

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

INTERIM FINANCIAL STATEMENTS

AND REVIEW REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008

EXPRESSED IN THAI BAHT

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

**BALANCE SHEETS**

**AS AT JUNE 30, 2009 AND DECEMBER 31, 2008**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
<u>ASSETS</u>	<u>Notes</u>	<u>"Reviewed"</u>		<u>"Reviewed"</u>	
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	309,197,222	114,643,090	289,736,661	90,489,605
Short - term investments	6	-	140,000,000	-	140,000,000
Trade accounts receivable - related companies	4.2,7	22,750,195	22,797,895	37,923,159	38,501,603
- other companies - net	7	100,372,919	60,999,071	81,532,810	49,031,840
Inventories - net	8	358,585,811	353,186,642	358,585,811	353,186,642
Other current assets					
Accounts receivable - planters - net	9	28,947,708	26,566,547	28,947,708	26,566,547
Value added tax receivable		2,283,658	1,471,060	2,182,269	1,209,170
Others		<u>3,843,563</u>	<u>4,383,317</u>	<u>3,818,345</u>	<u>4,312,779</u>
Total other current assets		<u>35,074,929</u>	<u>32,420,924</u>	<u>34,948,322</u>	<u>32,088,496</u>
<b>TOTAL CURRENT ASSETS</b>		<u>825,981,076</u>	<u>724,047,622</u>	<u>802,726,763</u>	<u>703,298,186</u>
<b>NON - CURRENT ASSETS</b>					
Fixed deposits pledged as collateral	10	14,371,718	14,239,642	-	-
Investments in subsidiary	11	-	-	23,353,658	23,353,658
Long - term loan to related company	4.2	24,500,000	24,500,000	24,500,000	24,500,000
Property, plant and equipment - net	12	463,292,696	487,280,190	463,159,235	487,046,365
Non operating assets - net	13	18,404,787	18,404,787	18,404,787	18,404,787
Computer software - net	14	340,010	520,422	340,010	520,422
Other non - current assets		<u>2,600,087</u>	<u>1,161,989</u>	<u>2,599,187</u>	<u>1,161,089</u>
<b>TOTAL NON - CURRENT ASSETS</b>		<u>523,509,298</u>	<u>546,107,030</u>	<u>532,356,877</u>	<u>554,986,321</u>
<b>TOTAL ASSETS</b>		<u>1,349,490,374</u>	<u>1,270,154,652</u>	<u>1,335,083,640</u>	<u>1,258,284,507</u>

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

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

**BALANCE SHEETS (CONTINUED)**

**AS AT JUNE 30, 2009 AND DECEMBER 31, 2008**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<b><u>Notes</u></b>	<b><u>"Reviewed"</u></b>		<b><u>"Reviewed"</u></b>	
<b>CURRENT LIABILITIES</b>					
Trade accounts payable		57,745,250	33,838,652	57,745,250	33,838,652
Accrued income tax and accrued expenses		34,097,225	38,551,798	32,005,271	36,622,505
Other current liabilities		<u>2,016,922</u>	<u>1,631,550</u>	<u>1,746,277</u>	<u>1,362,544</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>93,859,397</u>	<u>74,022,000</u>	<u>91,496,798</u>	<u>71,823,701</u>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - Baht 1 par value					
Authorized shares					
381,146,251 common shares					
(December 31, 2008 : 346,497,096 common shares	16	<u>381,146,251</u>	<u>346,497,096</u>	<u>381,146,251</u>	<u>346,497,096</u>
Issued and paid - up shares					
381,145,725 common shares					
(December 31, 2008 : 346,496,592 common shares)		381,145,725	346,496,592	381,145,725	346,496,592
Premium on share capital		68,000,000	68,000,000	68,000,000	68,000,000
Retained earnings					
Appropriated for legal reserve	17	34,650,000	34,650,000	34,650,000	34,650,000
Unappropriated		<u>771,835,252</u>	<u>746,986,060</u>	<u>759,791,117</u>	<u>737,314,214</u>
Total shareholders' equity		<u>1,255,630,977</u>	<u>1,196,132,652</u>	<u>1,243,586,842</u>	<u>1,186,460,806</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,349,490,374</u>	<u>1,270,154,652</u>	<u>1,335,083,640</u>	<u>1,258,284,507</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 INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008**

