

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

INTERIM FINANCIAL STATEMENTS

AND REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FOR THE THREE - MONTH AND NINE - MONTH PERIODS
ENDED SEPTEMBER 30, 2011 AND 2010

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
<u>ASSETS</u>	<u>Notes</u>	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
CURRENT ASSETS					
Cash and cash equivalents		263,848,271	180,543,896	241,364,996	159,538,653
Short - term investments	7	105,600,000	305,563,080	100,000,000	300,000,000
Trade accounts receivable - related companies	6.2, 8	10,525,685	8,393,339	25,926,337	21,678,626
- other companies - net	8	49,783,363	44,525,784	41,573,824	36,831,724
Inventories - net	9	345,406,439	309,958,460	342,729,739	309,958,460
Other current assets					
Accounts receivable - planters - net	10	19,389,849	36,184,230	19,389,849	36,184,230
Value added tax receivable		1,291,033	1,633,661	1,250,302	1,611,619
Others		3,113,853	1,822,277	3,075,397	1,808,861
Total other current assets		<u>23,794,735</u>	<u>39,640,168</u>	<u>23,715,548</u>	<u>39,604,710</u>
TOTAL CURRENT ASSETS		<u>798,958,493</u>	<u>888,624,727</u>	<u>775,310,444</u>	<u>867,612,173</u>
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	11	14,606,483	14,491,685	-	-
Investment in subsidiary	12	-	-	23,353,658	23,353,658
Property, plant and equipment - net	13	394,470,333	426,340,446	393,209,293	424,849,043
Non operating assets - net	14	16,852,216	23,369,146	16,852,216	23,369,146
Computer software - net		2,976,673	2,798,886	2,976,673	2,798,886
Other non - current assets		4,709,679	3,205,087	4,708,779	3,204,187
TOTAL NON - CURRENT ASSETS		<u>433,615,384</u>	<u>470,205,250</u>	<u>441,100,619</u>	<u>477,574,920</u>
TOTAL ASSETS		<u>1,232,573,877</u>	<u>1,358,829,977</u>	<u>1,216,411,063</u>	<u>1,345,187,093</u>

The notes to interim financial statements are an integral part of these interim financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
<u>LIABILITIES AND EQUITY</u>	Notes	(Unaudited)	(Audited)	(Unaudited)	(Audited)
CURRENT LIABILITIES					
Trade accounts payable		22,193,132	37,844,294	22,193,132	37,844,294
Accrued income tax		1,519,950	1,375,966	1,123,825	1,375,966
Accrued expenses - related companies	6.2	2,728,924	4,037,604	2,598,563	3,501,026
- other companies		23,037,364	39,949,425	22,085,885	39,131,689
Payable from acquisition of assets		1,108,542	2,240,552	1,108,542	2,240,552
Other current liabilities		1,511,744	2,412,106	1,438,493	2,372,857
TOTAL CURRENT LIABILITIES		52,099,656	87,859,947	50,548,440	86,466,384
NON - CURRENT LIABILITIES					
Employee benefit obligations	16	25,454,794	-	24,130,764	-
TOTAL LIABILITIES		77,554,450	87,859,947	74,679,204	86,466,384
EQUITY					
Share capital - Baht 1 par value					
Authorized shares					
381,146,251 common shares		381,146,251	381,146,251	381,146,251	381,146,251
Issued and paid - up shares					
381,145,725 common shares		381,145,725	381,145,725	381,145,725	381,145,725
Premium on share capital		68,000,000	68,000,000	68,000,000	68,000,000
Retained earnings					
Appropriated for legal reserve		38,115,000	38,115,000	38,115,000	38,115,000
Unappropriated		667,758,702	783,709,305	654,471,134	771,459,984
TOTAL EQUITY		1,155,019,427	1,270,970,030	1,141,731,859	1,258,720,709
TOTAL LIABILITIES AND EQUITY		1,232,573,877	1,358,829,977	1,216,411,063	1,345,187,093

The notes to interim financial statements are an integral part of these interim financial statements.

