

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

INTERIM FINANCIAL STATEMENTS

AND REVIEW REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FOR THE THREE-MONTH AND NINE-MONTH PERIODS

ENDED SEPTEMBER 30, 2010 AND 2009

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

BALANCE SHEETS

AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
<u>ASSETS</u>	<u>Notes</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>
CURRENT ASSETS					
Cash and cash equivalents	6	352,856,981	267,997,777	325,479,500	242,470,505
Short - term investments	7	70,000,000	50,000,000	70,000,000	50,000,000
Trade accounts receivable - related companies	5.2,8	10,232,877	8,047,337	27,305,864	15,625,755
- other companies - net	8	55,981,478	36,213,991	46,109,595	29,209,790
Loan to related company	5.2	-	24,500,000	-	24,500,000
Inventories - net	9	344,732,558	401,603,038	342,154,312	401,603,038
Other current assets					
Accounts receivable - planters - net	10	17,597,550	26,671,709	17,597,550	26,671,709
Value added tax receivable		1,429,868	1,638,826	1,398,795	1,624,182
Others		3,743,767	1,205,201	3,726,421	1,188,969
Total other current assets		22,771,185	29,515,736	22,722,766	29,484,860
TOTAL CURRENT ASSETS		856,575,079	817,877,879	833,772,037	792,893,948
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	11	14,470,021	14,416,580	-	-
Investments in subsidiary	12	-	-	23,353,658	23,353,658
Property, plant and equipment - net	13	429,895,424	448,455,591	428,309,736	448,386,945
Non operating assets - net	14	23,590,331	21,076,158	23,590,331	21,076,158
Computer software - net	15	-	182,260	-	182,260
Other non - current assets		4,927,887	3,473,214	4,926,987	3,472,314
TOTAL NON - CURRENT ASSETS		472,883,663	487,603,803	480,180,712	496,471,335
TOTAL ASSETS		1,329,458,742	1,305,481,682	1,313,952,749	1,289,365,283

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 SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>Notes</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>
CURRENT LIABILITIES					
Trade accounts payable		26,959,638	48,641,856	26,959,638	48,641,856
Accrued income tax		-	749,651	-	-
Accrued expenses - related companies	5.2	2,484,387	3,650,486	2,341,581	3,122,059
- other companies		30,184,691	43,041,639	29,249,382	42,016,575
Other current liabilities		1,615,730	1,330,862	1,573,127	1,302,702
TOTAL CURRENT LIABILITIES		61,244,446	97,414,494	60,123,728	95,083,192
SHAREHOLDERS' EQUITY					
Share capital - Baht 1 par value					
Authorized shares					
381,146,251 common shares	17	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	18	38,115,000	38,115,000	38,115,000	38,115,000
Unappropriated		780,953,571	720,806,463	766,568,296	707,021,366
TOTAL SHAREHOLDERS' EQUITY		1,268,214,296	1,208,067,188	1,253,829,021	1,194,282,091
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,329,458,742	1,305,481,682	1,313,952,749	1,289,365,283

