

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

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.

Agrifood processing Co, Ltd registered for liquidations with the Ministry of Commerce on 21 December 2015. For the purpose of consolidated financial statements preparation, the Company presented the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the period from 1 January 2015 to 21 December 2015. The Company does not prepared the consolidated statements of financial position as at 31 December 2015.

“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.

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3.1 Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 1 (revised 2014) Presentation of Financial Statements

The main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Group already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Group have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Group's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the Group's financial statements.

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TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Group.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Group's financial statements

3.2 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance contracts

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TFRS	Topic
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2015)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non – cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

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.

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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

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains (losses) on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group, respectively.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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:

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

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When assets are sold or retired, the Group will eliminate 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.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 a period of five (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 asset's 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 recognizes 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 lessor) 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 recognized as expenses when incurred.

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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.

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.

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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:

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.

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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

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Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

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:

	<u>Relationship</u>
<u>Subsidiary :</u>	
Agrifood Processing Co., Ltd.	Shareholding and Directorship
<u>Related companies :</u>	
C.T.Prosper Group Co.,Ltd.	Common Shareholders and directors

Agrifood processing Co,Ltd registered for liquidations with the Ministry of Commerce on 21 December 2015.

	<u>Pricing policy</u>
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

5.2 Balances of transactions with subsidiary and related companies

Balances of transactions among the Company, Subsidiary and related companies as at 31 December 2015 and 2014 are as follows:

	<u>In Baht</u>		
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deposit			
Agrifood Processing Co., Ltd.	-	-	30,000

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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 2015 and 2014 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Revenues from sales				
Agrifood Processing Co., Ltd.	-	-	-	206,000,052
Dividend income				
Agrifood Processing Co., Ltd.	-	-	16,799,993	-
Other income				
Agrifood Processing Co., Ltd.	-	-	-	644,800
C.T.Prosper Group Co.,Ltd.	90,000	90,000	90,000	90,000
Total	90,000	90,000	90,000	734,800
Directors and management's benefits	29,056,344	30,043,023	29,056,344	27,903,623

6. CASH AND CASH EQUIVALENTS

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2014	2015	2014
Cash on hand	100,644	127,931	100,644
Regular checking accounts	129,040,461	12,667	10,000
Saving accounts	28,264,340	259,593,417	128,979,961
Fixed deposit 3 months	15,479,142	52,015	51,488
Total	172,884,587	259,786,030	129,142,093

7. SHORT – TERM INVESTMENTS

As at 31 December 2015, the Group has 5 to 8 months (2014: 4-15 months) which bear interest at the rate of 1.45%-1.75% per annum (2014: 2.40%-2.95% per annum)

8. TRADE AND OTHER RECEIVABLES

	In Baht		
	Consolidated Financial statement	Separate financial statements	
	2014	2015	2014
Trade receivable - other companies	83,261,270	72,923,379	83,261,270
Value added tax receivable	3,099,809	2,094,465	3,099,809
Income tax receivable	1,331,600	-	1,331,600
Interest receivable	1,557,010	444,313	1,535,974
Other receivables	2,332,382	3,315,027	2,332,382
Total	91,582,071	78,777,184	91,561,035

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The aging of outstanding balance as at 31 December 2015 and 2014 are as follows:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2014	2015	2014
Trade receivable - other companies			
Within credit terms	78,057,504	72,062,938	78,057,504
Overdue			
Less than 3 months	5,203,766	860,441	5,203,766
Total Trade receivable - other companies Net	<u>83,261,270</u>	<u>72,923,379</u>	<u>83,261,270</u>

9. ACCOUNTS RECEIVABLE – PLANTERS

Consolidated financial statements and Separate financial statements

	In Baht	
	2015	2014
Accounts receivable-planters	24,954,022	25,435,761
<u>Less</u> Allowance for doubtful accounts	(563,785)	(604,860)
Net	<u>24,390,237</u>	<u>24,830,901</u>

10. INVENTORIES

Consolidated financial statements and Separate financial statements

	In Baht					
	Cost		Allowance for diminution of inventories		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods and semi - finished products	396,811,120	382,950,979	(1,559,012)	(919,719)	395,252,108	382,031,260
Raw material and Supplies	30,226,348	27,726,549	(900,357)	(584,565)	29,325,991	27,141,984
Seeds, insecticide Fertilizer	28,303,881	28,196,280	(1,009,293)	(703,894)	27,294,588	27,492,386
Total	<u>455,341,349</u>	<u>438,873,808</u>	<u>(3,468,662)</u>	<u>(2,208,178)</u>	<u>451,872,687</u>	<u>436,665,630</u>

During the current year, the company reduced cost of inventories by Baht 1.26 million (2014: Baht 0.11 million) to reflect the net realizable value. This was included in cost of sales.

