

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008 (REVIEWED) AND DECEMBER 31, 2008 (AUDITED)

1. BASIS OF INTERIM FINANCIAL STATEMENTS AND CONSOLIDATED INTERIM FINANCIAL STATEMENT PREPARATION

The accompanying consolidated interim financial statements and separate interim financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by related interpretations and guidelines promulgated by the Federation of Accounting Professions and regulations of the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard No. 34 (revised 2007), 'Interim Financial Reporting' and additional notes are presented as required by the Securities and Exchange Commission.

The consolidated interim financial statements and separate interim financial statements are prepared as additional information to financial statements for the year ended December 31, 2008 with the emphasis on the more current information about activities, events and situations, not a duplicate of information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2008.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The consolidated financial statements include the account of Chiangmai Frozen Foods Public Company Limited and Subsidiary, Agrifood Processing Co., Ltd. with the percentage of holding of 100% of authorized share.

The significant transactions between the Company and its subsidiary have been eliminated in the consolidated interim financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company and subsidiary uses the same significant accounting policies and calculation method in these interim financial statements for the three-month and six-month periods ended June 30, 2009 as those used in the financial statements for the year ended December 31, 2008.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponding to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

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- a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale and

Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after January 1, 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007), Accounting Treatment Guidance for leasehold right and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007) and TAS 36 (revised 2007), will not have any significant impact on the financial statements for the current period.

- b) Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
TAS 24 (revised 2007)	Related Party Disclosures	January 1, 2011
TAS 40	Investment Property	January 1, 2011

The management of the Company is still evaluating the effect of these three accounting standards.

4. TRANSACTIONS WITH RELATED COMPANIES

4.1 Relationships and pricing policies

Subsidiary :

Agrifood Processing Co., Ltd.

Shareholding and Directorship

Related companies :

C&W Interfoods Co.,Ltd.

Common shareholders

Itochu Corporation Co., Ltd.

Shareholder

P.P. Foods Supply Co., Ltd.

Common shareholders

Ing Shiang Co., Ltd.

Common shareholders

Agri World Co.,Ltd.

Common Shareholders and directors

C.T.Prosper Group Co.,Ltd.

Common Shareholders and directors

Pricing policy

Sales

At normal business prices, as same as other entities.

Rental revenue

At contract price which had been agreed upon.

Service income

At price which had been agreed upon

Service expense

At price which had been agreed upon

Commission

At rate 1.50 – 3.00% of sales

Loan to

At interest rate 3.25% per annum.

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4.2 Balances of transactions with subsidiary and related companies

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Trade accounts receivable				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	16,198,825	17,520,430
Related companies				
Itochu Corporation Co., Ltd.	13,183,404	9,002,795	12,157,543	7,330,073
P. P. Foods Supply Co., Ltd.	8,477,250	9,004,700	8,477,250	8,860,700
Ing shiang Co., Ltd.	1,089,541	4,790,400	1,089,541	4,790,400
Total	22,750,195	22,797,895	21,724,334	20,981,173
Grand Total	22,750,195	22,797,895	37,923,159	38,501,603
Interest receivable				
Related company				
C&W Interfoods Co., Ltd.	65,445	132,708	65,445	132,708
Long - term loans to				
Related company				
C&W Interfoods Co., Ltd.	24,500,000	24,500,000	24,500,000	24,500,000

In 2005 the Company entered into an agreement to lend to related company (C&W Interfoods Co., Ltd.), amount to Baht 24.5 million. The full principal repayment was due within June 2010. The interest is repayable on monthly basis at the last day of each month under the interest rate of 3.25% per annum. Such loan was guaranteed by Wonder Interfoods Co., Ltd., which is the major shareholders of C&W Interfoods Co., Ltd. and Mr.Nirand Pholpipattanapong, the director of C&W Interfoods Co., Ltd.