	<u>Note</u>	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
<b>REVENUES</b>					
Sales		427,485,169	384,089,160	420,480,540	379,392,355
Gain on exchange rate		608,505	6,654,308	602,687	5,781,684
Interest income		903,976	895,009	827,678	766,618
Reversal of provision for inventory obsolescence		-	5,132,521	-	5,132,521
Other income		1,432,396	1,485,915	1,587,496	1,641,015
Total revenues		430,430,046	398,256,913	423,498,401	392,714,193
<b>EXPENSES</b>					
Cost of sales		259,930,521	264,588,279	259,403,271	264,588,279
Selling expenses		34,950,510	36,322,771	31,514,403	32,689,806
Administrative expenses		11,994,469	11,612,422	11,760,846	10,998,073
Managements' remuneration		10,249,255	8,778,923	9,619,180	8,235,286
Total expenses		317,124,755	321,302,395	312,297,700	316,511,444
<b>Income before income tax</b>		113,305,291	76,954,518	111,200,701	76,202,749
Income tax		(632,237)	-	-	-
<b>NET INCOME</b>		112,673,054	76,954,518	111,200,701	76,202,749
<b>Net income attributable to:</b>					
Equity holders of the parent		112,673,054	76,954,518	111,200,701	76,202,749
Minority interest of the subsidiary		-	-	-	-
		112,673,054	76,954,518	111,200,701	76,202,749
<b>BASIC EARNINGS PER SHARE</b>					
NET INCOME	19	0.30	0.20	0.29	0.20
<b>Weighted average number of common shares</b>	(shares)	381,145,725	381,145,725	381,145,725	381,145,725

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 INCOME

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008

	Note	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
<b>REVENUES</b>					
Sales		735,124,922	621,467,658	720,472,022	612,233,163
Gain on exchange rate		-	8,302,160	-	6,959,401
Interest income		2,166,249	1,855,159	1,992,945	1,615,943
Other income		3,444,337	2,569,076	3,754,537	2,879,276
Total revenues		740,735,508	634,194,053	726,219,504	623,687,783
<b>EXPENSES</b>					
Cost of sales		467,127,393	453,301,551	466,600,143	452,572,734
Selling expenses		64,547,332	61,507,428	56,715,084	53,825,556
Administrative expenses		24,035,061	23,003,017	22,685,318	21,555,450
Managements' remuneration		18,316,916	17,389,029	17,056,766	16,228,129
Loss on exchange rate		2,082,836	-	2,088,654	-
Total expenses		576,109,538	555,201,025	565,145,965	544,181,869
<b>Income before income tax</b>		164,625,970	78,993,028	161,073,539	79,505,914
Income tax		(1,180,142)	-	-	-
<b>NET INCOME</b>		163,445,828	78,993,028	161,073,539	79,505,914
<b>Net income attributable to:</b>					
Equity holders of the parent		163,445,828	78,993,028	161,073,539	79,505,914
Minority interest of the subsidiary		-	-	-	-
		163,445,828	78,993,028	161,073,539	79,505,914
<b>BASIC EARNINGS PER SHARE</b>					
NET INCOME	19	0.43	0.21	0.42	0.21
<b>Weighted average number of common shares</b>	(shares)	381,145,725	381,145,725	381,145,725	381,145,725

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

"Unaudited"

"Reviewed"

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008**

		In Baht				
		Issued and	Premium	Retained earnings		
		paid-up	on share	Appropriated		
Notes		share capital	capital	for legal reserve	Unappropriated	Total
BALANCE as at January 1, 2008		346,496,592	68,000,000	34,650,000	708,627,294	1,157,773,886
Dividends paid	18	-	-	-	(103,947,478)	(103,947,478)
Net income		-	-	-	78,993,028	78,993,028
BALANCE as at June 30, 2008		346,496,592	68,000,000	34,650,000	683,672,844	1,132,819,436
BALANCE as at January 1, 2009		346,496,592	68,000,000	34,650,000	746,986,060	1,196,132,652
Stock dividends	16	34,649,133	-	-	(34,649,133)	-
Dividends paid	18	-	-	-	(103,947,503)	(103,947,503)
Net income		-	-	-	163,445,828	163,445,828
BALANCE as at June 30, 2009		381,145,725	68,000,000	34,650,000	771,835,252	1,255,630,977

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

"Unaudited"

"Reviewed"