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11. RECEIVABLE FROM THE LIQUIDATION OF A SUBSIDIARY

Agrifood processing Co,Ltd is a subsidiary (100% holding) registered for liquidations with the Ministry of Commerce on 21 December 2015, therefore, the assets and liabilities of Agrifood processing Co,Ltd have been derecognized in the consolidated financial statements and replaced with the recognition of the investment in Agrifood processing Co,Ltd, written down to its recoverable amount as at 21 December 2015. The derecognition of the assets and liabilities of Agrifood processing Co,Ltd that were derecognised comprised the following:

	<u>In Baht</u>
Cash and cash equivalents	31,242,211
Other current assets	23,297
Total assets	31,265,508
Total liabilities	(85,000)
Net Assets	<u>31,180,508</u>

Separate Financial Statements

The Company has reviewed the carrying amount of Agrifood processing Co, Ltd in the context of the liquidation of Agrifood processing Co, Ltd and concluded that the Company will receive fully amount upon the completion of the liquidation are as follows:

	<u>In Baht</u>
The carrying amount of Agrifood processing Co, Ltd as at 21 December 2015	31,180,508
The investment in Agrifood processing Co, Ltd	<u>(23,353,658)</u>
Gain on the liquidation of a subsidiary	<u>7,826,850</u>

The Company has presented this as “gain on liquidation of subsidiary” in the profit and loss in separate financial statements for the year ended 31 December 2015. Following the liquidation of Agrifood processing Co, Ltd, net carrying value of investments in Agrifood processing Co,Ltd has presented in “receivable from the liquidation of subsidiary” in the separate financial statements at 31 December 2015.

12. INVESTMENTS IN SUBSIDIARY

As at 31 December 2015 and 2014.

	Activities	Paid up Capital (In Baht)	% Holdings	At Cost (In Baht)	
				2015	2014
Agrifood Processing Co.,Ltd.	Transmuted Sweet corn distribution	<u>30,000,000</u>	<u>100.0</u>	<u>-</u>	<u>23,353,658</u>

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FOR THE YEAR ENDED 31 DECEMBER 2015

13. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED FINANCIAL STATEMENTS

	In Baht						Total
	Land and Improvement	Building and Improvement	Machineries and equipment	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	
As at 1 January 2014							
Cost	110,493,651	451,000,649	753,424,908	43,825,215	22,677,297	23,215,287	1,404,637,007
<u>Less</u> 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	<u>104,185,950</u>	<u>131,026,254</u>	<u>101,143,213</u>	<u>6,220,378</u>	<u>2,200,520</u>	<u>23,215,287</u>	<u>367,991,602</u>
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
<u>Add</u> 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)	-
<u>Less</u> 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	<u>104,185,950</u>	<u>113,412,375</u>	<u>118,792,320</u>	<u>5,897,504</u>	<u>2,951,481</u>	<u>1,991,505</u>	<u>347,231,135</u>
As 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
<u>Less</u> 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	<u>104,185,950</u>	<u>113,412,375</u>	<u>118,792,320</u>	<u>5,897,504</u>	<u>2,951,481</u>	<u>1,991,505</u>	<u>347,231,135</u>