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Accrued commission				
Related companies				
Itochu Corporation Co., Ltd.	1,357,615	651,136	1,253,384	434,399
P.P. Foods Supply Co., Ltd.	1,142,930	945,489	1,142,930	945,489
Ing shiang Co., Ltd.	1,217,747	1,939,363	1,217,747	1,939,363
Total	3,718,292	3,535,988	3,614,061	3,319,251
Deposit				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	30,000	30,000

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4.3 Revenue and expenses transactions with subsidiary and related companies

Revenue and expenses between the Company, subsidiary and related companies for the three-month periods ended June 30, 2009 and 2008 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Sales				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	46,110,152	43,304,541
Related companies				
Itochu Corporation Co., Ltd.	57,101,128	56,026,275	51,277,696	48,687,360
P.P. Foods Supply Co., Ltd.	2,260,000	1,162,300	2,260,000	1,099,300
Ing shiang Co., Ltd.	1,096,866	3,828,098	1,096,866	3,199,956
Total	60,457,994	61,016,673	54,634,562	52,986,616
Grand Total	60,457,994	61,016,673	100,744,714	96,291,157
Other income				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	155,100	155,100
Related company				
C.T.Prosper Group Co., Ltd.	22,500	22,500	22,500	22,500
Total	22,500	22,500	177,600	177,600
Interest income				
Related company				
C&W Interfoods Co., Ltd.	198,517	197,974	198,517	197,974
Commission expenses				
Related companies				
Itochu Corporation Co., Ltd.	1,139,798	1,297,855	1,035,076	1,140,942
P.P. Foods Supply Co., Ltd.	291,809	671,737	291,809	671,737
Ing shiang Co., Ltd.	669,865	441,126	669,865	441,126
Total	2,101,472	2,410,718	1,996,750	2,253,805

Revenue and expenses between the Company, subsidiary and related companies for the six-month periods ended June 30, 2009 and 2008 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Sales				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	97,596,467	87,867,160
Related companies				
C&W Interfoods Co., Ltd.	-	1,600	-	-
Itochu Corporation Co., Ltd.	88,399,406	91,273,349	73,157,444	71,501,801
P.P. Foods Supply Co., Ltd.	5,942,500	4,027,500	5,690,500	3,964,500
Ing shiang Co., Ltd.	1,746,658	5,455,403	1,096,866	4,827,261
Total	96,088,564	100,757,852	79,944,810	80,293,562
Grand Total	96,088,564	100,757,852	177,541,277	168,160,722

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	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Other income				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	310,200	310,200
Related company				
C.T.Prosper Group Co., Ltd.	45,000	45,000	45,000	45,000
Total	<u>45,000</u>	<u>45,000</u>	<u>355,200</u>	<u>355,200</u>
Interest Income				
Related company				
C&W Interfoods Co., Ltd.	<u>394,853</u>	<u>395,949</u>	<u>394,853</u>	<u>395,949</u>
Commission Expenses				
Related companies				
Itochu Corporation Co., Ltd.	1,774,299	1,840,331	1,479,984	1,434,712
P.P. Foods Supply Co., Ltd.	723,405	1,097,097	723,405	1,097,097
Ing shiang Co., Ltd.	<u>1,250,259</u>	<u>689,337</u>	<u>1,250,259</u>	<u>689,337</u>
Total	<u>3,747,963</u>	<u>3,626,765</u>	<u>3,453,648</u>	<u>3,221,146</u>
Service Expenses				
Related company				
Agriworld Co., Ltd.	<u>-</u>	<u>1,214,134</u>	<u>-</u>	<u>1,214,134</u>

5. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Cash on hand	110,186	116,343	100,186	106,343
Current accounts	815,758	1,336,350	-	-
Saving accounts	172,769,812	107,749,668	159,636,475	90,383,262
Fixed deposits : Less than 3 months	<u>135,501,466</u>	<u>5,440,729</u>	<u>130,000,000</u>	<u>-</u>
Total	<u>309,197,222</u>	<u>114,643,090</u>	<u>289,736,661</u>	<u>90,489,605</u>

The weighted average effective interest rates of deposits at financial institutions were 0.25% – 1.75% per annum (2008: 0.25 % – 4.00 % per annum).

6. SHORT- TERM INVESTMENTS

As at December 31, 2008, the Company has short-term investments in deposits at financial institution amounting of Baht 140.0 million which are 5 - 6 months fixed deposits bear interest at the rate of 2.80 - 4.00% per annum.

