

Part 3

Financial status and operation result

13. Financial data

1) Financial Statements Information

A. Independent Auditor's Report

To the Board of Directors and Shareholders of
Chiangmai Frozen Foods Public Company Limited

Opinion

I have audited the accompanying financial statements of **Chiangmai Frozen Foods Public Company Limited** (“the Company”), which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Chiangmai Frozen Foods Public Company Limited** as at 31 December 2016, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Company’s revenue are mainly derived from the distribution of frozen vegetables in domestic and export markets which are accounted for 99% of total revenue. Revenue from the sales of goods are considered as significant transaction and have a direct effect on the profit and loss of the Company. Therefore, I give particular attention to the appropriateness of the Company’s revenue recognition and identify this matter as significant to the audit.

I examined the Company's revenue recognition by assessing and testing the effectiveness of internal controls over the revenue cycle, applying a sampling method to select sales transactions to examine the accuracy and appropriateness of the revenue recorded whether they were in compliance with the conditions set out in the sales documents and in compliance with the Company's policy. On a sampling basis, I examined supporting documents of sales incurred during the year and near the end of the accounting period. I examined the credit notes issued after the period-end and examined the significant adjustment made to the revenues. I also analyzed revenues disaggregated by products group to determine the accuracy and the appropriateness of revenues recognized throughout the accounting period.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, we have received such other information in the annual report that has been prepared for issuance before the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

I have read other information in the annual report that has been prepared for issuance, I did not find any material inconsistency therein which I have to report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PRADIT RODLOYTUK
Certified Public Accountant
Registration No. 218

Ast Master Co.,Ltd.
24 February 2017

**Remark: -Opinion in the Auditor's report of the past three years
is unconditional**

Important Accounting Policies

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.

NEW FINANCIAL REPORTING STANDARDS

- (a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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.

- (b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for

fiscal years beginning on or after 1 January 2017. 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 management of the Company believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

ACCOUNTING POLICIES

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

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.

Investments in unit trusts of mutual funds

Investments in unit trusts of mutual funds which the Company holds as trading investments are determined at fair value. Gains or losses arising from changes in the value of securities are included in statement of income. The fair value of unit trusts is determined from their net asset value.

Accounts receivable

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

Allowance for doubtful accounts

The Company 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.

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.

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 Company 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.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

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

When assets are sold or retired, the Company 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.

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.

Impairment of assets

The Company 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 Company 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.

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.

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.

Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company 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.

Provisions

Provisions are recognized when the Company has 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.

Revenue recognition

The Company 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.

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

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.

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.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis

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 Company 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 recognized 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 utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, 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.

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.

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.

B. Summary of Financial Statements

Statements of Financial Position

(Unit: Thousand baht)

ASSETS	Separate Financial Statements					
	2014	%	2015	%	2016	%
Current Assets						
Cash and cash equivalents	129,142	9.5	259,786	17.4	405,132	25.1
Short-term investments	290,000	21.3	300,000	20.2	350,682	21.7
Trade and other receivables	91,561	6.8	78,777	5.3	69,962	4.3
Accounts receivable-planters-net	24,831	1.8	24,390	1.6	48,281	3.0
Receivable from the liquidation of a subsidiary	-	-	31,181	2.1	-	-
Inventories-net	436,666	32.1	451,873	30.4	345,065	21.3
Total Current Assets	972,200	71.5	1,146,007	77.0	1,219,122	75.4
Investment property	22,129	1.6	22,129	1.5	22,128	1.4
Investments in subsidiary	23,354	1.7	-	-	-	-
Property, plant and equipment-net	325,022	23.9	305,899	20.5	330,294	20.4
Lease deposit	-	-	-	-	25,359	1.6
Computer software-net	6,751	0.5	7,497	0.5	8,557	0.5
Deferred tax assets	9,094	0.7	7,046	0.5	10,409	0.6
Other non-current assets	1,760	0.1	44	-	1,647	0.1
Total non-current assets	388,110	28.5	342,615	23.0	398,394	24.6
TOTAL ASSETS	1,360,310	100.0	1,488,622	100.0	1,617,516	100.0

