

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

**BALANCE SHEETS**

**AS AT MARCH 31, 2005 AND DECEMBER 31, 2004**

		IN BAHT			
		CONSOLIDATED		THE COMPANY ONLY	
		March 31,2005	December 31,2004	March 31,2005	December 31,2004
		"UNAUDITED"		"UNAUDITED"	
<u>ASSETS</u>	Notes	<u>"REVIEWED"</u>	<u>"AUDITED"</u>	<u>"REVIEWED"</u>	<u>"AUDITED"</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		41,615,520	85,890,428	16,126,783	68,226,033
Current investments					
Deposits at financial institutions-fixed deposits		-	150,000,000	-	150,000,000
Trade accounts receivable - related companies	3.2,4	14,271,107	22,128,649	21,038,158	23,065,771
- other companies	4	100,776,791	76,045,987	75,741,638	50,831,962
Short-term loan and accrued interest to related company	3.2	-	-	10,006,233	-
Inventories-net		357,991,815	250,743,682	349,156,609	241,846,302
Other current assets					
Accounts receivable - planters- net		9,235,550	32,447,423	9,235,550	32,447,423
Current portion of receivables from sales of investments	5	3,996,627	3,991,448	3,996,627	3,991,448
Value added tax receivable		16,019,564	14,573,684	3,955,645	2,551,169
Others		20,416,309	12,407,875	17,200,241	11,071,677
Total other current assets		49,668,050	63,420,430	34,388,063	50,061,717
<b>TOTAL CURRENT ASSETS</b>		<b>564,323,283</b>	<b>648,229,176</b>	<b>506,457,484</b>	<b>584,031,785</b>
<b>NON - CURRENT ASSETS</b>					
Investments in subsidiaries at equity method	6	-	-	86,311,028	88,361,856
Property, plant and equipment - net	7	759,107,571	674,219,145	580,702,348	491,886,431
Other non - current assets					
Deposits pledged as collateral	13.1	5,019,413	5,015,666	-	-
Others		3,910,370	5,091,505	3,318,584	4,465,969
Total other non - current assets		8,929,783	10,107,171	3,318,584	4,465,969
<b>TOTAL NON - CURRENT ASSETS</b>		<b>768,037,354</b>	<b>684,326,316</b>	<b>670,331,960</b>	<b>584,714,256</b>
<b>TOTAL ASSETS</b>		<b>1,332,360,637</b>	<b>1,332,555,492</b>	<b>1,176,789,444</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 MARCH 31, 2005 AND DECEMBER 31, 2004**

		IN BAHT			
		CONSOLIDATED		THE COMPANY ONLY	
		March 31,2005	December 31,2004	March 31,2005	December 31,2004
		"UNAUDITED"		"UNAUDITED"	
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	Notes	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short term loan from financial institution	8	63,205,329	33,666,680	33,549,882	3,668,335
Trade accounts payable		81,981,661	73,739,336	67,550,638	56,110,640
Current portion of liabilities under finance lease contracts		1,568,443	1,741,863	-	-
Current portion of long-term loans	9	13,200,000	13,200,000	-	-
Other current liabilities					
Accrued income tax and accrued expenses		38,497,016	35,576,012	33,721,230	31,751,270
Others		4,224,488	4,387,231	2,463,207	3,486,635
Total other current liabilities		42,721,504	39,963,243	36,184,437	35,237,905
<b>TOTAL CURRENT LIABILITIES</b>		<b>202,676,937</b>	<b>162,311,122</b>	<b>137,284,957</b>	<b>95,016,880</b>
<b>NON - CURRENT LIABILITIES</b>					
Liabilities under finance lease contracts - net		2,035,011	2,590,884	-	-
Long - term loans - net	9	21,400,000	24,700,000	-	-
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>23,435,011</b>	<b>27,290,884</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>226,111,948</b>	<b>189,602,006</b>	<b>137,284,957</b>	<b>95,016,880</b>
<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	210,000,000
Premium on share capital		68,000,000	68,000,000	68,000,000	68,000,000
Retained earnings					
Appropriated for legal reserve	10	21,000,000	21,000,000	21,000,000	21,000,000
Unappropriated		740,504,487	774,729,161	740,504,487	774,729,161
Total parent's shareholders' equity		1,039,504,487	1,073,729,161	1,039,504,487	1,073,729,161
Minority interest		66,744,202	69,224,325	-	-
Total Shareholders' Equity		1,106,248,689	1,142,953,486	1,039,504,487	1,073,729,161
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,332,360,637</b>	<b>1,332,555,492</b>	<b>1,176,789,444</b>	<b>1,168,746,041</b>