(Unaudited)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Revenues from sales	371,289,724	344,456,092	364,135,966	337,935,784
Cost of sales	<u>(293,388,113)</u>	<u>(263,926,008)</u>	<u>(292,911,113)</u>	<u>(263,414,309)</u>
Gross profit	77,901,611	80,530,084	71,224,853	74,521,475
Gain on exchange rate	7,680,463	6,101,450	5,889,529	4,861,851
Other income	<u>2,866,409</u>	<u>2,648,114</u>	<u>2,929,345</u>	<u>2,774,498</u>
Profit before expenses	<u>88,448,483</u>	<u>89,279,648</u>	<u>80,043,727</u>	<u>82,157,824</u>
Selling expenses	<u>(32,658,948)</u>	<u>(31,159,297)</u>	<u>(28,004,362)</u>	<u>(26,164,458)</u>
Administrative expenses	<u>(12,755,485)</u>	<u>(12,812,227)</u>	<u>(12,105,990)</u>	<u>(12,239,952)</u>
Managements' remuneration	<u>(6,490,122)</u>	<u>(8,146,083)</u>	<u>(5,901,672)</u>	<u>(7,516,008)</u>
Total expenses	<u>(51,904,555)</u>	<u>(52,117,607)</u>	<u>(46,012,024)</u>	<u>(45,920,418)</u>
Profit before income tax	36,543,928	37,162,041	34,031,703	36,237,406
Income tax	<u>(1,586,060)</u>	-	<u>(1,189,935)</u>	-
Profit for the period	<u>34,957,868</u>	<u>37,162,041</u>	<u>32,841,768</u>	<u>36,237,406</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>34,957,868</u>	<u>37,162,041</u>	<u>32,841,768</u>	<u>36,237,406</u>
Profit attributable to:				
Equity holders of the parent	34,957,868	37,162,041	32,841,768	36,237,406
Non - controlling interests	-	-	-	-
	<u>34,957,868</u>	<u>37,162,041</u>	<u>32,841,768</u>	<u>36,237,406</u>
BASIC EARNINGS PER SHARE				
Net profit attributable to equity holders of the parent	<u>0.09</u>	<u>0.10</u>	<u>0.09</u>	<u>0.10</u>
Weighted average number of common shares (shares)	<u>381,145,725</u>	<u>381,145,725</u>	<u>381,145,725</u>	<u>381,145,725</u>

The notes to interim financial statements are an integral part of these interim financial statements.

(Unaudited)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Revenues from sales	995,265,046	1,090,098,731	977,406,552	1,074,022,027
Cost of sales	<u>(819,193,061)</u>	<u>(794,303,767)</u>	<u>(818,198,061)</u>	<u>(793,273,793)</u>
Gross profit	176,071,985	295,794,964	159,208,491	280,748,234
Gain on exchange rate	16,818,191	15,158,313	14,151,766	12,717,066
Other income	<u>8,817,985</u>	<u>7,410,902</u>	<u>9,017,839</u>	<u>7,258,370</u>
Profit before expenses	<u>201,708,161</u>	<u>318,364,179</u>	<u>182,378,096</u>	<u>300,723,670</u>
Selling expenses	(93,537,001)	(97,412,396)	(80,837,703)	(84,229,363)
Administrative expenses	(44,152,688)	(38,930,075)	(41,991,864)	(36,963,002)
Managements' remuneration	<u>(21,863,937)</u>	<u>(26,589,544)</u>	<u>(20,098,587)</u>	<u>(24,699,319)</u>
Total expenses	<u>(159,553,626)</u>	<u>(162,932,015)</u>	<u>(142,928,154)</u>	<u>(145,891,684)</u>
Profit before income tax	42,154,535	155,432,164	39,449,942	154,831,986
Income tax	<u>(1,610,870)</u>	-	<u>(1,214,745)</u>	-
Profit for the period	<u>40,543,665</u>	<u>155,432,164</u>	<u>38,235,197</u>	<u>154,831,986</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>40,543,665</u>	<u>155,432,164</u>	<u>38,235,197</u>	<u>154,831,986</u>
Profit attributable to:				
Equity holders of the parent	40,543,665	155,432,164	38,235,197	154,831,986
Non - controlling interests	-	-	-	-
	<u>40,543,665</u>	<u>155,432,164</u>	<u>38,235,197</u>	<u>154,831,986</u>
BASIC EARNINGS PER SHARE				
Net profit attributable to equity holders of the parent	<u>0.11</u>	<u>0.41</u>	<u>0.10</u>	<u>0.41</u>
Weighted average number of common shares (shares)	<u>381,145,725</u>	<u>381,145,725</u>	<u>381,145,725</u>	<u>381,145,725</u>