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

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

CONSOLIDATED FINANCIAL STATEMENTS

	In Baht						Total
	Land and Improvement	Building and Improvement	Machineries and equipment	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	
Transactions for the year ended 31 December 2015							
Opening net book amount	104,185,950	113,412,375	118,792,320	5,897,504	2,951,481	1,991,505	347,231,135
<u>Add</u> Acquisition	-	-	7,928,372	1,488,964	1,047,675	21,104,781	31,569,792
Transfer in (out)	-	-	6,787,366	-	-	(6,787,366)	-
<u>Less</u> Disposals	-	-	(628)	(1)	(80,927)	-	(81,556)
Depreciation	-	(20,344,475)	(27,681,446)	(1,693,408)	(971,906)	-	(50,691,235)
Closing net book amount	<u>104,185,950</u>	<u>93,067,900</u>	<u>105,825,984</u>	<u>5,693,059</u>	<u>2,946,323</u>	<u>16,308,920</u>	<u>328,028,136</u>
At 31 December 2015							
Cost	110,493,651	454,482,312	792,349,274	37,761,850	22,634,110	16,308,920	1,434,030,117
<u>Less</u> Accumulated depreciation	(6,307,701)	(360,606,152)	(685,484,515)	(32,068,791)	(19,687,787)	-	(1,104,154,946)
Allowance for impairment	-	(808,260)	(1,038,775)	-	-	-	(1,847,035)
Net book amount	<u>104,185,950</u>	<u>93,067,900</u>	<u>105,825,984</u>	<u>5,693,059</u>	<u>2,946,323</u>	<u>16,308,920</u>	<u>328,028,136</u>

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

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 2014							
Cost	110,493,651	451,000,649	753,424,908	42,046,215	21,656,216	23,215,287	1,401,836,926
<u>Less</u> 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	<u>104,185,950</u>	<u>131,026,254</u>	<u>101,143,213</u>	<u>5,839,232</u>	<u>2,095,650</u>	<u>23,215,287</u>	<u>367,505,586</u>
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
<u>Add</u> 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)	-
<u>Less</u> Disposals and amortization	-	(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	<u>104,185,950</u>	<u>113,412,375</u>	<u>118,792,320</u>	<u>5,897,504</u>	<u>2,870,882</u>	<u>1,991,505</u>	<u>347,150,536</u>
As 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
<u>Less</u> 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	<u>104,185,950</u>	<u>113,412,375</u>	<u>118,792,320</u>	<u>5,897,504</u>	<u>2,870,882</u>	<u>1,991,505</u>	<u>347,150,536</u>

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

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

THE SEPARATE FINANCIAL STATEMENTS

	In Baht						Total
	Land and Improvement	Building and Improvement	Machineries and equipment	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	
Transactions for the year ended 31 December 2015							
Opening net book amount	104,185,950	113,412,375	118,792,320	5,897,504	2,870,882	1,991,505	347,150,536
<u>Add</u> Acquisition	-	-	7,928,372	1,488,964	1,047,675	21,104,781	31,569,792
Transfer in (out)	-	-	6,787,366	-	-	(6,787,366)	-
<u>Less</u> Disposals	-	-	(628)	(1)	(22,413)	-	(23,042)
Depreciation	-	(20,344,475)	(27,681,446)	(1,693,408)	(949,821)	-	(50,669,150)
Closing net book amount	<u>104,185,950</u>	<u>93,067,900</u>	<u>105,825,984</u>	<u>5,693,059</u>	<u>2,946,323</u>	<u>16,308,920</u>	<u>328,028,136</u>
At 31 December 2015							
Cost	110,493,651	454,482,312	792,349,274	37,761,850	22,634,110	16,308,920	1,434,030,117
<u>Less</u> Accumulated depreciation	(6,307,701)	(360,606,152)	(685,484,515)	(32,068,791)	(19,687,787)	-	(1,104,154,946)
Allowance for impairment	-	(808,260)	(1,038,775)	-	-	-	(1,847,035)
Net book amount	<u>104,185,950</u>	<u>93,067,900</u>	<u>105,825,984</u>	<u>5,693,059</u>	<u>2,946,323</u>	<u>16,308,920</u>	<u>328,028,136</u>

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

14. INTANGIBLE ASSETS - SOFTWARE

	In Baht		
	Consolidated and separate financial statement		
	Software	Software in progress	Total
As at 31 December 2014			
Cost	6,187,348	5,096,683	11,284,031
Accumulated amortization	(1,897,699)	-	(1,897,699)
Allowance for impairment of assets	(2,634,787)	-	(2,634,787)
Net book value	<u>1,654,862</u>	<u>5,096,683</u>	<u>6,751,545</u>
Transactions for the year ended 31 December 2015			
Opening net book amount	1,654,862	5,096,683	6,751,545
<u>Add</u> : Acquisition	-	915,535	915,535
<u>Less</u> : Amortization	(169,765)	-	(169,765)
Net book value	<u>1,485,097</u>	<u>6,012,218</u>	<u>7,497,315</u>
As at 31 December 2015			
Cost	3,388,462	6,012,218	9,400,680
Accumulated amortization	(1,903,365)	-	(1,903,365)
Net book value	<u>1,485,097</u>	<u>6,012,218</u>	<u>7,497,315</u>