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

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

	IN BAHT			
	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
<b>REVENUES</b>				
Sales and service income	237,191,983	231,418,855	193,206,194	204,882,762
Share of profit from investments in subsidiaries				
at equity method	-	-	332,036	-
Gain on exchange rate	3,133,332	2,154,226	2,881,712	2,151,400
Interest income	478,512	440,342	480,959	439,384
Other income	3,063,767	1,828,788	2,387,087	1,927,654
Total revenues	<u>243,867,594</u>	<u>235,842,211</u>	<u>199,287,988</u>	<u>209,401,200</u>
<b>EXPENSES</b>				
Cost of sales and service income	223,072,558	217,588,730	184,681,118	190,007,469
Selling and administrative expenses	61,441,111	50,570,446	38,958,471	34,916,177
Share of loss from investments in subsidiaries				
at equity method	-	-	8,507,864	8,796,547
Director's remuneration	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Total expenses	<u>285,613,669</u>	<u>269,259,176</u>	<u>233,247,453</u>	<u>234,820,193</u>
<b>Loss before interest expenses and income tax</b>	(41,746,075)	(33,416,965)	(33,959,465)	(25,418,993)
Interest expenses	(1,189,387)	(1,055,253)	(265,209)	(7,494)
Income tax	<u>(144,335)</u>	<u>(356,191)</u>	<u>-</u>	<u>(356,191)</u>
<b>Loss after income tax</b>	(43,079,797)	(34,828,409)	(34,224,674)	(25,782,678)
Minority interest in net loss of subsidiaries	<u>8,855,123</u>	<u>9,045,731</u>	<u>-</u>	<u>-</u>
<b>NET LOSS</b>	<u>(34,224,674)</u>	<u>(25,782,678)</u>	<u>(34,224,674)</u>	<u>(25,782,678)</u>
<b>BASIC EARNINGS PER SHARE</b>				
NET LOSS	<u>(1.63)</u>	<u>(1.23)</u>	<u>(1.63)</u>	<u>(1.23)</u>

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

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

	IN BAHT				
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Minority interest
			Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2004	210,000,000	68,000,000	21,000,000	746,321,148	69,766,354
Net loss	-	-	-	(25,782,678)	-
Minority interest from investment in subsidiaries	-	-	-	-	10,200,000
Minority interest in net loss of subsidiaries	-	-	-	-	(9,045,731)
Balance as at March 31, 2004	<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>720,538,470</u>	<u>70,920,623</u>
Balance as at January 1, 2005	210,000,000	68,000,000	21,000,000	774,729,161	69,224,325
Net loss	-	-	-	(34,224,674)	-
Minority interest from investment in subsidiaries	-	-	-	-	6,375,000
Minority interest in net loss of subsidiaries	-	-	-	-	(8,855,123)
Balance as at March 31, 2005	<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>740,504,487</u>	<u>66,744,202</u>

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

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Total

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(25,782,678)  
10,200,000  
(9,045,731)  
1,090,459,093

1,142,953,486  
(34,224,674)  
6,375,000  
(8,855,123)  
1,106,248,689

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**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

	IN BAHT			
	Issued and paid - up share capital	Premium on share capital	Retained earnings	
			Appropriated for legal reserve	Unappropriated
Balance as at January 1, 2004	210,000,000	68,000,000	21,000,000	746,321,148
Net loss	-	-	-	(25,782,678)
Balance as at March 31, 2004	<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>720,538,470</u>
Balance as at January 1, 2005	210,000,000	68,000,000	21,000,000	774,729,161
Net loss	-	-	-	(34,224,674)
Balance as at March 31, 2005	<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>740,504,487</u>