The notes to interim financial statements are an integral part of these interim financial statements.

(Unaudited)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

		In Baht					
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other comprehensive income for the period	Total Changes in equity
				Appropriated for legal reserve	Unappropriated		
BALANCE as at January 1, 2010		381,145,725	68,000,000	38,115,000	720,806,463	-	1,208,067,188
Dividends paid	17	-	-	-	(95,285,056)	-	(95,285,056)
Total comprehensive income for the period		-	-	-	155,432,164	-	155,432,164
BALANCE as at September 30, 2010		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>780,953,571</u>	<u>-</u>	<u>1,268,214,296</u>
BALANCE as at January 1, 2011 - as reported		381,145,725	68,000,000	38,115,000	783,709,305	-	1,270,970,030
Impact of changes in accounting policies							
- Employee benefit obligations	5	-	-	-	(23,095,014)	-	(23,095,014)
BALANCE as at January 1, 2011 - restated		381,145,725	68,000,000	38,115,000	760,614,291	-	1,247,875,016
Dividends paid	17	-	-	-	(133,399,254)	-	(133,399,254)
Total comprehensive income for the period		-	-	-	40,543,665	-	40,543,665
BALANCE as at September 30, 2011		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>667,758,702</u>	<u>-</u>	<u>1,155,019,427</u>

The notes to interim financial statements are an integral part of these interim financial statements.

(Unaudited)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

		In Baht				
Notes	Issued and paid - up share capital	Premium on share capital	Retained earnings		Other comprehensive income for the period	Total Changes in equity
			Appropriated for legal reserve	Unappropriated		
BALANCE as at January 1, 2010	381,145,725	68,000,000	38,115,000	707,021,366	-	1,194,282,091
Dividends paid	-	-	-	(95,285,056)	-	(95,285,056)
Total comprehensive income for the period	-	-	-	154,831,986	-	154,831,986
BALANCE as at September 30, 2010	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>766,568,296</u>	<u>-</u>	<u>1,253,829,021</u>
BALANCE as at January 1, 2011 - as reported	381,145,725	68,000,000	38,115,000	771,459,984	-	1,258,720,709
Impact of changes in accounting policies						
- Employee benefit obligations	-	-	-	(21,824,793)	-	(21,824,793)
BALANCE as at January 1, 2011 - restated	381,145,725	68,000,000	38,115,000	749,635,191	-	1,236,895,916
Dividends paid	-	-	-	(133,399,254)	-	(133,399,254)
Total comprehensive income for the period	-	-	-	38,235,197	-	38,235,197
BALANCE as at September 30, 2011	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>654,471,134</u>	<u>-</u>	<u>1,141,731,859</u>