LIABILITIES AND SHAREHOLDERS' EQUITY	Separate Financial Statements					
	2014	%	2015	%	2016	%
Current Liabilities						
Trade and other payables	72,769	5.4	82,161	5.5	74,886	4.6
Accrued income tax	957	0.1	13,000	0.9	25,452	1.6
Other current liabilities	3,346	0.2	3,584	0.2	3,180	0.2
Total Current Liabilities	77,072	5.7	98,745	6.6	103,518	6.4
Employee benefit obligations	40,304	2.9	40,935	2.8	44,908	2.8
Total Liabilities	117,376	8.6	139,680	9.4	148,426	9.2
Shareholders' Equity						
Share capital - Baht 1 par value Authorized shares 381,146,251 common shares in 2014- 2015 and 381,145,725 common shares in 2016						
Issued and paid-up Shares 381,145,725 in 2014-2016	381,146	28.0	381,146	25.6	381,146	23.6
Premium on share capital	68,000	5.0	68,000	4.6	68,000	4.2
Retained earnings						
-Appropriated for legal reserve	38,115	2.8	38,115	2.5	38,115	2.3
-Un appropriated	755,673	55.6	861,681	57.9	981,829	60.7
Total Shareholders' Equity	1,242,934	91.4	1,348,942	90.6	1,469,090	90.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,360,310	100.0	1,488,622	100.0	1,617,516	100.0

Statements of Financial Position

(Unit: Thousand baht)

ASSETS	Consolidated Financial Statements					
	2014	%	2015	%	2016	%
Current Assets						
Cash and cash equivalents	172,884	12.5	-	-	-	-
Short-term investments	296,000	21.3	-	-	-	-
Trade and other receivables	91,582	6.6	-	-	-	-
Accounts receivable-planters-net	24,831	1.8	-	-	-	-
Inventories-net	436,666	31.5	-	-	-	-
Total Current Assets	1,021,963	73.7	-	-	-	-
Property, plant and equipment-net	347,231	25.0	-	-	-	-
Computer software-net	6,752	0.5	-	-	-	-
Deferred tax assets	9,323	0.7	-	-	-	-
Other non-current assets	1,761	0.1	-	-	-	-
Total non-current assets	365,067	26.3	-	-	-	-
TOTAL ASSETS	1,387,030	100.0	-	-	-	-

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated Financial Statements					
	2014	%	2015	%	2016	%
Current Liabilities						
Trade and other payables	74,187	5.4	-	-	-	-
Accrued income tax	1,664	0.1	-	-	-	-
Other current liabilities	3,377	0.2	-	-	-	-
Total Current Liabilities	79,228	5.7	-	-	-	-
Employee benefit obligations	40,304	2.9	-	-	-	-
Total Liabilities	119,532	8.6	-	-	-	-
Shareholders' Equity						
Share capital - Baht 1 par value						
Authorized shares						
381,146,251 common shares						
in 2014						
Issued and paid-up Shares						
381,145,725 in 2014	381,146	27.5	-	-	-	-
Premium on share capital	68,000	4.9	-	-	-	-
Retained earnings						
-Appropriated for legal						
reserve	38,115	2.7	-	-	-	-
-Un appropriated	780,237	56.3	-	-	-	-
Total Shareholders' Equity	1,267,498	91.4	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,387,030	100.0	-	-	-	-

Statement of Comprehensive Income

(Unit: Thousand baht)

Particular	Separate Financial Statements					
	2014	%	2015	%	2016	%
Revenues from sales	1,386,116	100.0	1,419,895	100.0	1,465,504	100.0
Cost of sales	(1,140,891)	(82.3)	(1,075,742)	(75.8)	(1,062,169)	(72.5)
Gross profit	245,225	17.7	344,153	24.2	403,335	27.5
Dividend income from subsidiary	-	-	16,800	1.2	-	-
Gain on the liquidation of a subsidiary	-	-	7,827	0.6	-	-
Gain on exchange rate	(22,921)	(1.7)	(26,779)	(1.9)	8,318	0.6
Other income	19,476	1.4	11,889	0.8	13,475	0.9
Profit before expenses	241,780	17.4	353,890	24.9	425,128	29.0
Selling expenses	(87,222)	(6.3)	(93,737)	(6.6)	(94,879)	(6.5)
Administrative expenses	(87,426)	(6.3)	(84,187)	(5.9)	(86,398)	(5.9)
Total expenses	(174,648)	(12.6)	(177,924)	(12.5)	(181,277)	(12.4)
Profit before income tax	67,132	4.8	175,966	12.4	243,851	16.6
Income tax	(9,360)	(0.7)	(31,844)	(2.2)	(47,475)	(3.2)
Profit for the year	57,772	4.1	144,122	10.2	196,376	13.4
Earnings per share	0.15		0.38		0.52	
Actuarial losses-net of tax	(1,604)		-		-	
Total comprehensive income for the year	56,168		144,122		196,376	
Equity holders of the parent	56,168		144,122		196,376	
Un-appropriated retained earnings Beginning balance	817,659		755,673		861,681	
Appropriated for -Dividend paid	(118,154)		(38,114)		(76,228)	
Ending balance	755,673		861,681		981,829	

