

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

**BALANCE SHEETS**

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

<u><b>ASSETS</b></u>	<u>Notes</u>	<u><b>IN BAHT</b></u>		
		<u><b>CONSOLIDATED</b></u>		<u><b>THE COMPANY</b></u>
		March 31,	December 31,	March 31,
		2004	2003	2004
		"UNAUDITED"		"UNAUDITED"
		<u>"REVIEWED"</u>	<u>"AUDITED"</u>	<u>"REVIEWED"</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		117,992,130	198,419,235	112,472,465
Current investments				
Deposits at financial institutions - fixed deposits		50,000,000	100,000,000	50,000,000
Accounts receivable - related companies	3.2 , 4	18,837,748	20,193,542	8,283,452
- other companies	4	64,173,797	47,476,483	42,266,474
Inventories - net		371,191,652	283,023,286	365,859,828
Other current assets				
Accounts receivable - planters- net		7,514,857	24,081,353	7,514,857
Current portion of receivables from sales of investments	5	4,726,197	4,747,368	4,726,197
Revenue department receivable		16,435,893	14,667,341	4,039,761
Others		<u>6,653,807</u>	<u>2,870,767</u>	<u>5,514,426</u>
Total other current assets		<u>35,330,754</u>	<u>46,366,829</u>	<u>21,795,241</u>
<b>Total Current Assets</b>		<u><b>657,526,081</b></u>	<u><b>695,479,375</b></u>	<u><b>600,677,460</b></u>
<b>NON - CURRENT ASSETS</b>				
Investments in subsidiaries at equity method	6	-	-	69,048,995
Property, plant and equipment - net	7	592,349,625	600,191,821	415,134,823
Other non - current assets				
Deposits pledged as collateral	12.1	2,411,796	760,838	-
Receivables from sales of investments - net	5	1,506,710	1,513,459	1,506,710
Others		<u>3,556,064</u>	<u>2,376,246</u>	<u>2,146,771</u>
Total other non - current assets		<u>7,474,570</u>	<u>4,650,543</u>	<u>3,653,481</u>
<b>TOTAL NON - CURRENT ASSETS</b>		<u><b>599,824,195</b></u>	<u><b>604,842,364</b></u>	<u><b>487,837,299</b></u>
<b>TOTAL ASSETS</b>		<u><b>1,257,350,276</b></u>	<u><b>1,300,321,739</b></u>	<u><b>1,088,514,759</b></u>

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

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

**BALANCE SHEETS**

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

		<b>IN BAHT</b>		
		<b>CONSOLIDATED</b>		<b>THE COMPANIES</b>
		March 31, 2004	December 31, 2003	March 31, 2004
		"UNAUDITED"		"UNAUDITED"
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<b><u>Notes</u></b>	<b><u>"REVIEWED"</u></b>	<b><u>"AUDITED"</u></b>	<b><u>"REVIEWED"</u></b>
<b>CURRENT LIABILITIES</b>				
Overdraft from financial institutions	8	42,178,116	35,566,555	4,989,245
Accounts payable - trade		42,186,286	59,356,711	32,793,148
Current portion of liabilities under finance lease contracts		1,947,169	1,752,830	-
Current portion of liabilities under hire purchase contracts		126,727	251,180	-
Current portion of long - term loans	9	13,200,000	12,100,000	-
Short - term loans from related person	3.2	-	3,000,000	-
Other current liabilities				
Share subscription payable	3.2	-	-	-
Accrued income tax and accrued expenses	3.2	25,874,397	28,822,303	22,985,617
Others	3.2	2,758,294	2,573,355	8,208,279
Total other current liabilities		28,632,691	31,395,658	31,193,896
<b>TOTAL CURRENT LIABILITIES</b>		128,270,989	143,422,934	68,976,289
<b>NON - CURRENT LIABILITIES</b>				
Liabilities under finance lease contracts-net		4,020,194	3,911,303	-
Long - term loans - net	9	34,600,000	37,900,000	-
<b>TOTAL NON - CURRENT LIABILITIES</b>		38,620,194	41,811,303	-
<b>TOTAL LIABILITIES</b>		166,891,183	185,234,237	68,976,289
<b>SHAREHOLDERS' EQUITY</b>				
Share capital - Common shares, Baht 10 par value				
Authorized shares 21,000,000 shares				
Issued and fully paid - up 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		21,000,000	21,000,000	21,000,000
Unappropriated		720,538,470	746,321,148	720,538,470
Total Shareholders' Equity - Company		1,019,538,470	1,045,321,148	1,019,538,470
Minority interest		70,920,623	69,766,354	-
Total Shareholders' Equity		1,090,459,093	1,115,087,502	1,019,538,470
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		1,257,350,276	1,300,321,739	1,088,514,759

