

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

**BALANCE SHEETS**

**AS AT JUNE 30, 2004 AND DECEMBER 31, 2003**

		IN B	
		<u>CONSOLIDATED</u>	
		June 30,	December 31,
		2004	2003
		"UNAUDITED"	
<u>ASSETS</u>	<u>Notes</u>	<u>"REVIEWED"</u>	<u>"AUDITED"</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		193,126,547	198,419,235
Current investments			
Deposits at financial institutions-fixed deposits		50,000,000	100,000,000
Accounts receivable - related companies	3.2,4	22,587,317	20,193,542
- other companies	4	83,360,407	47,476,483
Inventories-net		282,909,168	283,023,286
Other current assets			
Other receivable - related company	3.2	-	-
Accounts receivable - planters- net		17,424,779	24,081,353
Current portion of receivables from sales of investments	5	4,775,977	4,747,368
Value added tax refundable		17,225,775	14,667,341
Others		<u>6,410,484</u>	<u>2,870,767</u>
Total other current assets		<u>45,837,015</u>	<u>46,366,829</u>
<b>TOTAL CURRENT ASSETS</b>		<u>677,820,454</u>	<u>695,479,375</u>
<b>NON - CURRENT ASSETS</b>			
Investments in subsidiaries at equity method	6	-	-
Property, plant and equipment - net	7 , 8	600,337,714	600,191,821
Other non - current assets			
Deposits pledged as collateral	13.1	2,411,796	760,838

Receivables from sales of investments - net	5	-	1,513,459
Others		5,590,552	2,376,246
Total other non - current assets		8,002,348	4,650,543
<b>TOTAL NON - CURRENT ASSETS</b>		608,340,062	604,842,364
<b>TOTAL ASSETS</b>		1,286,160,516	1,300,321,739

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

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBS**  
**BALANCE SHEETS**  
**AS AT JUNE 30, 2004 AND DECEMBER 31, 2003**

		IN B	
		CONSOLIDATED	
		June 30, 2004	December 31, 2003
		"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>CURRENT LIABILITIES</b>			
Overdraft and short - term loans from financial institutions	8	35,431,066	35,566,555
Accounts payable - trade		64,055,461	59,356,711
Current portion of liabilities under finance lease contracts		1,928,299	1,752,830
Current portion of liabilities under hire purchase contracts		-	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	27,740,935	28,822,303
Others	3.2	4,628,171	2,573,355
Total other current liabilities		32,369,106	31,395,658
<b>TOTAL CURRENT LIABILITIES</b>		146,983,932	143,422,934
<b>NON - CURRENT LIABILITIES</b>			
Liabilities under finance lease contracts - net		3,566,621	3,911,303
Long - term loans - net	9	31,300,000	37,900,000

<b>TOTAL NON - CURRENT LIABILITIES</b>	<u>34,866,621</u>	<u>41,811,303</u>
<b>TOTAL LIABILITIES</b>	<u>181,850,553</u>	<u>185,234,237</u>
<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
Premium on share capital	68,000,000	68,000,000
Retained earnings		
Appropriated for legal reserve	21,000,000	21,000,000
Unappropriated	<u>733,784,168</u>	<u>746,321,148</u>
Total Shareholders' Equity - Company	1,032,784,168	1,045,321,148
Minority interest	<u>71,525,795</u>	<u>69,766,354</u>
Total Shareholders' Equity	<u>1,104,309,963</u>	<u>1,115,087,502</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>1,286,160,516</u>	<u>1,300,321,739</u>

The accompanying notes are an integral part of the financial statements

## SIDIARIES

AHT	
THE COMPANY ONLY	
June 30, 2004	December 31, 2003
"UNAUDITED"	
"REVIEWED"	"AUDITED"
178,010,812	183,051,935
50,000,000	100,000,000
22,375,566	18,594,923
53,578,013	31,408,813
276,800,262	277,325,259
8,251,500	296,180
17,424,779	24,081,353
4,775,977	4,747,368
4,385,424	2,146,768
4,380,939	1,603,549
39,218,619	32,875,218
619,983,272	643,256,148
72,632,354	77,845,542
417,488,006	420,834,361
-	-