Statement of Comprehensive Income

(Unit: Thousand baht)

Particular	Consolidated Financial Statements					
	2014	%	2015	%	2016	%
Revenues from sales	1,413,564	100.0	1,419,895	100.0	-	-
Cost of sales	(1,140,891)	(80.7)	(1,075,742)	(75.8)	-	-
Gross profit	272,673	19.3	344,153	24.2	-	-
Gain on exchange rate	(29,633)	(2.1)	(26,779)	(1.9)	-	-
Other income	19,786	1.4	12,305	0.9	-	-
Profit before expenses	262,826	18.6	329,679	23.2	-	-
Selling expenses	(100,516)	(7.1)	(93,737)	(6.6)	-	-
Administrative expenses	(91,817)	(6.5)	(84,311)	(5.9)	-	-
Total expenses	(192,333)	(13.6)	(178,048)	(12.5)	-	-
Profit before income tax	70,493	5.0	151,631	10.7	-	-
Income tax	(10,067)	(0.7)	(32,073)	(2.3)	-	-
Profit for the year	60,426	4.3	119,558	8.4	-	-
Earnings per share	0.16		0.31		-	
Actuarial losses-net of tax	(1,604)		-		-	
Total comprehensive income for the year	58,822		119,558		-	
Equity holders of the parent	58,822		119,558		-	
Un-appropriated retained earnings Beginning balance	839,568		780,237		-	
Appropriated for -Dividend paid	(118,153)		(38,114)		-	
Ending balance	780,237		861,681		-	

STATEMENT OF CASH FLOWS

(Unit: Thousand baht)

Particular	Separate F/S.		
	2014	2015	2016
Cash flows from operating activities:			
Profit before income tax	67,132	175,966	243,851
Adjustments to reconcile net profit to net cash provided by operating activities			
Unrealized gain on exchange rate	(78)	(39)	2
Reversal of doubtful accounts	41	(41)	58
Reversal of loss on diminution of inventories	115	1,261	3,727
Unrealized gain from changes in value of investments	-	-	(682)
Loss(gain) on disposal of equipment and written off	(1,763)	(437)	2,545
Dividend income from subsidiary	-	(16,800)	-
Gain on the liquidation of a subsidiary	-	(7,827)	-
Depreciation	59,892	50,839	39,247
Provisions for employee benefit obligations	6,095	4,614	4,613
Profit from operating activities before change in operational assets and liabilities	131,434	207,536	293,361
Decrease (increase) in operational assets			
Trade accounts receivables	3,302	11,508	8,864
Accounts receivable-planters	14,773	482	(23,948)
Inventories	(97,309)	(16,468)	103,081
Other non-current assets	(1)	1,717	(1,604)
Increase (decrease) in operational liabilities			
Trade accounts payable	(7,659)	3,529	(1,714)
Employee benefit obligations	189	205	8
Other current liabilities	(1,299)	(3,983)	(640)
Cash received from operation	43,430	204,526	377,408
Income tax refund	-	1,331	-
Income tax paid	(16,080)	(17,752)	(38,386)
Net cash provided by operating activities	27,350	188,105	339,022
Cash flows from Investing Activities			
Decrease (increase) in short-term investments	110,000	(10,000)	(50,000)
Dividend income from subsidiary	-	16,800	-
Cash received from subsidiary liquidation	-	-	31,181
Cash paid for lease deposit	-	-	(25,359)
Proceeds from disposal of vehicle and equipment	1,892	460	641
Cash paid for acquisition of plant and equipment	(39,812)	(25,724)	(72,110)
Cash paid for acquisition of computer software	(2,756)	(915)	(1,390)
Net cash provided by (use in) Investing Activities	69,324	(19,379)	(117,037)
Cash flows from financial activities			
Cash paid for dividends	(118,025)	(38,082)	(76,639)
Net cash used in financing activities	(118,025)	(38,082)	(76,639)

