

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**BALANCE SHEETS**

**AS AT DECEMBER 31, 2004 AND 2003**

<u><b>ASSETS</b></u>	<u>Notes</u>	IN BAHT		
		<u>CONSOLIDATED</u>		<u>THE COMPANY</u>
		<u>2004</u>	<u>2003</u>	<u>2004</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	5	85,890,428	198,419,235	68,226,033
Current investments				
Deposits at financial institutions-fixed deposits	6	150,000,000	100,000,000	150,000,000
Trade accounts receivable - related companies	4.2,7	22,128,649	20,193,542	23,065,771
- other companies	7	76,045,987	47,476,483	50,831,962
Inventories-net	8	250,743,682	283,023,286	241,846,302
Other current assets				
Accounts receivable - planters- net	9	32,447,423	24,081,353	32,447,423
Current portion of receivables from sales of investments	10	3,991,448	4,747,368	3,991,448
Value added tax receivable		14,573,684	14,667,341	2,551,169
Others		12,407,875	2,870,767	11,071,677
Total other current assets		63,420,430	46,366,829	50,061,717
<b>TOTAL CURRENT ASSETS</b>		<b>648,229,176</b>	<b>695,479,375</b>	<b>584,031,785</b>
<b>NON - CURRENT ASSETS</b>				
Investments in subsidiaries at equity method	11	-	-	88,361,856
Property, plant and equipment - net	12	674,219,145	600,191,821	491,886,431
Other non - current assets				
Deposits pledged as collateral	25.1	5,015,666	760,838	-
Receivables from sales of investments - net	10	-	1,513,459	-
Others		5,091,505	2,376,246	4,465,969
Total other non - current assets		10,107,171	4,650,543	4,465,969
<b>TOTAL NON - CURRENT ASSETS</b>		<b>684,326,316</b>	<b>604,842,364</b>	<b>584,714,256</b>
<b>TOTAL ASSETS</b>		<b>1,332,555,492</b>	<b>1,300,321,739</b>	<b>1,168,746,041</b>

The accompanying notes are an integral part of these financial statements.

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**BALANCE SHEETS(CONTINUED)**

**AS AT DECEMBER 31, 2004 AND 2003**

<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<b>Notes</b>	<b>IN BAHT</b>		
		<b>CONSOLIDATED</b>		<b>THE COMPANY</b>
		<b>2004</b>	<b>2003</b>	<b>2004</b>
<b>CURRENT LIABILITIES</b>				
Bank Overdrafts	13	33,666,680	35,566,555	3,668,335
Trade accounts payable		73,739,336	59,356,711	56,110,640
Current portion of liabilities under finance lease contracts	14	1,741,863	1,752,830	-
Current portion of liabilities under hire purchase contracts	15	-	251,180	-
Current portion of long-term loans	16	13,200,000	12,100,000	-
Short - term loan from related person	4.2	-	3,000,000	-
Other current liabilities				
Share subscription payable	4.2	-	-	-
Accrued income tax and accrued expenses		35,576,012	28,822,303	31,751,270
Others		4,387,231	2,573,355	3,486,635
Total other current liabilities		39,963,243	31,395,658	35,237,905
<b>TOTAL CURRENT LIABILITIES</b>		162,311,122	143,422,934	95,016,880
<b>NON - CURRENT LIABILITIES</b>				
Liabilities under finance lease contracts - net	14	2,590,884	3,911,303	-
Long - term loans - net	16	24,700,000	37,900,000	-
<b>TOTAL NON - CURRENT LIABILITIES</b>		27,290,884	41,811,303	-
<b>TOTAL LIABILITIES</b>		189,602,006	185,234,237	95,016,880
<b>SHAREHOLDERS' EQUITY</b>				
Share capital - Common shares, Baht 10 par value				
Authorized share capital 21,000,000 shares				
Issued and fully paid - up share capital 21,000,000 shares		210,000,000	210,000,000	210,000,000
Premium on share capital		68,000,000	68,000,000	68,000,000
Retained earnings				
Appropriated for legal reserve	17	21,000,000	21,000,000	21,000,000
Unappropriated		774,729,161	746,321,148	774,729,161
Total parent's shareholders' equity		1,073,729,161	1,045,321,148	1,073,729,161
Minority interest	18	69,224,325	69,766,354	-
Total Shareholders' Equity		1,142,953,486	1,115,087,502	1,073,729,161
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		1,332,555,492	1,300,321,739	1,168,746,041

The accompanying notes are an integral part of the financial statements

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ANY ONLY

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2003

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183,051,935

100,000,000

18,594,923

31,408,813

277,325,259

24,081,353

4,747,368

2,146,768

1,899,729

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32,875,218

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643,256,148

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77,845,542

420,834,361

-

1,513,459

2,047,129

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3,560,588

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502,240,491

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1,145,496,639

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ANY ONLY

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2003

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772,368

51,267,152

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-

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9,800,000

26,609,247

11,726,724

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48,135,971

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100,175,491

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100,175,491

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210,000,000

68,000,000

21,000,000

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746,321,148

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1,045,321,148

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1,045,321,148

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1,145,496,639

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**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF INCOME**