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7. TRADE ACCOUNTS RECEIVABLE - NET

The aging of outstanding balances as at June 30, 2009 and December 31, 2008 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Accounts receivable - Related companies				
Not yet due	15,804,945	12,780,947	30,977,909	28,514,619
Over due within 1 - 3 months	728,000	5,756,998	728,000	5,727,034
Over due within 4 - 6 months	3,430,500	1,482,750	3,430,500	1,482,750
Over due within 7 – 12 months	2,786,750	2,777,200	2,786,750	2,777,200
Total accounts receivable				
- Related companies	22,750,195	22,797,895	37,923,159	38,501,603
Trade accounts receivable - Other companies				
Not yet due	95,969,080	51,639,847	79,190,551	39,672,616
Over due within 1 - 3 months	4,403,839	6,228,505	2,342,259	6,228,505
Over due within 4 - 6 months	-	3,130,719	-	3,130,719
Over due over 12 months	2,751,014	2,751,014	2,751,014	2,751,014
Total accounts receivable - Other companies	103,123,933	63,750,085	84,283,824	51,782,854
<u>Less</u> Allowance for doubtful accounts	(2,751,014)	(2,751,014)	(2,751,014)	(2,751,014)
Total accounts receivable				
- Other companies - Net	100,372,919	60,999,071	81,532,810	49,031,840

8. INVENTORIES – NET

Consolidated and Separate financial statements

	In Baht					
	At Cost		Provision for diminution in value of inventories		Inventories-net	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Finished goods and semi – products	303,113,037	294,365,295	(1,177,306)	(2,207,779)	301,935,731	292,157,516
Raw material and supplies	30,199,203	29,095,336	(1,153,794)	(427,723)	29,045,409	28,667,613
Seeds, insecticide, fertilizer	27,698,972	32,455,814	(94,301)	(94,301)	27,604,671	32,361,513
Total	361,011,212	355,916,445	(2,425,401)	(2,729,803)	358,585,811	353,186,642

9. ACCOUNTS RECEIVABLE - PLANTERS – NET

	In Baht	
	Consolidated and Separate	
	financial statements	
	June 30, 2009	December 31, 2008
Accounts receivable-planters	29,652,531	27,278,068
<u>Less</u> Allowance for doubtful accounts	(704,823)	(711,521)
Accounts receivable -planters- Net	28,947,708	26,566,547

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10. FIXED DEPOSITS PLEDGED AS COLLATERAL

As at June 30, 2009 and December 31, 2008, the subsidiary has fixed deposit amounted to Baht 14.3 million and Baht 14.2 million, respectively which pledged as collateral against credit line from a local financial institution.

11. INVESTMENTS IN SUBSIDIARY

Separate financial statements

As at June 30, 2009 and December 31, 2008.

	Activities	Paid up Capital (In Baht)	% Holdings	At Cost (In Baht)
Agrifood Processing Co.,Ltd.	Transmuted Sweet corn distribution	30,000,000	100	<u>23,353,658</u>

12. PROPERTY, PLANT AND EQUIPMENT - NET

	In Baht	
	Consolidated financial statements	Separate financial statements
Transaction for the six-month period ended June 30, 2009		
Opening net book amount	487,280,190	487,046,365
Acquisition	13,884,000	13,878,682
Disposals	(5,438)	(5,438)
Depreciation	<u>(37,866,056)</u>	<u>(37,760,374)</u>
Closing net book amount	<u>463,292,696</u>	<u>463,159,235</u>

Net book value of land, building and machinery amounted to Baht 152.7 million were mortgaged and pledged as collateral against partial bank overdrafts and short-term loans from financial institutions as discussed in Note 15 to interim financial statements.

13. NON OPERATING ASSETS - NET

	In Baht	
	Consolidated and Separate financial statements	
	June 30, 2009	December 31, 2008
Land	16,107,988	16,107,988
Machineries and equipment	5,741,997	5,741,997
Total	21,849,985	21,849,985
<u>Less</u> : Allowance for impairment	<u>(3,445,198)</u>	<u>(3,445,198)</u>
Non operating assets -Net	<u>18,404,787</u>	<u>18,404,787</u>

Unused land of the Company amounting of Baht 16.1 million (2008:13.4 million) to prepare for the plant expansion in the future.

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14. COMPUTER SOFTWARE - NET

	In Baht
	Consolidated and Separate financial statements
Transaction for the six-month period ended June 30, 2009	
Opening net book value	520,422
<u>Less</u> Amortization during the period	(180,412)
Closing net book value	340,010
As at June 30, 2009	
Cost	1,690,810
<u>Less</u> Accumulative amortization	(1,350,800)
Net book value	340,010

15. OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at June 30, 2009 and December 31, 2008, the Company has the overdrafts and short-term loans lines amounted to Baht 420 million and Baht 540 million, respectively. The facilities charge an interest at the rate of MOR per annum. Such overdrafts and short-term loans lines are secured over a part of the land and structures thereon and machineries of the company as discussed in Note 12 to interim financial statements.