15. BANK OVERDRAFTS AND SHORT-TERM LOANS

As at 31 December 2015 and 2014, the Company has the overdrafts and short-term loans lines amounted to Baht 436.3 million and Baht 273.1 million, respectively. The facilities charge an interest at the rate of MOR per annum.

16. TRADE AND OTHER PAYABLES

	In Baht		
	Consolidated financial statement	Separate financial statements	
	2014	2015	2014
Trade payables	35,389,796	34,014,402	35,389,796
Accrued expenses	38,496,322	41,691,452	37,077,943
Others	300,974	6,454,811	300,974
Total	<u>74,187,092</u>	<u>82,160,665</u>	<u>72,768,713</u>

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

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		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
For the year ended 31 December				
Defined benefit obligations at 1 January	40,303,820	35,301,931	40,303,820	34,182,292
Included in profit or loss:				
Current service costs	2,803,185	4,334,456	2,803,185	4,367,188
Interest cost	1,810,995	1,786,111	1,810,995	1,728,018
Included in other comprehensive income:				
Actuarial loss	-	2,005,322	-	2,005,322
Transfer to accrued expenses	-	(1,825,000)	-	(680,000)
Benefit paid for the year	(3,983,100)	(1,299,000)	(3,983,100)	(1,299,000)
Defined benefit obligations at 31 December	<u>40,934,900</u>	<u>40,303,820</u>	<u>40,934,900</u>	<u>40,303,820</u>

Line items in profit or loss under which long-term employee benefit expenses are recognized are as followed:

	In Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Costs of sales	3,779,004	4,933,391	3,779,004	4,933,391
Sales expenses	192,684	274,052	192,684	267,044
Administrative expenses	642,492	913,124	642,492	894,771
Total expense recognized in profit or loss	<u>4,614,180</u>	<u>6,120,567</u>	<u>4,614,180</u>	<u>6,095,206</u>

The Company expect to pay Baht 0.58 million of long-term employee benefits during the next year (2014: Baht 0.98 million).

As at 31 December 2015 and 2014, the weighted average duration of the liabilities for long-term employee benefit is 21 years.

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Principal actuarial assumptions at the reporting date

	Consolidated and Separate
Discount rate	4.16 % per annum
Salary increase rate	5.82%
Employee turnover rate	Scale related to Age ranging from 0 – 26%
Mortality rate	According to Thailand TMO 2008 male and female tables tables

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Defined benefit obligation at 31 December 2015	In Million Baht	
	Increase	Decrease
Discount rate (0.5 % movement)	(1.74)	1.87
Salary Increase Rate (0.5% movement)	1.93	(1.81)
Turnover Rate (0.5% movement)	(1.94)	2.08

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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

At the ordinary shareholders' meeting dated on 28 April 2015, the shareholders approved the payment of dividends at Baht 0.10 per share for 381,145,725 shares totaling Baht 38.1 million out of operating of the year 2014 and the Company has already paid for such dividends on 14 May 2015.

At the ordinary shareholders' meeting dated on 23 April 2014, the shareholders approved the payment of dividends at Baht 0.31 per share for 381,145,725 shares totaling Baht 118.2 million out of operating of the year 2013 and the Company has already paid for such dividends on 12 May 2014.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

20. EXPENSES BY NATURE

Significant expenses by nature are as follow:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Changes in finished goods, semi - finished products and raw materials	(15,636,001)	(96,575,130)	(15,636,001)	(96,575,130)
Purchase raw materials	498,040,843	604,617,863	498,040,843	604,617,863
Depreciation and amortization	50,838,915	60,278,862	50,838,915	59,891,649
Staff costs	267,723,634	280,356,800	267,723,634	276,712,735

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. Tax benefits are expired in 2014

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 2015 and 2014 are summarized as follows:

	In Thousand Baht					
	2015			2014		
	Promoted Business	Non- Promoted Business	Total	Promoted Business	Non- Promoted Business	Total
Export sales	-	-	-	831,499	336,808	1,168,307
Domestic sales	-	-	-	8,589	209,219	217,808
Total	-	-	-	840,088	546,027	1,386,115

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 2015 and 2014, export sales of the Group was 99% of total sales

Major customers

For the year 2015, the Group has revenue from 3 major customers, representing 77 percent of total revenue, arising from manufacturing and distribution of frozen vegetables (2014: 75 percent of total revenue was derived from 3 major customers).