Net increase (decrease) in cash and cash equivalents	(21,351)	130,644	145,346
Cash and cash equivalents, Beginning of year	150,493	129,142	259,786
Cash and cash equivalents, End of year	129,142	259,786	405,132
Supplement disclosure of cash flows information			
1. Property, Plant and Equipment-			
Acquisition of plant and equipment during the year	(39,624)	(31,570)	(66,498)
Increase (decrease) in payable from acquisition of assets	(188)	5,846	(5,612)
Cash paid for acquisition of plant and equipment	(39,812)	(25,724)	(72,110)
2. Cash paid for Dividends			
Dividends paid	(118,154)	(38,114)	(76,228)
Increase in accrued dividends	129	32	(411)
Cash paid for dividends	(118,025)	(38,082)	(76,639)

STATEMENT OF CASH FLOWS

(Unit: Thousand baht)

Particular	Consolidated F/S.		
	2014	2015	2016
Cash flows from operating activities:			
Profit before income tax	70,493	151,631	-
Adjustments to reconcile net profit to net cash provided by operating activities			
Unrealized gain on exchange rate	(78)	(39)	-
Reversal of doubtful accounts	41	(41)	-
Reversal of loss on diminution of inventories	115	1,261	-
Loss(gain) on disposal of equipment and written off	(2,245)	(584)	-
Depreciation	60,279	50,861	-
Provisions for employee benefit obligations	6,120	4,614	-
Profit from operating activities before change in Operational assets and liabilities	134,725	207,703	-
Decrease (increase) in operational assets			
Trade accounts receivables	4,527	11,506	-
Accounts receivable-planters	14,773	482	-
Inventories	(97,309)	(16,468)	-
Other non-current assets	(1)	1,717	-
Increase (decrease) in operational liabilities			
Trade accounts payable	(9,161)	2,196	-
Employee benefit obligations	69	174	-
Other current liabilities	(1,299)	(3,983)	-
Cash received from operation	46,324	203,327	-
Income tax refund	-	1,332	-
Income tax paid	(16,371)	(18,459)	-
Net cash provided by operating activities	29,953	186,200	-
Cash flows from Investing Activities			
Decrease (increase) in short-term investments	110,000	(4,000)	-
Increase in fixed deposits pledged as collateral	15,197	-	-
Gain and cash equivalents in subsidiary at liquidation date	-	(31,242)	-
Proceeds from disposal of vehicle and equipment	2,406	665	-
Cash paid for acquisition of plant and equipment	(39,825)	(25,724)	-
Cash paid for acquisition of computer software	(2,756)	(915)	-
Net cash provided by (used in) Investing Activities	85,022	(61,216)	-

Cash flows from financing activities			
Cash paid for dividends	(118,025)	(38,082)	-
Net cash used in financing activities	(118,025)	(38,082)	-
Net increase (decrease) in cash and cash equivalents	(3,050)	86,902	-
Cash and cash equivalents, Beginning of year	175,934	172,884	-
Cash and cash equivalents, End of year	172,884	259,786	-
<u>Supplement disclosure of cash flows information</u>			
1. Property, Plant and Equipment			
Acquisition of plant and equipment during the year	(39,637)	(31,570)	-
Increase (decrease) in payable from acquisition of assets	(188)	5,846	-
Cash paid for acquisition of plant and equipment	(39,825)	(25,724)	-
2. Cash paid for dividends			
Dividends paid	(118,154)	(38,114)	-
Increase in accrued dividends	129	32	-
Cash paid for dividends	(118,025)	(38,082)	-

2) FINANCIAL RATIOS

(Unit: thousand baht)

Ratio	Unit	Consolidated F/S. (Mil. Baht)			Separate F/S. (Mil. Baht)		
		2014	2015	2016	2014	2015	2016
Liquidity Ratios							
Current ratio	Time	12.90	11.61	11.78	12.61	11.61	11.78
Quick ratio	Time	7.07	6.47	7.98	6.63	6.47	7.98
Cash flow ratio	Time	0.35	2.09	3.35	0.33	2.14	3.35
Account receivable turnover	Time	15.07	16.67	19.71	14.88	16.67	19.71
Debt collection period	Days	24.22	21.90	18.52	24.53	21.89	18.52
Inventory turnover	Time	2.94	2.42	2.67	2.94	2.42	2.67
Good distribution ratio period	Days	124.15	150.74	136.93	124.15	150.74	136.93
Account payable turnover	Time	14.64	13.76	13.53	14.58	14.73	13.70
Debt payment period	Days	24.93	26.52	26.98	25.03	24.78	26.64
Cash cycle	Days	123.44	146.11	128.47	123.65	147.85	128.81
Profitability Ratios							
Gross profit margin	%	19.29	24.24	27.52	17.69	24.24	27.52
Operation profit margin	%	4.99	10.68	16.64	4.84	12.39	16.64
Cash ratio against making profit	%	49.57	155.74	172.64	47.34	130.52	172.64
Net profit margin	%	4.27	8.42	13.40	4.17	10.15	13.40
Return on equity	%	4.66	9.14	13.94	4.53	11.12	13.94
Efficiency Ratios							
Return on total assets	%	4.25	8.32	12.64	4.14	10.12	12.64
Return on fixed assets	%	4.07	4.64	4.44	3.99	4.64	4.44
Total assets turnover	Time	1.00	0.99	0.94	0.99	1.00	0.94
Financial Policy Ratios							
Ratio debt against equity part	Time	0.09	0.10	0.10	0.09	0.10	0.10
Dividends paid rate	%	63.08	63.76	67.93	-	-	-