The notes to interim financial statements are an integral part of these interim financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	42,154,535	155,432,164	39,449,942	154,831,986
Adjustments to reconcile net profit to net cash provided by provided by operating activities				
Unrealized (loss) gain on exchange rate	(1,027,983)	793,205	(846,275)	668,862
Doubtful accounts (reversal)	286,594	(6,647)	286,594	(6,647)
Loss on diminution of inventories	1,579,978	207,020	1,579,978	207,020
Loss (gain) on disposal of equipment and written off	5,686	(1,167,576)	5,679	(653,558)
Depreciation	52,660,308	56,972,742	52,382,326	56,710,785
Amortization of computer software	-	182,260	-	182,260
Provisions for employee benefit obligations	2,359,780	-	2,305,971	-
Profit from operating activities before change in operational assets and liabilities	98,018,898	212,413,168	95,164,215	211,940,708
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(1,988,732)	(2,300,286)	(4,133,819)	(11,754,916)
Trade accounts receivable - other companies	(4,330,895)	(20,560,486)	(3,967,402)	(17,608,400)
Inventories	(37,027,957)	56,663,460	(34,351,257)	59,241,706
Accounts receivable - planters	16,507,787	9,080,806	16,507,787	9,080,806
Value added tax receivable	342,628	208,958	361,317	225,387
Other current assets	(1,291,576)	(2,538,566)	(1,266,536)	(2,537,452)
Other non - current assets	(1,501,971)	(1,409,148)	(1,504,593)	(1,410,186)
Increase (Decrease) in operational liabilities				
Trade accounts payable	(15,651,162)	(21,635,425)	(15,651,162)	(21,635,425)
Accrued expenses - related companies	(1,350,995)	(1,051,559)	(944,778)	(665,938)
Accrued expenses - other companies	(17,132,056)	(12,965,547)	(17,265,799)	(12,875,792)
Other current liabilities	(900,362)	284,868	(934,364)	270,425
Cash receipt from operation	33,693,607	216,190,243	32,013,609	212,270,923
Income tax paid	(1,469,507)	(795,176)	(1,466,885)	(44,487)
Net cash provided by operating activities	32,224,100	215,395,067	30,546,724	212,226,436

The notes to interim financial statements are an integral part of these interim financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (Increase) in short - term investments	199,963,080	(20,000,000)	200,000,000	(20,000,000)
Increase in fixed deposits pledged as collateral	(114,798)	(53,441)	-	-
Cash receipts from loan to related company	-	24,500,000	-	24,500,000
Proceeds from disposal of equipment	-	1,175,737	-	661,718
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(15,410,961)	(37,790,301)	(15,363,335)	(36,011,301)
Cash paid for acquisition of computer software	(177,787)	(3,190,590)	(177,787)	(3,190,590)
Net cash provided by (used in) investing activities	<u>184,259,534</u>	<u>(35,358,595)</u>	<u>184,458,878</u>	<u>(34,040,173)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for dividends (Supplement of cash flows information 2)	(133,179,259)	(95,177,268)	(133,179,259)	(95,177,268)
Net cash used in financing activities	<u>(133,179,259)</u>	<u>(95,177,268)</u>	<u>(133,179,259)</u>	<u>(95,177,268)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	83,304,375	84,859,204	81,826,343	83,008,995
Cash and cash equivalents, beginning of period	<u>180,543,896</u>	<u>267,997,777</u>	<u>159,538,653</u>	<u>242,470,505</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>263,848,271</u></u>	<u><u>352,856,981</u></u>	<u><u>241,364,996</u></u>	<u><u>325,479,500</u></u>

Supplement disclosures of cash flows information1. Property, Plant and Equipment

Details of acquisition of plant and equipment

during the period are as follows :

Acquisition of plant and equipment during the period	(14,278,951)	(37,744,319)	(14,231,325)	(35,965,319)
Decrease in payable from acquisition of assets	<u>(1,132,010)</u>	<u>(45,982)</u>	<u>(1,132,010)</u>	<u>(45,982)</u>
Cash paid for acquisition of plant and equipment	<u><u>(15,410,961)</u></u>	<u><u>(37,790,301)</u></u>	<u><u>(15,363,335)</u></u>	<u><u>(36,011,301)</u></u>

2. Cash paid for dividends

Dividends paid	(133,399,254)	(95,285,056)	(133,399,254)	(95,285,056)
Increase in accrued dividends	<u>219,995</u>	<u>107,788</u>	<u>219,995</u>	<u>107,788</u>
Cash paid for dividends	<u><u>(133,179,259)</u></u>	<u><u>(95,177,268)</u></u>	<u><u>(133,179,259)</u></u>	<u><u>(95,177,268)</u></u>

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