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014 amounted to Baht 4.6 million and Baht 1.8 million, respectively.

24. INCOME TAX

Income tax expenses for the year ended 31 December 2015 and 2014 are made up as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Income tax recognized in profit or loss				
Current income tax				
Current year	29,795,472	10,870,833	29,795,472	10,158,737
Deferred tax				
Relating to origination and reversal of temporary differences	2,277,181	(803,490)	2,048,181	(798,418)
Total	<u>32,072,653</u>	<u>10,067,343</u>	<u>31,843,653</u>	<u>9,360,319</u>
Income tax recognised in other comprehensive income				
Decrease in Actuarial losses	-	(401,065)	-	(401,065)
Reconciliation of effective tax rate				
	In Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before corporate income tax	151,631,131	70,493,430	175,966,037	67,132,548
Applicable tax rate (%)	20	20	20	20
Accounting profit before corporate income tax multiplied by applicable tax rate	30,326,226	14,098,686	35,193,207	13,426,510
Investment promotion	-	(5,493,778)	-	(5,493,778)
Incoming not subject to tax	-	(266,320)	(4,925,369)	(266,320)
Addition expenses deductible for tax purposes	(1,849,659)	(926,208)	(1,791,271)	(926,208)
Expenses not deductible for tax purposes	1,318,905	3,458,453	1,318,905	3,418,533
Current tax	29,795,472	10,870,833	29,795,472	10,158,737
Relating to origination and reversal of temporary differences	2,277,181	(803,490)	2,048,181	(798,418)
Income tax expense	<u>32,072,653</u>	<u>10,067,343</u>	<u>31,843,653</u>	<u>9,360,319</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

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

	In Baht		
	Consolidated financial statements	Separate	
		2014	2015
Statements of financial position			
Increase in deferred tax assets			
Allowance for doubtful accounts	120,972	112,757	120,972
Allowance for diminution of inventories	441,636	311,803	441,636
Allowance for impairment of intangible assets	470,979	-	470,979
Provisions for employee benefit obligations	8,289,764	8,186,980	8,060,764
Increase in deferred tax liabilities			
Receivable from the liquidation of a subsidiary	-	(1,565,370)	-
	9,323,351	7,046,170	9,094,351

25. FINANCIAL INSTRUMENTS

25.1 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.

25.2 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 2015, the Group have outstanding forward foreign exchange selling contracts total of U.S. Dollars 9.7 million in exchange of Baht 337.6 million with 4 commercial banks. The contract will be due in September 2016. Per comparative between fair value and contract value, the loss amounting Baht 12.1 million is incurred.

As at 31 December 2015, the Group has accrued commission amounting of U.S.Dollars 0.1 million which are not hedged.

25.3 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.

25.4 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.

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

26. COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2015

- 26.1 The Company has commitments for software license and system consulting agreement amounting of Baht 0.5 million.
- 26.2 The Company has commitment to pay the financial advisory about investment in Myanmar amounting to approximately Baht 1.2 million.
- 26.3 The Company has contingently liability for bank guarantees issued in favor of government agency amounting to approximately Baht 10.1 million.
- 26.4 The Company has capital expenditure in respect of the repairing of the plant amounting of Baht 35.82 Million.

27. EVENTS AFTER THE REPORTING PERIOD

On 26 February 2016, the Company's Board of Directors meeting No. 1/2016 approved the followings:

- Approved for the capital decrease amounted of 526 shares from share registered of 381,146,251 to 381,145,725.
- Approved for payment of a final dividend of Baht 0.2 per share for 381,145,725 shares, or a total of approximately Baht 76.2 million, from the operating results for the year 2015.

However, this resolution will be further proposed for the shareholders' approval in the Ordinary General Meeting of Shareholders for fiscal year 2016.

28. 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 2016.