14. Explanation and analysis financial situation and operation result

1. Overview of previous operation

Performance Overview

The overall of Thailand's economy in the year 2016 considered in the recover stage with increasing risks concerning the recovery of global economic amidst the uncertainty of political and economic policy of USA, the difficulties concerning the Brexit which could slow down the EU's economic, and the possible risk of financial crisis in EU and China. However, Japan economic, which is our vital trading partner, has been expected the slight increase in GDP from the economic stimulus applied since August 2016 after Japanese Yen has continuously appreciated from the beginning of 2016. However, the volatile of exchange rate during 2016 especially the continuously depreciation of Thai Baht (THB) against U.S. Dollar (USD) have positively affected to all the exporter, include the company. The average exchange rate for the year 2015 revealed in the Bank of Thailand indicated 34.25 THB/USD, comparing to 35.29 THB/USD in 2016. This has directly affected the Company's revenue in which products majorly sold in USD, considered approximately 98% of the total revenue. Therefore, the sales revenue reveals in the financial statement for the year 2016 of THB 1,465.50 Million, increasing of 3.21% comparing to THB 1,419.89 Million indicated in 2015. However, the depreciation of THB against USD might also deteriorate the competitiveness of the company as the import price perceived as increasing. Also, total sales volume of 2016 presented 22,509 Tons, which increased 2.91% comparing to 21,873 Tons in previous year. Nonetheless, due to the effective management for costing to reflect the realistic production activities and the globally oversupply of fossil fuel which continuously drive the oil price down during the year, the company's consolidated financial statement has indicate the net profit THB 196.38 Million in the year 2016, equivalent to the significant increase of 64.25% considering previous year performance of THB 119.56 Million, while the gross profit margin and net profit margin in 2016 displayed 27.52% and 13.40% respectively which increase from 24.24% and 8.42% previously shown in 2015

In this year, the sales volume has increased comparing to previous year. However, the financial performance has significantly change more than 20%, whereby the net profit has increased 64.25% comparing to the previous year. The major contribution for such change is the continuous depreciation of THB against USD during 2016 comparing to 2015 which result in the increasing of revenue. In addition, the effective production cost management from the superior quality of agricultural products harvested in previous season, and the slump of global oil price in the year 2016, also the decreasing overhead cost from the limited production hour due to the severe drought in the year, these factors greatly contribute to reduce cost of goods for 1.26%. Therefore, the net profit for the Company is increased.

The company has restructured its business structure and subsidiary purposely to reduce cost and increase the effectiveness in management. The resolution of the Board of Director's meeting No. 6/2015 held on 13 November 2015 has resolve to terminate the subsidiary which is Agrifood Processing Company Limited ("AFP") which the company held 100% shares, the registered capital of THB 120 Million and the paid-up capital of THB 30 Million. In this regard, AFP has stop its business operation since 1 January 2015 due to the company has stop trading activities with AFP. On 21 December 2015, AFP is registered the dissolve with the Department of Business Development, the Ministry of Commerce, and the process of liquidation has been completed on 27 December 2016.

On 25 March 2016, The Company has signed the pre-deposit lease agreement with the lessor. The pre-lease deposit agreement for the land of 47.73 Acres has the total lease value through the lease period of USD 1.43 million. The lease period is 50 years and the 2 extensions offering right considered 10 years for each extension. The Company shall arrange the deposit for 50% of total lease value, considering USD 0.71 million (equivalent to THB 25.36 million) immediately after signing the pre-lease deposit agreement on 25 March 2016. The remaining lease value shall be paid upon the lease agreement date. The lessor is obliged to fill the land appropriate for the plant construction, and coordinate with the authorities to arrange the usage of land allowed the construction of plant prior to the entering of lease agreement with the Company's subsidiary currently determining for the incorporation in Myanmar.