16. SHARE CAPITAL

- According to the resolution of the shareholders' meeting No.1/2009 held on April 30, 2009 the shareholders had the resolution to approve as follows :
 - Approved the capital decreasing of the Company's authorized share capital from Baht 346,497,096 (346,497,096 of common shares with a par value of Baht 1 per share) to Baht 346,496,592 (346,496,592 of common shares with a par value of Baht 1 per share). The Company registered with the Ministry of Commerce on May 12, 2009.
 - Approved the capital increasing amount to Baht 34,649,659 of the Company's authorized share capital from Baht 346,496,592 (346,496,592 of common shares with a par value of Baht 1 per share) to Baht 381,146,251 (381,146,251 of common shares with a par value of Baht 1 per share) The Company registered with the Ministry of Commerce on June 2, 2009.
- On May 29, 2009, the Company paid stock dividends to the existing shareholders at the ratio of 10 existing common shares to 1 common shares (throw away fraction) totaling 34,649,133 shares at the rate Baht 0.10 per share with a par value of Baht 1 per share amount to Baht 34,649,133 The paid up share capital increased amount to Baht 381,145,725(381,145,725 of common shares with a par value of Baht 1 per share). The Company registered with the Ministry of Commerce on June 2, 2009.

17. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

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18. DIVIDENDS PAID

At the shareholders' meeting No.1/2009 held on April 30, 2009 the shareholders had the resolution to approve the payment of cash dividends and stock dividends. To pay cash dividends from net income for the year 2007 - 2008 under the Board of Investment Promotional Certificate No.1465/2542 to the shareholders for 346,496,592 shares, at Baht 0.30 per share amounted to Baht 103,947,503 and to pay stock dividends from net income for the year 2007 - 2008 under the Board of Investment Promotional Certificate No.1465/2542 to the existing shareholders at the ratio of 10 existing common shares to 1 common shares (throw away fraction) at the rate Baht 0.10 per share with a par value of Baht 1 per share amounted to Baht 34,649,133. The Company paid such dividends on May 29, 2009. However, dividends of Baht 1,475 were not paid to certain shareholders due to disqualification.

At the shareholders' meeting No.1/2008 held on April 30, 2008, the shareholders were unanimously approved the payment of dividends from net income for the year 2005-2007 under the Board of Investment Promotional Certificate No. 1465/2542 to the shareholders for 346,496,592 on shares, at Baht 0.30 per share amounted to Baht 103,947,478. Such dividends paid on May 30, 2008.

19. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period. The numbers of ordinary shares are adjusted by the stock dividends distributed during this quarter as mentioned in Note 18 to interim financial statements are incurred in the beginning.

Basic earnings per share for the three month and six month periods ended June 30, 2008 were recalculated for comparison purpose.

20. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	In Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended June 30,			
	2009	2008	2009	2008
Changes in raw materials finished goods and semi – finished products	22,434,377	70,258,648	37,226,061	70,258,648
Purchase of raw material	105,930,155	67,223,666	105,930,155	67,223,666
Depreciation and amortization	22,803,688	21,510,456	22,750,493	21,416,284
Staff costs	43,999,198	41,854,170	42,966,883	40,944,070
	In Baht			
	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended June 30,			
	2009	2008	2009	2008
Changes in raw materials finished goods and semi – finished products	(8,028,015)	44,286,798	6,763,669	44,286,798
Purchase of raw material	229,776,058	177,474,474	229,776,058	177,474,474
Depreciation and amortization	38,046,468	36,994,391	37,940,786	36,798,620
Staff costs	89,465,639	81,150,474	87,400,908	79,330,874

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21. SEGMENT INFORMATION

The Company and subsidiaries are engaged in business of manufacturing and exporting of frozen fruits, vegetables and transmuted sweet corn distribution and operate in one geographical area in Thailand. Therefore, these financial statements do not present the geographical segment.