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
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Sales	344,456,092	351,109,365	337,935,784	343,732,427
Cost of sales	(263,926,008)	(245,864,834)	(263,414,309)	(245,365,334)
Gross profit	80,530,084	105,244,531	74,521,475	98,367,093
Gain on exchange rate	6,101,450	3,338,312	4,861,851	1,711,235
Other income	2,648,114	2,003,785	2,774,498	2,130,602
Profit before expenses	89,279,648	110,586,628	82,157,824	102,208,930
Selling expenses	(31,159,297)	(30,084,761)	(26,164,458)	(24,936,331)
Administrative expenses	(12,812,227)	(12,528,480)	(12,239,952)	(12,004,910)
Managements' remuneration	(8,146,083)	(10,556,586)	(7,516,008)	(9,927,711)
Profit before income tax	37,162,041	57,416,801	36,237,406	55,339,978
Income tax	-	(624,853)	-	-
Net profit	37,162,041	56,791,948	36,237,406	55,339,978
Net profit attributable to:				
Equity holders of the parent	37,162,041	56,791,948	36,237,406	55,339,978
Minority interest of the subsidiary	-	-	-	-
	37,162,041	56,791,948	36,237,406	55,339,978
BASIC EARNINGS PER SHARE				
NET PROFIT	0.10	0.15	0.10	0.15
Weighted average number of common shares (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
STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Sales	1,090,098,731	1,086,234,287	1,074,022,027	1,064,204,449
Cost of sales	(794,303,767)	(712,992,227)	(793,273,793)	(711,965,477)
Gross profit	295,794,964	373,242,060	280,748,234	352,238,972
Gain on exchange rate	15,158,313	1,255,476	12,717,066	(377,419)
Other income	7,410,902	7,614,371	7,258,370	7,878,084
Profit before expenses	318,364,179	382,111,907	300,723,670	359,739,637
Selling expenses	(97,412,396)	(94,632,093)	(84,229,363)	(81,651,415)
Administrative expenses	(38,930,075)	(36,563,541)	(36,963,002)	(34,690,228)
Managements' remuneration	(26,589,544)	(28,873,502)	(24,699,319)	(26,984,477)
Profit before income tax	155,432,164	222,042,771	154,831,986	216,413,517
Income tax	-	(1,804,995)	-	-
Net profit	<u>155,432,164</u>	<u>220,237,776</u>	<u>154,831,986</u>	<u>216,413,517</u>
Net profit attributable to:				
Equity holders of the parent	155,432,164	220,237,776	154,831,986	216,413,517
Minority interest of the subsidiary	-	-	-	-
	<u>155,432,164</u>	<u>220,237,776</u>	<u>154,831,986</u>	<u>216,413,517</u>
BASIC EARNINGS PER SHARE				
NET PROFIT	<u>0.41</u>	<u>0.58</u>	<u>0.41</u>	<u>0.57</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"

"Reviewed"

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

	Notes	In Baht				Total
		Issued and paid-up share capital	Premium on share capital	Retained earnings		
				Legal reserve	Unappropriated	
BALANCE as at January 1, 2009		346,496,592	68,000,000	34,650,000	746,986,060	1,196,132,652
Stock dividends	17	34,649,133	-	-	(34,649,133)	-
Dividends paid	19	-	-	-	(199,232,685)	(199,232,685)
Net profit		-	-	-	220,237,776	220,237,776
BALANCE as at September 30, 2009		<u>381,145,725</u>	<u>68,000,000</u>	<u>34,650,000</u>	<u>733,342,018</u>	<u>1,217,137,743</u>
BALANCE as at January 1, 2010		381,145,725	68,000,000	38,115,000	720,806,463	1,208,067,188
Dividends paid	19	-	-	-	(95,285,056)	(95,285,056)
Net profit		-	-	-	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>1,268,214,296</u>