On 26 April 2016, the annual meeting of shareholders for the year 2016 has resolved to approve the decrease of registered capital from THB 381,146,251 to THB 381,145,725 to be align with the registered and paid-up capital. The company has completed the reduction of the registered of capital and registered with the Ministry of Commerce on 1 July 2016.

The Company has non-recurrent transaction indicated in the financial statements for the year 2015 and 2016 as follows

2015

- The company has dividend from the subsidiary of THB 16.80 Million indicated in the separate financial statement which derive from the AFP which registered the dissolve on 21 December 2015 and the liquidation has been completed on 27 December 2016.
- The company has profit from the liquidation of subsidiary which is AFP of THB 7.83 Million indicated in the separate financial statement.

2016

- The company has engaged in pre-deposit agreement to lease the land in Myanmar as the part of investment project to construct the factory for frozen products. The lease value for 50 years considered USD 1.43 Million. The Company has made deposit of 50% of lease value equivalent to USD 0.71 Million, consider THB 25.36 Million.

During the year, the company has not change the accounting policy, but only the application of accounting standard which is mandatory applied. The mentioned change has not material to the financial statement.

For the year 2017, the global economic expected to slowly recover amidst the uncertainty of economic and financial system driven by the direction and policy of USA after the president election, the Brexit which considered negative effect to the recovery of EU, and the fear of possible financial crisis in EU and China. However, Japan is expected to grow from the government's stimulus expected to be effective to the economic system after applied in August 2016. The agricultural sector of Thailand is also expected to recovery after the severe drought during the mid-year. The oil price tended to stable and positively increase after continuous slump for the past few years. Moreover, the withdrawal of USA from the Trans-Pacific Partnership possibly allows the Company the greater opportunity for the business competition in Japan market. However, the management has aware of theses factor and best attempt to reduce such negative effects. Also, the management has best attempt to determine the policies and strategies to cope with the situations such as the continuous improvement for the production costing by improving cultivating yield and production yield, the study of the demand for the products in other country rather than existing trade partner, the study for

the feasibility in the investment in neighborhood country purposely to increase the agriculture area and quantity produces, and the closely monitor for the exchange rate to determine the appropriate use of financial instrument and increase the effectiveness of the hedge against the risk of exchange rate fluctuation.

Summary of Financial Performance

Revenue Structure

1. Sales Revenue

The Company has sales revenue majorly from the sales of frozen vegetables such as frozen soy beans, frozen green beans, frozen sweet corns and frozen mixed vegetables. The details of sales revenue, according to the financial statement categorized by the geographic is as follows,

Sales Revenue	Value (THB Million)			Increase (decrease) %		
	2014	2015	2016	2014	2015	2016
Export Sales Revenue	1,401.70	1,401.40	1,434.39	0.09	(0.02)	2.35
Domestic Sales Revenue	11.86	18.49	31.11	(25.36)	55.90	68.25
Total Sales Revenue	1,413.56	1,419.89	1,465.50	(0.91)	0.45	3.21

In 2016, sales revenue indicated totaling THB 1,465.50 Million, of which domestic sales proportion is 2.12% of total sales revenue, increasing from proportion 1.30% comparing to 2015, and the proportion of export sales for the year 2016 is to 97.88%, slightly decreased from 98.70% in 2015.

Total sales revenue in 2016 totaling THB 1,465.50 Million increasing from THB 1,419.89 Million in 2015, equivalent to the increase of 3.21%. This due to the continuously depreciation of THB against USD which the average exchange rate in 2016 is 35.29 THB/USD comparing to average exchange rate of 34.25 THB/USD, equivalent to the depreciation of 3.04%. In addition, the sales volume has been increase comparing to the previous year due to the increasing demand from customers.

2. Other Revenue

In 2016, the company has indicated other revenue of THB 13.48 Million which increased from THB 12.30 Million in 2015, equivalent to the increase of 9.52%.

Cost of Goods Sold

Cost of goods sold in 2016 presented THB 1,062.17 Million, equivalent to the decrease of 1.26%, comparing to THB 1,075.74 Million in 2015. The major reasons for the decrease is as follows,

- The reduction of unit cost due to the effective management for the quality controlling in the raw material purchased activities which enhancing of production yield, and the adjusting effect of production cost to be more realistically reflect the production activities. However, the cost of goods sold possibly increased this year due to the low quality and quantity of agriculture produces cultivated during seriously drought season.
- The decrease overhead production cost as the global oil price is decrease. The average fuel oil price in 2016 is THB 19.38 per litre while reveal THB 20.91 per litre in 2015. Besides, the overtime labor cost and electricity cost is also reduced due to the decrease of production activities.