The accompanying notes are an integral part of the financial statements

**ANY ONLY**

December 31,  
2003

"AUDITED"

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

32,875,218

643,256,148

77,845,542

420,834,361

-

1,513,459

2,047,129

3,560,588

502,240,491

1,145,496,639

**ANY ONLY**

December 31,  
2003

**"AUDITED"**

772,368
51,267,152
-
-
-
-
9,800,000
26,609,247
11,726,724
48,135,971
100,175,491
-
-
-
100,175,491

210,000,000
68,000,000
21,000,000
746,321,148
1,045,321,148
-
1,045,321,148
1,145,496,639

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2004 AND 2003**

		IN BAHT		
		CONSOLIDATED		THE COMPANY
	Notes	2004	2003	2004
<b>REVENUES</b>				
Sales	3.3	231,418,855	201,096,750	204,882,762
Gain from exchange rate		2,154,226	1,140,735	2,151,400
Interest income		440,342	950,883	439,384
Other income	3.3	1,828,788	675,136	1,927,654
Total revenues		235,842,211	203,863,504	209,401,200
<b>EXPENSES</b>				
Cost of sales		217,588,730	164,058,470	190,007,469
Selling and administrative expenses		50,570,446	45,705,931	34,916,177
Share of losses from investments in subsidiaries at equity method		-	-	8,796,547
Director's remuneration		1,100,000	1,100,000	1,100,000
Total expenses		269,259,176	210,864,401	234,820,193
<b>Loss before interest expense and income tax</b>		(33,416,965)	(7,000,897)	(25,418,993)
Interest expense		(1,055,253)	(877,036)	(7,494)
Income tax		(356,191)	(236,670)	(356,191)
<b>Loss after income tax</b>		(34,828,409)	(8,114,603)	(25,782,678)
Minority interest in net loss of subsidiaries		9,045,731	5,618,227	-
<b>NET LOSS</b>		<u>(25,782,678)</u>	<u>(2,496,376)</u>	<u>(25,782,678)</u>
<b>LOSS PER SHARE</b>				
NET LOSS		<u>(1.23)</u>	<u>(0.12)</u>	<u>(1.23)</u>

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

'UNAUDITED"  
"REVIEWED"

ANY ONLY

2003

186,000,507

1,140,735

950,883

532,915

188,625,040

147,759,411

36,626,720

5,397,905

1,100,000

190,884,036

(2,258,996)

(710)

(236,670)

(2,496,376)

-

(2,496,376)

(0.12)

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2004 AND 2003**

	IN BAHT				
	Issued and paid-up share capital	Premium on share capital	Retained earnings Appropriated for legal reserve	Unappro- priated	Minority interest
BALANCE - as at January 1,2003	210,000,000	68,000,000	21,000,000	709,935,515	68,576,804
Decrease in minority interest	-	-	-	-	(5,618,227)
Net loss	-	-	-	(2,496,376)	-
BALANCE - as at March 31,2003	<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>707,439,139</u>	<u>62,958,577</u>
BALANCE - as at January 1,2004	210,000,000	68,000,000	21,000,000	746,321,148	69,766,354
Increase in minority interest	-	-	-	-	1,154,269
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>	<u>70,920,623</u>

The accompanying notes are an integral part of the financial statements

"UNAUDITED"  
"REVIEWED"

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Total

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1,077,512,319  
(5,618,227)  
(2,496,376)  
1,069,397,716  
1,115,087,502  
1,154,269  
(25,782,678)  
1,090,459,093



"UNAUDITED"

"REVIEWED"

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

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2004 AND 2003**

	IN BAHT				
	Issued and paid - up share capital	Premium on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappro- priated	
BALANCE as at January 1, 2003	210,000,000	68,000,000	21,000,000	709,935,515	1,008,935,515
Net loss	-	-	-	(2,496,376)	(2,496,376)
BALANCE as at March 31, 2003	<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>707,439,139</u>	<u>1,006,439,139</u>
BALANCE as at January 1, 2004	210,000,000	68,000,000	21,000,000	746,321,148	1,045,321,148
Net loss	-	-	-	(25,782,678)	(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>	<u>1,019,538,470</u>