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

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Total

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1,045,321,148

(25,782,678)

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1,019,538,470

1,073,729,161

(34,224,674)

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1,039,504,487

## CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004

	IN BAHT			
	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	(34,224,674)	(25,782,678)	(34,224,674)	(25,782,678)
Adjustments to reconcile net loss to net cash provided by operating activities				
Unrealized loss (gain) on exchange rate	(1,232,126)	32,977	(1,173,209)	31,475
Reversal of doubtful accounts	(704,907)	(1,840,722)	(2,579,097)	(1,840,722)
Loss (gain) on disposal of fixed assets	56,138	(80,643)	56,138	(201,291)
Loss on written off assets	313,909	-	-	-
Depreciation	17,251,132	17,440,198	11,613,271	12,496,721
Provision for obsolescence	2,321,761	3,863,048	2,321,761	3,863,048
Share of profit from investments in subsidiaries at equity method	-	-	(332,036)	-
Share of loss from investments in subsidiaries at equity method	-	-	8,507,864	8,796,547
Minority interest in net loss of subsidiaries	(8,855,123)	(9,045,731)	-	-
Loss from operating activities before change in operational assets and liabilities	(25,073,890)	(15,413,551)	(15,809,982)	(2,636,900)
Decrease (Increase) in operational assets				
Trade accounts receivable	(17,512,436)	(15,345,014)	(21,705,528)	(548,182)
Inventories	(109,569,894)	(92,031,414)	(109,632,068)	(92,397,617)
Accounts receivable - planters	25,790,970	18,407,218	25,790,970	18,407,218
Other current assets	(9,454,314)	(5,551,592)	(7,533,040)	(5,507,690)
Other non - current assets	1,181,135	(1,179,818)	1,147,385	(99,642)
Increase (Decrease) in operational liabilities				
Accounts payable - trade	8,242,325	(17,170,425)	11,439,998	(18,474,004)
Income tax and accrued expenses	2,912,935	(2,949,469)	1,961,455	(3,625,193)
Other current liabilities	(162,743)	184,939	(1,023,428)	(3,518,445)
Net Cash Used In Operating Activities	(123,645,912)	(131,049,126)	(115,364,238)	(108,400,455)

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 THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004

	IN BAHT			
	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in investment in subsidiary	-	-	(6,125,000)	(9,800,000)
Decrease in deposits at financial institutions-fixed deposits	149,996,253	48,349,042	150,000,000	50,000,000
Increase in short-term loan to related companies	-	-	(10,006,233)	-
Proceeds from disposal of fixed assets	910,983	218,181	910,983	201,308
Acquisition of fixed assets paid by cash	(103,420,588)	(8,721,708)	(101,396,309)	(6,797,200)
Net Cash used in Investing Activities	47,486,648	39,845,515	33,383,441	33,604,108
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in Bank overdrafts	29,538,649	6,611,561	29,881,547	4,216,877
Decrease in short-term loan from related person	-	(3,000,000)	-	-
Repayment of liabilities under hire-purchase contracts	(729,293)	(835,055)	-	-
Repayment of long-term loans	(3,300,000)	(2,200,000)	-	-
Cash received for capital from minority interest	6,375,000	10,200,000	-	-
Net cash provided by financing activities	31,884,356	10,776,506	29,881,547	4,216,877
Net decrease in cash and cash equivalents	(44,274,908)	(80,427,105)	(52,099,250)	(70,579,470)
Cash and cash equivalents, beginning of periods	85,890,428	198,419,235	68,226,033	183,051,935
Cash and cash equivalents, end of periods	41,615,520	117,992,130	16,126,783	112,472,465

Supplement Disclosures of Cash Flows Information1. Cash paid during the periods for

Interest paid	1,168,328	1,271,006	265,209	7,494
Corporate income tax	445,092	36,154	444,304	35,583

2. Property, Plant and Equipment

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

Acquisition of fixed assets during the periods	103,420,588	9,735,540	101,396,309	6,797,200
<u>Less</u> outstanding liabilities	-	(1,013,832)	-	-
Acquisition of fixed assets paid by cash	103,420,588	8,721,708	101,396,309	6,797,200

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