Selling and Administration Expenses

In 2016, the Company has reported the selling and administration expenses of THB 181.28 Million which slightly increase from THB 178.05 Million as reported in 2015, equivalent to the increase of 1.81% which derive from the following factors,

- The domestic transportation expenses is increase due to the increasing sales volume
- The export expenses which is the cost for the transportation of finished goods to be delivered at domestic sea port and the custom fee, is increase due to the increasing sales volume

Gross Profit Margin and Net Profit Margin

The Gross Profit Margin for the Company presented in the financial statement for the year ended 31 December 2016 is 27.52% increase from 24.24% indicated in previous year, while the Net Profit Margin reveal 16.64% significantly increase from 10.68% comparing to 2015. This is majorly contributed to the depreciation of exchange rate which favor the sales revenue of the company, while the sales volume is increased. At the same time, cost of goods has been decrease due to the effective management of production and inventory costing, the decrease of production activities also decrease the overhead production cost, and the continuously drop of fuel oil price. However, the selling and administration expenses has increased due to the increase sales volume and activities for the year.

Net Profit

The Company has indicated net profit in the financial statements in 2016 of THB 196.38 Million, significantly increase from THB 119.56 Million presented in 2015, equivalent to the increase of 64.25%. The major contribution to the significant increase of net profit derive from the favorable exchange rate as THB is continuously depreciated against USD, with the average quarterly exchange rate range fluctuated between 34.88–35.66 THB/USD. Also, the cost of goods has been decreased due to the effective management of production costing and inventory costing. and the drop of price for fuel due to oversupply globally. Although, the selling and administration expenses is increase from increasing of sales volume.

Summary Table for the Financial Performance

Financial Highlight	Value (THB Million)			Increase (decrease) %		
	2014	2015	2016	2014	2015	2016
Sales Revenue	1,413.56	1,419.89	1,465.50	(0.91)	0.45	3.21
Cost of Goods Sold	1,140.89	1,075.74	1,062.17	2.51	(5.71)	1.26
Gross Profit	272.67	344.15	403.33	(13.05)	26.21	17.20
Gain on Exchange Rate	(29.63)	(26.78)	8.32	(267.26)	9.63	131.06
Other Revenue	19.79	12.30	13.48	3.50	(37.81)	9.52
Operating Profit	262.83	329.68	425.13	(25.00)	25.44	28.95
Selling and administration Expenses	192.33	178.05	181.28	(0.70)	(7.43)	1.81
Earnings Before Interest and Tax	70.49	151.63	243.85	(55.02)	115.10	60.82
Net Profit	60.43	119.56	196.38	(65.28)	97.86	64.25
Earnings Before Interest, Tax, Depreciation and Amortization	130.77	202.47	283.10	(39.57)	54.83	39.82
Cash Flow from Operation	29.95	186.20	339.02	(83.45)	521.63	82.07
Earnings per share (Baht)	0.16	0.31	0.52			
Book Value per share (Baht)	3.33	3.54	3.85			

Key Financial Ratios

Key Financial Ratios	2014	2015	2016
Current Ratio (Times)	12.90	11.61	11.78
Quick Ratio (Times)	7.07	6.47	7.98
Gross Profit Margin (%)	19.29	24.24	27.52
Operating Profit Margin (%)	4.99	10.68	16.64
Net Profit Margin (%)	4.27	8.42	13.40
Return on Equity (%)	4.66	9.14	13.94
Return on Assets (%)	4.25	8.32	12.64
Debt To Equity Ratio (Times)	0.09	0.10	0.10

Company's Financial Position

Assets

The Company has total assets according to the financial statements as of 31 December 2016 of THB 1,617.52 Million comparing to THB 1,488.62 Million in the previous year, equivalent to the increase of 8.66%. The major increase is from the increase of cash and cash equivalent and short term investment in the forms of cash in fix saving account altogether presented THB 755.81 Million in 2016 comparing to THB 559.79 Million in 2015, equivalent to the increase of 35.02%. The increase net cash flow from operation derive from increase sales revenue has contributed to such increase of cash.