The accompanying notes are an integral part of the financial statements

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

**STATEMENTS OF CASH FLOWS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2004 AND 2003**

	IN BAHT		
	CONSOLIDATED		THE COMP <sup>A</sup>
	2004	2003	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	(25,782,678)	(2,496,376)	(25,782,678)
Adjustments to reconcile net loss to net cash			
provided by (used in) operating activities			
Depreciation	17,440,198	15,019,856	12,496,721
Unrealized loss on exchange rate	32,977	37,729	31,475
Gain on disposal of fixed assets	(80,643)	(181,698)	(201,291)
Reversal of provision for doubtful of accounts	(1,840,722)	(2,423,996)	(1,840,722)
Provision for obsolescence	3,863,048	5,259,864	3,863,048
Share of losses from investments in subsidiaries at equity method	-	-	8,796,547
Minority interest in net loss of subsidiaries	(9,045,731)	(5,618,227)	-
Income (loss) from operating activities before change in operational			
assets and liabilities	(15,413,551)	9,597,152	(2,636,900)
Decrease (Increase) in operational assets			
Accounts receivable	(15,345,014)	(29,633,256)	(548,182)
Inventories	(92,031,414)	(109,715,182)	(92,397,617)
Accounts receivable - planters	18,407,218	24,239,964	18,407,218
Other current assets	(5,551,592)	(24,573)	(5,507,690)
Other non - current assets	(1,179,818)	(424,202)	(99,642)
Increase (Decrease) in operational liabilities			
Accounts payable - trade	(17,170,425)	(18,732,467)	(18,474,004)
Accrued income tax and accrued expenses	(2,949,469)	1,624,537	(3,625,193)
Other current liabilities	184,939	443,357	(3,518,445)
Net Cash Used In Operating Activities	(131,049,126)	(122,624,670)	(108,400,455)

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2004 AND 2003**

	IN BAHT		
	CONSOLIDATED		THE COMP <sup>A</sup>
	2004	2003	2004
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in investment in subsidiary	-	-	(9,800,000)
Decrease in deposits at financial institutions - fixed deposits	48,349,042	30,708,255	50,000,000
Proceeds from disposal of fixed assets	218,181	510,280	201,308
Acquisition of fixed assets	(8,721,708)	(26,903,036)	(6,797,200)
Net Cash Provided By Investing Activities	39,845,515	4,315,499	33,604,108
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in overdraft and short-term loans from financial institutions	6,611,561	14,746,234	4,216,877
Repayment of short - term loans from related person	(3,000,000)	-	-
Proceeds from long -term loans	-	51,075,500	-
Repayment of long - term loans	(3,035,055)	(43,887,092)	-
Cash received from minority interest for capital	10,200,000	-	-
Net Cash Provided By Financing Activities	10,776,506	21,934,642	4,216,877
NET DECREASE IN CASH AND CASH EQUIVALENTS	(80,427,105)	(96,374,529)	(70,579,470)
Cash and Cash Equivalents, Beginning of period	198,419,235	256,846,822	183,051,935
CASH AND CASH EQUIVALENTS, END OF PERIOD	117,992,130	160,472,293	112,472,465
<u>Supplement Disclosures of Cash Flows Information</u>			
<u>1. Cash paid during the period for :-</u>			
Interest expense	1,271,006	899,822	7,494
Corporate income tax	36,154	27,538	35,583
<u>2. Property, Plant and Equipment</u>			
Detail of acquisition of fixed assets during the period as follows :			
Acquisition of fixed assets during the period	9,735,540	26,903,036	6,797,200
<u>Less</u> outstanding liabilities	(1,013,832)	-	-
Acquisition of fixed assets paid by cash	8,721,708	26,903,036	6,797,200

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

"UNAUDITED"

"REVIEWED"

ANY ONLY

2003

(2,496,376)

10,906,284

2,711

(224,291)

(2,423,996)

5,259,864

5,397,905

-

16,422,101

(31,619,371)

(109,376,906)

24,239,964

86,409

35,887

(13,558,089)

1,776,493

374,755

(111,618,757)

"UNAUDITED"  
"REVIEWED"

ANY ONLY  
2003

-  
31,466,255  
224,299  
(23,526,672)  
8,163,882

5,584,295  
-  
-  
-  
-

5,584,295  
(97,870,580)  
254,348,151  
156,477,571

710  
27,538

23,526,672  
-  
23,526,672