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED**  
**SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008**

		In Baht			
	Notes	Issued and paid - up share capital	Premium on share capital	Retained earnings	
				Appropriated for legal reserve	Unappropriated
					Total
BALANCE as at January 1, 2008		346,496,592	68,000,000	34,650,000	704,582,104
Dividends paid	18	-	-	-	(103,947,478)
Net income		-	-	-	79,505,914
BALANCE as at June 30, 2008		<u>346,496,592</u>	<u>68,000,000</u>	<u>34,650,000</u>	<u>680,140,540</u>
BALANCE as at January 1, 2009		346,496,592	68,000,000	34,650,000	737,314,214
Stock dividends	16	34,649,133	-	-	(34,649,133)
Dividends paid	18	-	-	-	(103,947,503)
Net income		-	-	-	161,073,539
BALANCE as at June 30, 2009		<u>381,145,725</u>	<u>68,000,000</u>	<u>34,650,000</u>	<u>759,791,117</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 SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	164,625,970	78,993,028	161,073,539	79,505,914
Adjustments to reconcile net income to net cash provided by operating activities				
Unrealized loss (gain) on exchange rate	299,822	(615,654)	257,975	(558,513)
Bad debts and doubtful accounts (reversal)	(6,698)	164,028	(6,698)	164,028
Loss on diminution of inventories (reversal)	(304,402)	4,489	(304,402)	4,489
Gain on disposal of equipment	(55,659)	(743)	(55,659)	(743)
Depreciation	37,866,056	36,783,378	37,760,374	36,587,607
Amortization of computer software	180,412	211,013	180,412	211,013
Income from operating activities before change in operational assets and liabilities	202,605,501	115,539,539	198,905,541	115,913,795
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(3,879)	(11,163,883)	530,110	(9,159,530)
Trade accounts receivable - other companies	(39,679,817)	(48,174,736)	(32,767,846)	(51,843,924)
Inventories	(5,094,767)	28,109,806	(5,094,767)	31,104,912
Accounts receivable - planters	(2,374,463)	(7,326,949)	(2,374,463)	(7,326,949)
Value added tax receivable	(812,598)	426,680	(973,099)	449,607
Other current assets	539,754	(1,717,661)	494,434	(1,712,203)
Other non - current assets	(1,397,777)	914,907	(1,397,777)	912,546
Increase (Decrease) in operational liabilities				
Trade accounts payable	24,840,981	14,070,503	24,840,981	14,070,503
Accrued expenses	(4,790,821)	(8,731,629)	(4,559,999)	(8,252,337)
Other current liabilities	385,372	(751,122)	383,733	257,160
<b>Cash receipt from operation</b>	174,217,486	81,195,455	177,986,848	84,413,580
Income tax paid	(826,489)	(43,447)	(40,321)	(41,086)
Net cash provided by operating activities	173,390,997	81,152,008	177,946,527	84,372,494

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 SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in fixed deposits at financial institutions	139,867,924	46,307,848	140,000,000	50,000,000
Proceeds from disposal of equipment	61,097	748	61,097	748
Cash paid for acquisition of plant and equipment				
(cash flows information)	(14,818,383)	(18,682,265)	(14,813,065)	(18,671,295)
Net cash provided by investing activities	125,110,638	27,626,331	125,248,032	31,329,453
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Paid dividends	(103,947,503)	(103,947,478)	(103,947,503)	(103,947,478)
Net cash used in financing activities	(103,947,503)	(103,947,478)	(103,947,503)	(103,947,478)
Net increase in cash and cash equivalents	194,554,132	4,830,861	199,247,056	11,754,469
Cash and cash equivalents, beginning of period	114,643,090	142,307,959	90,489,605	122,171,317
Cash and cash equivalents, end of period	309,197,222	147,138,820	289,736,661	133,925,786
<u>Supplement disclosures of cash flows information</u>				
<u>Property, Plant and Equipment</u>				
Details of acquisition of plant and equipment				
during the period are as follows :				
Acquisition of plant and equipment during the period	(13,884,000)	(20,195,462)	(13,878,682)	(20,184,492)
Increase (decrease) in payable from acquisition of assets	(934,383)	1,513,197	(934,383)	1,513,197
Cash paid for acquisition of plant and equipment	(14,818,383)	(18,682,265)	(14,813,065)	(18,671,295)

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