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

	Notes	In Baht				Total
		Issued and paid - up share capital	Premium on share capital	Retained earnings		
				Legal reserve	Unappropriated	
BALANCE as at January 1, 2009		346,496,592	68,000,000	34,650,000	737,314,214	1,186,460,806
Stock dividends	17	34,649,133	-	-	(34,649,133)	-
Dividends paid	19	-	-	-	(199,232,685)	(199,232,685)
Net profit		-	-	-	216,413,517	216,413,517
BALANCE as at September 30, 2009		<u>381,145,725</u>	<u>68,000,000</u>	<u>34,650,000</u>	<u>719,845,913</u>	<u>1,203,641,638</u>
BALANCE as at January 1, 2010		381,145,725	68,000,000	38,115,000	707,021,366	1,194,282,091
Dividends paid	19	-	-	-	(95,285,056)	(95,285,056)
Net profit		-	-	-	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>1,253,829,021</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, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	155,432,164	222,042,771	154,831,986	216,413,517
Adjustments to reconcile net profit to net cash provided by operating activities				
Unrealized loss (gain) on exchange rate	793,205	(34,488)	668,862	(155,970)
Reversal of doubtful accounts	(6,647)	(6,698)	(6,647)	(6,698)
Loss on diminution of inventories (reversal)	207,020	(741,547)	207,020	(741,547)
Gain on disposal of equipment	(1,167,576)	(88,814)	(653,558)	(88,814)
Depreciation	56,972,742	56,103,767	56,710,785	55,944,300
Amortization of computer software	182,260	262,143	182,260	262,143
Profit from operating activities before change in operational assets and liabilities	212,413,168	277,537,134	211,940,708	271,626,931
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(2,300,286)	13,161,296	(11,754,916)	7,237,240
Trade accounts receivable - other companies	(20,560,486)	15,011,267	(17,608,400)	18,915,282
Inventories	56,663,460	(13,996,891)	59,241,706	(11,347,981)
Accounts receivable - planters	9,080,806	366,951	9,080,806	366,951
Value added tax receivable	208,958	(67,537)	225,387	(265,099)
Other current assets	(2,538,566)	1,902,532	(2,537,452)	1,848,038
Other non - current assets	(1,409,148)	(2,266,477)	(1,410,186)	(2,266,477)
Increase (Decrease) in operational liabilities				
Trade accounts payable	(21,635,425)	(5,136,378)	(21,635,425)	(5,136,378)
Accrued expenses - related companies	(1,051,559)	1,139,412	(665,938)	1,178,151
Accrued expenses - other companies	(12,965,547)	(1,853,876)	(12,875,792)	(1,731,830)
Other current liabilities	284,868	(259,416)	270,425	(213,699)
Cash receipt from operation	216,190,243	285,538,017	212,270,923	280,211,129
Income tax paid	(795,176)	(1,906,314)	(44,487)	(54,219)
Net cash provided by operating activities	215,395,067	283,631,703	212,226,436	280,156,910

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, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (Increase) in short - term investments	(20,000,000)	90,000,000	(20,000,000)	90,000,000
Increase in fixed deposits pledged as collateral	(53,441)	(158,973)	-	-
Cash receipts from loan to related company	24,500,000	-	24,500,000	-
Proceeds from disposal of equipment	1,175,737	104,219	661,718	104,219
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(37,790,301)	(19,427,324)	(36,011,301)	(19,422,006)
Cash paid for acquisition of non operating assets	(3,190,590)	-	(3,190,590)	-
Net cash provided by (used in) investing activities	<u>(35,358,595)</u>	<u>70,517,922</u>	<u>(34,040,173)</u>	<u>70,682,213</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for dividends (Supplement of cash flows information 2)	(95,177,268)	(198,235,564)	(95,177,268)	(198,235,564)
Net cash used in financing activities	(95,177,268)	(198,235,564)	(95,177,268)	(198,235,564)
Net increase in cash and cash equivalents	84,859,204	155,914,061	83,008,995	152,603,559
Cash and cash equivalents, beginning of period	267,997,777	114,643,090	242,470,505	90,489,605
Cash and cash equivalents, end of period	<u>352,856,981</u>	<u>270,557,151</u>	<u>325,479,500</u>	<u>243,093,164</u>
<u>Supplement disclosures of cash flows information</u>				
1. <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	(37,744,319)	(20,449,977)	(35,965,319)	(20,444,659)
Increase (Decrease) in payable from acquisition of assets	(45,982)	1,022,653	(45,982)	1,022,653
Cash paid for acquisition of plant and equipment	<u>(37,790,301)</u>	<u>(19,427,324)</u>	<u>(36,011,301)</u>	<u>(19,422,006)</u>
2. <u>Cash paid for dividends</u>				
Dividends paid	(95,285,056)	(199,232,685)	(95,285,056)	(199,232,685)
Increase in accrued dividends	107,788	997,121	107,788	997,121
Cash paid for dividends	<u>(95,177,268)</u>	<u>(198,235,564)</u>	<u>(95,177,268)</u>	<u>(198,235,564)</u>

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