**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

		IN BAHT		
		CONSOLIDATED		THE COMPA
	Notes	2004	2003	2004
<b>REVENUES</b>				
Sales		1,266,804,865	1,096,402,180	1,124,275,361
Gain on exchange rate		-	7,707,769	-
Interest income		1,639,099	3,105,908	1,639,099
Other income		12,397,973	8,036,636	18,473,381
Total revenues		<u>1,280,841,937</u>	<u>1,115,252,493</u>	<u>1,144,387,841</u>
<b>EXPENSES</b>				
Cost of sales		964,203,703	821,222,953	839,237,932
Selling and administrative expenses		253,669,380	219,397,076	178,712,991
Share of loss of investments in subsidiaries at equity method		-	-	30,612,344
Director's remuneration		<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>
Total expenses		<u>1,222,273,083</u>	<u>1,045,020,029</u>	<u>1,052,963,267</u>
<b>Income before interest expenses and income tax</b>		58,568,854	70,232,464	91,424,574
Interest expenses		(4,270,799)	(4,109,693)	(16,561)
Income tax		<u>-</u>	<u>(775,088)</u>	<u>-</u>
<b>Income after income tax</b>		54,298,055	65,347,683	91,408,013
Minority interest in net loss of subsidiaries	18	<u>37,109,958</u>	<u>34,037,950</u>	<u>-</u>
<b>NET INCOME</b>		<u><u>91,408,013</u></u>	<u><u>99,385,633</u></u>	<u><u>91,408,013</u></u>
<b>BASIC EARNINGS PER SHARE</b>	3.12			
<b>NET INCOME</b>		<u><u>4.35</u></u>	<u><u>4.73</u></u>	<u><u>4.35</u></u>

The accompanying notes are an integral part of these financial statements.

NY ONLY  
2003

1,021,468,592  
7,707,769  
3,079,301  
7,016,484  
1,039,272,146

735,081,396  
166,760,789

32,864,476  
4,400,000  
939,106,661

100,165,485  
(4,764)  
(775,088)

99,385,633  
-  
99,385,633

4.73

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

		IN BAHT				
		Issued and	Premium	Retained earnings		Minority
		paid-up	on share	Appropriated	Unappropriated	interest
		share capital	capital	for legal		
	Note			reserve		
BALANCE as at January 1, 2003		210,000,000	68,000,000	21,000,000	709,935,515	68,576,804
Dividends paid	19	-	-	-	(63,000,000)	-
Increase in minority interest		-	-	-	-	1,189,550
Net income		-	-	-	99,385,633	-
BALANCE as at December 31, 2003		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>746,321,148</u>	<u>69,766,354</u>
BALANCE as at January 1, 2004		210,000,000	68,000,000	21,000,000	746,321,148	69,766,354
Dividends paid	19	-	-	-	(63,000,000)	-
Decrease in minority interest		-	-	-	-	(542,029)
Net income		-	-	-	91,408,013	-
BALANCE as at December 31, 2004		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>774,729,161</u>	<u>69,224,325</u>

The accompanying notes are an integral part of the financial statements

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Total

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1,077,512,319  
(63,000,000)  
1,189,550  
99,385,633  
1,115,087,502

1,115,087,502  
(63,000,000)  
(542,029)  
91,408,013  
1,142,953,486



**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

		IN BAHT			
	Note	Issued and paid - up share capital	Premium on share capital	Retained earnings	
				Appropriated for legal reserve	Unappropriated
BALANCE as at January 1, 2003		210,000,000	68,000,000	21,000,000	709,935,515
Dividends paid	19	-	-	-	(63,000,000)
Net income		-	-	-	99,385,633
BALANCE as at December 31, 2003		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>746,321,148</u>
BALANCE as at January 1, 2004		210,000,000	68,000,000	21,000,000	746,321,148
Dividends paid	19	-	-	-	(63,000,000)
Net income		-	-	-	91,408,013
BALANCE as at December 31, 2004		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>774,729,161</u>

The accompanying notes are an integral part of the financial statements

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Total

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1,008,935,515

(63,000,000)

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99,385,633

1,045,321,148

1,045,321,148

(63,000,000)