-	1,513,459
<u>3,146,172</u>	<u>2,047,129</u>
<u>3,146,172</u>	<u>3,560,588</u>
<u>493,266,532</u>	<u>502,240,491</u>
<u><u>1,113,249,804</u></u>	<u><u>1,145,496,639</u></u>

## SUBSIDIARIES

AHT	
THE COMPANY ONLY	
June 30, 2004	December 31, 2003
"UNAUDITED"	
<u>"REVIEWED"</u>	<u>"AUDITED"</u>
5,179,240	772,368
43,156,800	51,267,152
-	-
-	-
-	-
-	-
-	9,800,000
25,503,341	26,609,247
<u>6,626,255</u>	<u>11,726,724</u>
<u>32,129,596</u>	<u>48,135,971</u>
<u>80,465,636</u>	<u>100,175,491</u>
-	-
-	-

-	-
80,465,636	100,175,491

210,000,000      210,000,000

68,000,000      68,000,000

21,000,000      21,000,000

733,784,168      746,321,148

1,032,784,168      1,045,321,148

-	-
1,032,784,168	1,045,321,148
1,113,249,804	1,145,496,639

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSI**  
**STATEMENTS OF INCOME**

**FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2004 AND 2**

IN B.

		CONSOLIDATED	
	Notes	2004	2003
<b>REVENUES</b>			
Sales and service income	3.3	418,563,434	361,758,962
Surcharge income from defaulting condition in purchase and sale agreement	3.3	-	-
Gain from exchange rate		-	1,300,975
Interest income		365,236	777,623
Other income	3.3	5,384,601	323,101
Total revenues		424,313,271	364,160,661
<b>EXPENSES</b>			
Costs of sales and service		284,490,263	227,080,673
Selling and administrative expenses		72,020,373	59,680,228
Share of losses from investments in subsidiaries at equity method		-	-
Director's remuneration		1,100,000	1,100,000
Total expenses		357,610,636	287,860,901
<b>Income before interest expense and income tax</b>		66,702,635	76,299,760
Interest expense		(1,183,826)	(1,079,386)
Income tax		(567,939)	(175,972)
<b>Income after income tax</b>		64,950,870	75,044,402
Minority interest in net loss of subsidiaries		11,294,828	8,094,020
<b>NET INCOME</b>		76,245,698	83,138,422
<b>BASIC EARNINGS PER SHARE</b>			
<b>NET INCOME</b>		3.63	3.96

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



"UNAUDITED"

"REVIEWED"

## DIARIES

003

AHT

THE COMPANY ONLY	
2004	2003
383,222,045	347,867,955
8,057,830	-
-	1,300,975
356,123	774,219
5,182,156	229,257
396,818,154	350,172,406
253,975,427	210,924,472
53,806,286	47,032,081
11,116,641	7,798,660
1,100,000	1,100,000
319,998,354	266,855,213
76,819,800	83,317,193
(6,163)	(2,799)
(567,939)	(175,972)
76,245,698	83,138,422
-	-
76,245,698	83,138,422
3.63	3.96

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBS**  
**STATEMENTS OF INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2004 AND 20**

		IN B.	
		CONSOLIDATED	
	Notes	2004	2003
<b>REVENUES</b>			
Sales and service income	3.3	649,982,289	562,855,712
Surcharge income from defaulting condition in purchase and sale agreement	3.3	-	-
Gain from exchange rate		-	2,441,710
Interest income		805,578	1,728,506
Other income	3.3	7,213,389	998,237
Total revenues		<u>658,001,256</u>	<u>568,024,165</u>
<b>EXPENSES</b>			
Costs of sales and service		502,078,993	391,139,143
Selling and administrative expenses		120,436,593	105,386,159
Share of losses from investments in subsidiaries at equity method		-	-
Director's remuneration		<u>2,200,000</u>	<u>2,200,000</u>
Total expenses		<u>624,715,586</u>	<u>498,725,302</u>
<b>Income before interest expense and income tax</b>		33,285,670	69,298,863
Interest expense		(2,239,079)	(1,956,422)
Income tax		<u>(924,130)</u>	<u>(412,642)</u>
<b>Income after income tax</b>		30,122,461	66,929,799
Minority interest in net loss of subsidiaries		<u>20,340,559</u>	<u>13,712,247</u>
<b>NET INCOME</b>		<u><u>50,463,020</u></u>	<u><u>80,642,046</u></u>
<b>BASIC EARNINGS PER SHARE</b>			
<b>NET INCOME</b>		<u><u>2.40</u></u>	<u><u>3.84</u></u>