The details of business segment information for the three-month period ended June 30, 2009 are as follows:

Consolidated financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	426,144,844	1,340,325	427,485,169
Cost of sales	(258,378,689)	(1,551,832)	(259,930,521)
Gross (loss) profit	167,766,155	(211,507)	167,554,648
Selling expenses	(34,832,823)	(117,687)	(34,950,510)
Income (loss) from operating	132,933,332	(329,194)	132,604,138
Interest and other income			2,944,877
Central expenses			(22,243,724)
Income before income tax			113,305,291
Income tax			(632,237)
Net income			112,673,054

The details of business segment information for the three-month period ended June 30, 2008 and are as follows:

Consolidated financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	384,089,160	-	384,089,160
	(264,588,279)		
Cost of sales)	-	(264,588,279)
Gross profit	119,500,881	-	119,500,881
Selling expenses	(36,322,771)	-	(36,322,771)
Income from operating	83,178,110	-	83,178,110
Interest and other income			14,167,753
Central expenses			(20,391,345)
Net income			76,954,518

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The details of business segment information for the six-month period ended June 30, 2009 and are as follows:

Consolidated financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	733,784,597	1,340,325	735,124,922
Cost of sales	(465,575,561)	(1,551,832)	(467,127,393)
Gross (loss) profit	268,209,036	(211,507)	267,997,529
Selling expenses	(64,429,645)	(117,687)	(64,547,332)
Income (loss) from operating	203,779,391	(329,194)	203,450,197
Interest and other income			5,610,586
Central expenses			(44,434,813)
Income before income tax			164,625,970
Income tax			(1,180,142)
Net income			163,445,828
Property , plant and equipment by segment as at June 30, 2009	380,981,640	39,836,772	420,818,412
Property , plant and equipment which cannot be classified by segment			42,474,284
Other assets			886,197,678
Total assets			1,349,490,374

The details of business segment information for the six-month period ended June 30, 2008 and are as follows:

Consolidated financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	620,497,124	970,534	621,467,658
Cost of sales	(452,572,734)	(728,817)	(453,301,551)
Gross profit	167,924,390	241,717	168,166,107
Selling expenses	(61,411,373)	(96,055)	(61,507,428)
Income from operating	106,513,017	145,662	106,658,679
Interest and other income			12,726,395
Central expenses			(40,392,046)
Net income			78,993,028
Property , plant and equipment by segment as at June 30, 2008	433,989,019	38,745,780	472,734,799
Property , plant and equipment which cannot be classified by segment			36,968,416
Other assets			704,148,120
Total assets			1,213,851,335

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JUNE 30, 2009 AND 2008(REVIEWED) AND DECEMBER 31, 2008 (AUDITED)

The details of business segment information for the three-month period ended June 30, 2009 are as follows:

Separate financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	419,799,384	681,156	420,480,540
	(258,378,689		
Cost of sales)	(1,024,582)	(259,403,271)
Gross (loss) profit	161,420,695	(343,426)	161,077,269
Selling expenses	(31,460,783)	(53,620)	(31,514,403)
Income (loss) from operating	129,959,912	(397,046)	129,562,866
Interest and other income			3,017,861
Central expenses			(21,380,026)
Net income			111,200,701

The details of business segment information for the three-month period ended June 30, 2008 are as follows:

Separate financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	379,392,355	-	379,392,355
	(264,588,279		
Cost of sales)	-	(264,588,279)
Gross profit	114,804,076	-	114,804,076
Selling expenses	(32,689,806)	-	(32,689,806)
Income from operating	82,114,270	-	82,114,270
Interest and other income			13,321,838
Central expenses			(19,233,359)
Net income			76,202,749

The details of business segment information for the six-month period ended June 30, 2009 are as follows:

Separate financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	719,790,866	681,156	720,472,022
Cost of sales	(465,575,561)	(1,024,582)	(466,600,143)
Gross (loss) profit	254,215,305	(343,426)	253,871,879
Selling expenses	(56,661,464)	(53,620)	(56,715,084)
Income (loss) from operating	197,553,841	(397,046)	197,156,795
Interest and other income			5,747,482
Central expenses			(41,830,738)
Net income			161,073,539
Property , plant and equipment by segment as at June 30, 2009	380,981,640	39,836,772	420,818,412
Property , plant and equipment which cannot be classified by segment			42,340,823
Other assets			871,924,405

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Total assets 1,335,083,640

The details of business segment information for the six-month period ended June 30, 2008 are as follows:

Separate financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	612,233,163	-	612,233,163
	(452,572,734		
Cost of sales)	-	(452,572,734)
Gross profit	159,660,429	-	159,660,429
Selling expenses	(53,825,556)	-	(53,825,556)
Income from operating	105,834,873	-	105,834,873
Interest and other income			11,454,620
Central expenses			(37,783,579)
Net income			<u>79,505,914</u>
Property, plant and equipment - net by segment as at June 30, 2008	433,989,019	38,745,780	472,734,799
Property, plant and equipment - net which cannot be classified by segment			36,621,563
Other assets			<u>700,029,860</u>
Total assets			<u>1,209,386,222</u>

22. FINANCIAL INSTRUMENTS

As at June 30, 2009, the Company and subsidiary have no policy to perform speculate or trade the financial instrument transaction derivatives.