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91,408,013

1,073,729,161

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	IN BAHT			
	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	91,408,013	99,385,633	91,408,013	99,385,633
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	79,677,916	73,215,437	58,591,889	55,041,574
Negative goodwill recognized as income	(3,413)	-	-	-
Unrealized loss exchange rate	432,040	176,337	299,950	176,337
Loss (gain) on disposal of fixed assets	128,854	229,242	(181,692)	(328,606)
Provision for (Reversal of) doubtful accounts	929,563	(641,774)	929,563	(641,774)
Provision for (Reversal of) obsolescence	(4,775,995)	10,987,484	(4,775,995)	10,987,484
Share of loss from investments in subsidiaries at equity method	-	-	30,612,344	32,864,476
Minority interest in net loss of subsidiaries	(37,109,958)	(34,037,950)	-	-
Income from operating activities before change in operational assets and liabilities	130,687,020	149,314,409	176,884,072	197,485,124
Decrease (Increase) in operational assets				
Trade accounts receivable	(30,773,099)	(28,844,958)	(24,029,445)	(18,839,098)
Inventories	37,055,599	(113,775,481)	40,254,952	(111,409,704)
Accounts receivable - planters	(9,295,633)	6,417,740	(9,295,633)	6,417,740
Other current assets	(8,931,552)	(1,901,798)	(9,064,450)	323,175
Other non - current assets	(1,201,800)	3,000,749	(905,381)	2,161,119
Increase (Decrease) in operational liabilities				
Accounts payable - trade	14,382,625	788,927	4,843,488	8,880,575
Accrued income tax and accrued expenses	6,834,178	2,562,332	5,221,542	1,723,074
Other current liabilities	1,813,876	(446,084)	(8,240,089)	9,006,190
Net Cash Provided By Operating Activities	140,571,214	17,115,836	175,669,056	95,748,195

The accompanying notes are an integral part of these financial statements.

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	IN BAHT			
	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in investment in subsidiary	-	-	(33,075,000)	(35,022,500)
Cash paid for share subscription payable to subsidiary	-	-	(9,800,000)	-
Cash paid for acquisition of investment in subsidiary	(8,053,658)	-	(8,053,658)	-
Decrease (Increase) in deposits at financial institutions-fixed deposits	(54,254,828)	705,417	(50,000,000)	1,466,255
Proceeds from disposal of fixed assets	259,855	776,527	201,309	490,234
Acquisition of fixed assets paid by cash	<u>(153,478,572)</u>	<u>(92,502,105)</u>	<u>(129,663,576)</u>	<u>(71,750,768)</u>
Net Cash used in Investing Activities	<u>(215,527,203)</u>	<u>(91,020,161)</u>	<u>(230,390,925)</u>	<u>(104,816,779)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase(Decrease) in Bank overdrafts	(1,899,875)	29,648,254	2,895,967	772,368
Proceeds (Repayment) short-term loan from related person	(3,000,000)	3,000,000	-	-
Proceeds from long -term loans	-	57,576,625	-	-
Repayment of long-term loans	(14,297,943)	(46,975,641)	-	-
Dividends paid	(63,000,000)	(63,000,000)	(63,000,000)	(63,000,000)
Cash received for capital from minority interest	<u>44,625,000</u>	<u>35,227,500</u>	<u>-</u>	<u>-</u>
Net Cash Provided By (Used In) Financing Activities	<u>(37,572,818)</u>	<u>15,476,738</u>	<u>(60,104,033)</u>	<u>(62,227,632)</u>
Net increase(decrease) in Cash and Cash Equivalents	(112,528,807)	(58,427,587)	(114,825,902)	(71,296,216)
Cash and Cash Equivalents, Beginning of years	<u>198,419,235</u>	<u>256,846,822</u>	<u>183,051,935</u>	<u>254,348,151</u>
Cash and Cash Equivalents, End of years	<u><u>85,890,428</u></u>	<u><u>198,419,235</u></u>	<u><u>68,226,033</u></u>	<u><u>183,051,935</u></u>

Supplement Disclosures of Cash Flows Information

1.Cash paid during the years for :-

Interest paid	<u>4,486,552</u>	<u>3,909,089</u>	<u>16,561</u>	<u>4,764</u>
Corporate income tax	<u>1,524,095</u>	<u>988,136</u>	<u>1,521,992</u>	<u>987,585</u>

2. Property, Plant and Equipment

Detail of acquisition of fixed assets during the year is as follows :

Acquisition of fixed assets during the years	154,093,949	92,502,105	129,663,576	71,750,768
<u>Less</u> outstanding liabilities	<u>(615,377)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Acquisition of fixed assets paid by cash	<u><u>153,478,572</u></u>	<u><u>92,502,105</u></u>	<u><u>129,663,576</u></u>	<u><u>71,750,768</u></u>

The accompanying notes are an integral part of these financial statements.

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

3. Acquisition Investments in Subsidiary

On July 1, 2004, the Company acquired investment in subsidiary

which net book value of the net assets of subsidiary

as of acquisition date as follows:

	<u>IN BAHT</u>
Current Assets	25,847,021
Non-Current Assets	<u>823,401</u>
Total Assets	26,670,422
Current Liabilities	<u>10,227,419</u>
Net Book Value	<u><u>16,443,003</u></u>
Proportion of Acquisition Investment in Net Book Value (49.0 %)	8,057,071
Negative Goodwill	<u>(3,413)</u>
Cash Paid	<u><u>8,053,658</u></u>

The accompanying notes are an integral part of these financial statements.