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

"UNAUDITED"  
"REVIEWED"

## DIARIES

03

AHT

THE COMPANY ONLY	
2004	2003
588,104,807	533,868,462
8,057,830	-
-	2,441,710
795,507	1,725,102
7,109,810	762,172
604,067,954	538,797,446
443,982,896	358,683,883
86,571,063	83,658,801
19,913,188	13,196,565
2,200,000	2,200,000
552,667,147	457,739,249
51,400,807	81,058,197
(13,657)	(3,509)
(924,130)	(412,642)
50,463,020	80,642,046
-	-
50,463,020	80,642,046
2.40	3.84

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2004 AND 2003**

		IN BAHT			
		Issued and paid-up share capital	Premium on share capital	Retained earnings	
				Appropriated for legal reserve	Unappro- priated
	Notes				
BALANCE as at January 1, 2003		210,000,000	68,000,000	21,000,000	709,935,515
Dividend	10	-	-	-	(63,000,000)
Increase in minority interest		-	-	-	-
Net income		-	-	-	80,642,046
BALANCE as at June 30, 2003		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>727,577,561</u>
BALANCE as at January 1, 2004		210,000,000	68,000,000	21,000,000	746,321,148
Dividend	10	-	-	-	(63,000,000)
Increase in minority interest		-	-	-	-
Net income		-	-	-	50,463,020
BALANCE as at June 30, 2004		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>733,784,168</u>

The accompanying notes are an integral part of the financial statements

"UNAUDITED"

"REVIEWED"

**DIARIES**

**QUITY**

**3**

Minority interest	Total
68,576,804	1,077,512,319
-	(63,000,000)
987,753	987,753
-	80,642,046
<u>69,564,557</u>	<u>1,096,142,118</u>
69,766,354	1,115,087,502
-	(63,000,000)
1,759,441	1,759,441
-	50,463,020
<u>71,525,795</u>	<u>1,104,309,963</u>

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2004 A**

		IN BAHT		
		Issued and	Premium	Retained
		paid - up	on share	Appropriated
		share capital	capital	for legal
				reserve
	Notes			
BALANCE as at January 1, 2003		210,000,000	68,000,000	21,000,000
Dividend	10	-	-	-
Net income		-	-	-
BALANCE as at June 30, 2003		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>
BALANCE as at January 1, 2004		210,000,000	68,000,000	21,000,000
Dividend	10	-	-	-
Net income		-	-	-
BALANCE as at June 30, 2004		<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>

The accompanying notes are an integral part of the financial statements

"UNAUDITED"

"REVIEWED"

**AND SUBSIDIARIES**

**PROPERTY**

**AND 2003**

<u>Net earnings</u>	<u>Total</u>
Unappro- priated	
709,935,515	1,008,935,515
(63,000,000)	(63,000,000)
<u>80,642,046</u>	<u>80,642,046</u>
<u>727,577,561</u>	<u>1,026,577,561</u>
746,321,148	1,045,321,148
(63,000,000)	(63,000,000)
<u>50,463,020</u>	<u>50,463,020</u>
<u>733,784,168</u>	<u>1,032,784,168</u>

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND  
STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2004**

	<u>CONSOLIDATED</u>
	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	50,463,020
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	41,379,391
Unrealized gain on exchange rate	(380,970)
Loss (gain) on disposal of fixed assets	114,507
Reversal of provision for doubtful of accounts	(739,619)
Provision for (reversal of) obsolescence	(200,704)
Share of losses from investments in subsidiaries at equity method	-
Minority interest in net loss of subsidiaries	<u>(20,340,559)</u>
Income from operating activities before change in operational assets and liabilities	70,295,066
Decrease (Increase) in operational assets	
Accounts receivable	(38,037,806)
Inventories	314,822
Other receivable - related company	-
Accounts receivable - planters	7,396,193
Other current assets	(5,954,104)
Other non - current assets	(1,700,847)
Increase (Decrease) in operational liabilities	