22.1 Credit risk

Credit risk is the exposure to the risk that the counterparties might discharge their obligations which could cause the Company to incur financial loss. The main financial assets that potentially subject to the Company to credit risk are trade accounts receivable and long-term loan to related company.

- Trade accounts receivable, Due to the large number and diversity of the entities comprising the Group's customer base and confined credit policy adopted, the Company and subsidiary therefore does not anticipate material losses from its debt collection in excess of the allowance for doubtful accounts already set up in the accounts
- Long - term loan to related company, the Company has managed credit risk by setting up appropriate credit limit and term which are granted, including personal and corporate guarantees as a means of mitigating the risk of financial loss from defaults. As at June 30, 2009 the Company has long-term loan to related company amounting of Baht 24.5 million with full principle repayment due within June 2010 and is paid interest at the rate of 3.25% per annum on monthly basis (at the last day of each month). Such loan is guaranteed by Wonder Interfoods Co., Ltd., which is the major shareholders of such related company and Mr. Nirand Pholpipattanapong as the director of such related company. The Company's management believes that the Company can get all loan repayment from the above related company.

22.2 Foreign currency risk and risk management

The Company and subsidiary exposure to foreign currency risk relates primarily to their business transactions which are denominated in foreign currencies. The Company and subsidiary have policies to hedge such risks by using derivative financial instruments. As at June 30, 2009, the Company has outstanding forward foreign exchange selling contracts and option contracts of a total of U.S. Dollars 3.4 million in exchange of Baht 115.9 million with 3 commercial banks. The contract will be due on January 2010.

As at June 30, 2009, liabilities of the Company and subsidiary have accrued commission amounting of U.S.Dollars 76,018 which is not hedged.

22.3 Interest rate risk

The Company and subsidiary were exposed to interest risks because it held deposits to financial institutions. However, such financial assets are month short-term, the Company and subsidiary believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

22.4 Fair value

The financial assets and liabilities include cash and cash equivalents, short-term investments, trade accounts receivable, long-term loan and trade accounts payable. Their carried values approximate to their fair values.

23. COMMITMENTS AND CONTINGENT LIABILITY

As at June 30, 2009

23.1 The Company has contingent liable for bank guarantees issued in favor of government agency amounting to approximately Baht 8.9 million.

23.2 The Company has commitment to pay the uncalled investments in Agrifood Processing Co., Ltd. amounting to approximately Baht 90 million.

23.3 The Company has commitments for software license with a local company amounting of Baht 1.3 million.

24. RECLASSIFICATION

Certain amounts in the financial statements for the three - month and six-month period ended June 30, 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

	In Baht			
	For the three-month periods ended June 30, 2008			
	Consolidated financial statements		Separate financial statements	
	The reclassifications	The previously reported	The reclassifications	The previously reported
Selling and administrative expenses	-	55,374,116	-	50,583,165

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Selling expenses	36,322,771	-	32,689,806	-
Administrative expenses	11,612,422	-	10,998,073	-
Managements' remuneration	8,778,923	1,340,000	8,235,286	1,340,000

	In Baht			
	For the six-month periods ended June 30, 2008			
	Consolidated financial statements		Separate financial statements	
	The reclassifications	The previously reported	The reclassifications	The previously reported
Selling and administrative expenses	-	99,219,474	-	88,929,135
Selling expenses	61,507,428	-	53,825,556	-
Administrative expenses	23,003,017	-	21,555,450	-
Managements' remuneration	17,389,029	2,680,000	16,228,129	2,680,000

25. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at June 30, 2009 debt to equity ratio in the consolidated financial statements is 0.07:1 (the separate financial statements: 0.07:1)

26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These the interim financial statements were authorized for issue by the board of directors of the Company on August 13, 2009.