital - Baht 1 par value			
Authorized shares			
2016 : 381,145,725 common shares			
2015 : 381,146,251 common shares	19	<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	20	38,115,000	38,115,000
Unappropriated		<u>981,829,460</u>	<u>861,681,414</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,469,090,185</u>	<u>1,348,942,139</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,617,515,804</u>	<u>1,488,621,686</u>

The notes to the 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 2016

	Notes	In Baht		
		Consolidated	Separate	
		financial statements	financial statements	
		2015	2016	2015
Revenues from sales		1,419,894,639	1,465,504,235	1,419,894,639
Cost of sales		(1,075,741,851)	(1,062,169,278)	(1,075,741,851)
Gross profit		344,152,788	403,334,957	344,152,788
Dividend income from subsidiary	5.2	-	-	16,799,993
Gain on the liquidation of a subsidiary	10	-	-	7,826,850
Loss on exchange rate		(26,779,057)	8,317,785	(26,779,057)
Other income		12,304,722	13,475,528	11,889,373
Profit before expenses		329,678,453	425,128,270	353,889,947
Selling expenses		(93,736,556)	(94,879,428)	(93,736,556)
Administrative expenses		(84,310,772)	(86,398,111)	(84,187,354)
Total expenses		(178,047,328)	(181,277,539)	(177,923,910)
Profit before Income tax expenses		151,631,125	243,850,731	175,966,037
Income tax expenses	25	(32,072,653)	(47,474,659)	(31,843,653)
Profit for the year		119,558,472	196,376,072	144,122,384
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		119,558,472	196,376,072	144,122,384
Profit attributable to:				
Equity holders of the parent		119,558,472	196,376,072	144,122,384
Total comprehensive income attributable to:				
Equity holders of the parent		119,558,472	196,376,072	144,122,384
BASIC EARNINGS PER SHARE				
Net profit attributable to equity holders of the parent		0.31	0.52	0.38
Weighted average number of common shares (shares)		381,145,725	381,145,725	381,145,725

The notes to the 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 2015

	<u>Note</u>	In Baht				Total
		Issued and paid - up share capital	Premium on share capital	<u>Retained earnings</u>		
				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	21	-	-	-	(38,114,042)	(38,114,042)
Profit for the year		-	-	-	119,558,472	119,558,472
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	119,558,472	119,558,472
Balance as at 31 December 2015		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>861,681,414</u>	<u>1,348,942,139</u>

The notes to the 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 2016

		In Baht				
		Issued and paid - up share capital	Premium on share capital	Retained earnings		Total
Notes	for legal reserve			Appropriated 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	21	-	-	-	(38,114,042)	(38,114,042)
Profit for the year		-	-	-	144,122,384	144,122,384
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	144,122,384	144,122,384
Balance as at 31 December 2015		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>861,681,414</u>	<u>1,348,942,139</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	21	-	-	-	(76,228,026)	(76,228,026)
Profit for the year		-	-	-	196,376,072	196,376,072
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	196,376,072	196,376,072
Balance as at 31 December 2016		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>981,829,460</u>	<u>1,469,090,185</u>

The notes to the 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 2016**

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expenses	151,631,125	243,850,731	175,966,037
Adjustments to reconcile net profit to net cash provided by operating activities			
Unrealized gain(loss) on exchange rate	(38,602)	1,742	(38,602)
Doubtful accounts(reversal)	(41,075)	58,112	(41,075)
Loss on diminution in value of inventories	1,260,484	3,726,795	1,260,484
Unrealized gain from changes in value of investments	-	(681,734)	-
Loss(gain) on disposal and amortization	(583,841)	2,544,975	(436,855)
Dividend income from subsidiary	-	-	(16,799,993)
Gain on the liquidation of a subsidiary	-	-	(7,826,850)
Depreciation and amortization	50,861,000	39,247,460	50,838,915
Retirement employee benefit	4,614,180	4,613,238	4,614,180
Profit from operating activities before change in operational assets and liabilities	207,703,271	293,361,319	207,536,241
Decrease (Increase) in operational assets			
Trade and other receivables	11,505,650	8,863,663	11,507,911
Accounts receivable - planters	481,739	(23,948,375)	481,739
Inventories	(16,467,541)	103,080,437	(16,467,541)
Other non - current assets	1,717,567	(1,603,525)	1,716,667
Increase (Decrease) in operational liabilities			
Trade and other payables	2,195,583	(1,713,522)	3,528,962
Other current liabilities	174,318	7,695	205,169
Benefits paid by the plan	(3,983,100)	(640,200)	(3,983,100)
Cash receipt from operation	203,327,487	377,407,492	204,526,048
Income tax refund	1,331,600	-	1,331,600
Income tax paid	(18,459,489)	(38,385,691)	(17,752,260)
Net cash provided by operating activities	186,199,598	339,021,801	188,105,388

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CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in short - term investments	(4,000,000)	(50,000,000)	(10,000,000)
Dividend income from subsidiary	-	-	16,799,993
Cash and cash equivalents in subsidiary at liquidation date (Note 10)	(31,242,211)	-	-
Cash received from subsidiary liquidation	-	31,180,508	-
Cash paid for lease deposit	-	(25,358,949)	-
Proceeds from disposal of equipment	665,397	641,060	459,897
Cash paid for acquisition of plant and equipment <i>(Supplement of cash flows information 1)</i>	(25,723,860)	(72,109,766)	(25,723,860)
Cash paid for acquisition of computer software	(915,535)	(1,389,949)	(915,535)
Net cash used in investing activities	(61,216,209)	(117,037,096)	(19,379,505)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for dividends <i>(Supplement of cash flows information 2)</i>	(38,081,946)	(76,639,140)	(38,081,946)
Net cash used in financing activities	(38,081,946)	(76,639,140)	(38,081,946)
Net increase in cash and cash equivalents	86,901,443	145,345,565	130,643,937
Cash and Cash Equivalents, Beginning of year	172,884,587	259,786,030	129,142,093
Cash and Cash Equivalents, End of year	259,786,030	405,131,595	259,786,030
<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	(31,569,792)	(66,497,796)	(31,569,792)
(Increase) Decrease in payable from acquisition of assets	5,845,932	(5,611,970)	5,845,932
Cash paid for acquisition of plant and equipment	(25,723,860)	(72,109,766)	(25,723,860)
<u>2. Cash paid for dividends</u>			
Dividends paid	(38,114,042)	(76,228,026)	(38,114,042)
Increase in accrued dividends	32,096	(411,114)	32,096
Cash paid for dividends	(38,081,946)	(76,639,140)	(38,081,946)

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