Trade Receivables in 2016 indicated THB 69.96 Million, decrease from THB 78.78 Million presented in 2015, of which THB 62.82 Million is receivable that not yet due for payment, equivalent to 94.76% of total receivables in 2016. The Company has policy to reserve for allowance for bad debt for the whole amount on any doubtful receivable, considering financial position of client and their historical payment. In 2016, most of the client able to made payment within due.

Liabilities

The Company has total liabilities according to the financial statements as of 31 December 2016 of THB 148.43 Million which increase from THB 139.68 Million, equivalent to the increase of 6.26%, comparing to the previous year. This is due to the increase of defer tax liabilities which increase from THB 13.00 Million in 2015, to THB 25.45 Million in 2016 as the Company has increasing sales revenue and Earnings before interest and tax.

As of 31 December 2016, the Company has liabilities obligation other than employee benefit which are

- Licensing agreement and consulting agreement for the usage of computer program and system for the amount of THB 0.5 Million
- Consulting agreement for financial advisor regarding the investment in Myanmar. The obligation amount according to the contract is THB 0.3 Million
- The Company might expose to the occurrence of obligation from the issuance of guarantee letter from bank against the government authorities for the amount of THB 11.0 Million
- The Company has hire the contractor for the repair and maintenance of building and freezing machine for the amount of THB 15.80 Million

The Company has appropriate and sufficient liquidity for the payment of liabilities and obligation. In the year 2016, the Current Ratio indicated 11.78 times and the Quick Ratio of 7.98 times, while most of the current assets are in the form of cash and cash equivalent.

Currently, there is no file or active case of lawsuit against the Company.

Shareholder's Equity

Shareholder's equity for the company presented in the financial statement for the period ended 31 December 2016 of THB 1,469.09 Million, increase from THB 1,348.94 Million comparing to the previous year, equivalent to the increase of 8.91%. The major contribution to the increase is the inappropriate retained earnings from better financial performance which indicated THB 981.83 Million in 2016, comparing to THB 861.68 Million in 2015, equivalent to the increase of 13.94%.

Cash flow and Capital Structure

The Company has increased net cash flow from operation THB 338.39 Million, comparing to THB 186.20 Million indicated in 2015 due to the increasing revenue from sales and the depreciation of THB against USD, while the sales volume has increase. In addition, the company spent totaling THB 25.36 Million as deposit for the lease agreement as the part of investment plan in Myanmar, THB 72.11 Million on the investing activities majorly on the repair and maintenance of building and machine, THB 1.39 Million on the purchase of computer software, and THB 76.64 Million as the dividend payment in the year 2016.

In the 2016, the Company has sufficient liquidity which evidence from the current ratio of 11.78 times, increase from 11.61 times in 2015. The major assets are current assets equivalent to 75.37% of total assets. On the other hand, the Company has only 6.40% of current liabilities which mostly consists of trade payable. There is no outstanding borrowing from the financial institution.

The Company has not engaged in any long term borrowing during the year 2016, whereas the debt to equity ratio is remain at 0.10 comparing both year.

Summary Table for Company's Financial Position

	Value (THB Million)			Increase (Decrease) %			% of Total Assets		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Current Assets									
Cash and short term investment	468.88	559.79	755.81	(19.43)	19.39	35.02	33.80	37.60	46.73
Inventory	116.41	134.35	118.24	(14.17)	15.41	(11.99)	8.39	9.02	7.31
Other current assets	436.67	451.87	345.07	28.63	3.48	(23.64)	31.48	30.36	21.33
Total Current Assets	1,021.96	1,146.01	1,219.12	(3.32)	12.14	6.38	73.68	76.98	75.37
Non-Current Assets									
Property Land and Equipment	347.23	305.90	330.29	(5.64)	(11.90)	7.97	25.03	20.55	20.42
Other Non-Current Assets	17.84	36.72	68.10	(38.74)	105.85	85.48	1.29	2.47	4.21
Total Non-Current Assets	365.07	342.62	398.39	(8.07)	(6.15)	16.28	26.32	23.02	24.63
Total Assets	1,387.03	1,488.62	1,617.52	(4.62)	7.32	8.66	100.00	100.00	100.00
Current Liabilities	79.23	98.74	103.52	(13.90)	24.63	4.83	5.71	6.63	6.40
Non-Current Liabilities	40.30	40.93	44.91	14.17	1.57	9.71	2.91	2.75	2.78
Total Liabilities	119.53	139.68	148.43	(6.11)	16.85	6.26	8.62	9.38	9.18
Shareholder's Equity	1,267.50	1,348.94	1,469.09	(4.47)	6.43	8.91	91.38	90.62	90.82