Accounts payable - trade	4,698,750
Accrued income tax and accrued expenses	(1,112,947)
Other current liabilities	<u>2,054,816</u>
Net Cash Provided By Operating Activities	<u>37,953,943</u>

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2004**

	<u>CONSOLIDATED</u> <u>2004</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Increase in investment in subsidiaries	-
Decrease in deposits at financial institutions - fixed deposits	48,349,042
Proceeds from disposal of fixed assets	218,181
Acquisition of fixed assets	<u>(41,164,508)</u>
Net Cash Provided By (Used In) Investing Activities	<u>7,402,715</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Increase(decrease) in overdraft and short-term loans from financial institutions	(135,489)
Repayment of short - term loans from related person	(3,000,000)
Proceeds from long-term loan from a related company	-
Proceeds from long -term loans	-
Repayment of long - term loans	(6,613,857)
Dividends paid	(63,000,000)
Cash received for capital from minority interest	<u>22,100,000</u>

Net Cash Used In Financing Activities	(50,649,346)
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,292,688)
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Cash and Cash Equivalents, Beginning of period	198,419,235
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CASH AND CASH EQUIVALENTS, END OF PERIOD	193,126,547
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Supplement Disclosures of Cash Flows Information

1. Cash paid during the period for :-

Interest expense	2,454,832
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Corporate income tax	470,135
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2. Property, Plant and Equipment

Detail of acquisition of fixed assets during the period as follows :

Acquisition of fixed assets during the period	41,857,972
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<u>Less</u> outstanding liabilities	(693,464)
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Acquisition of fixed assets paid by cash	41,164,508
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The accompanying notes are an integral part of these financial statements.

"UNAUDITED"

"REVIEWED"

## ND SUBSIDIARIES

AND 2003

IN BAHT		
DATED	THE COMPANY ONLY	
2003	2004	2003
80,642,046	50,463,020	80,642,046
37,900,551	31,369,264	29,460,104
(337,768)	(370,696)	(380,519)
(181,698)	(192,295)	(224,291)
(1,704,800)	(739,619)	(1,704,800)
2,256,642	(200,704)	2,256,642
-	19,913,188	13,196,565
(13,712,247)	-	-
104,862,726	100,242,158	123,245,747
(41,063,000)	(25,722,535)	(42,955,314)
(59,383,758)	725,701	(57,264,843)
-	(7,955,320)	(296,810)
17,047,998	7,396,193	17,047,998
(5,689,615)	(4,871,999)	(3,974,701)
(1,245,063)	414,416	(1,180,464)

21,300,968	(8,110,352)	25,062,204
6,097,467	(1,135,174)	5,090,929
914,164	(5,100,469)	783,530
42,841,887	55,882,619	65,558,276

"UNAUDITED"

"REVIEWED"

## AND SUBSIDIARIES

)

AND 2003

IN BAHT		
DATED	THE COMPANY ONLY	
2003	2004	2003
-	(24,500,000)	(15,300,000)
30,707,320	50,000,000	31,466,255
510,280	201,308	224,299
(54,157,379)	(28,031,922)	(40,207,002)
(22,939,779)	(2,330,614)	(23,816,448)
19,873,594	4,406,872	761,975
-	-	-
7,500,000	-	-
55,744,099	-	-
(45,448,096)	-	-
(63,000,000)	(63,000,000)	(63,000,000)
14,700,000	-	-

<u>(10,630,403)</u>	<u>(58,593,128)</u>	<u>(62,238,025)</u>
9,271,705	(5,041,123)	(20,496,197)
<u>256,846,822</u>	<u>183,051,935</u>	<u>254,348,151</u>
<u><u>266,118,527</u></u>	<u><u>178,010,812</u></u>	<u><u>233,851,954</u></u>

<u>1,971,572</u>	<u>13,657</u>	<u>3,509</u>
<u><u>568,298</u></u>	<u><u>469,264</u></u>	<u><u>567,326</u></u>

54,157,379	28,031,922	40,207,002
-	-	-
<u><u>54,157,379</u></u>	<u><u>28,031,922</u></u>	<u><u>40,207,002</u></u>