

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

INTERIM FINANCIAL STATEMENTS

AND REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2011 AND DECEMBER 31, 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
<u>ASSETS</u>	Notes	(Unaudited)	(Audited)	(Unaudited)	(Audited)
CURRENT ASSETS					
Cash and cash equivalents		86,429,233	180,543,896	72,664,304	159,538,653
Short - term investments	7	215,600,000	305,563,080	210,000,000	300,000,000
Trade accounts receivable - related companies	6.2,8	9,529,636	8,393,339	25,636,113	21,678,626
- other companies - net	8	85,024,229	44,525,784	72,845,085	36,831,724
Inventories - net	9	457,858,134	309,958,460	456,093,594	309,958,460
Other current assets					
Accounts receivable - planters - net	10	5,413,859	36,184,230	5,413,859	36,184,230
Value added tax receivable		1,989,606	1,633,661	1,975,639	1,611,619
Others		2,153,934	1,822,277	2,131,581	1,808,861
Total other current assets		9,557,399	39,640,168	9,521,079	39,604,710
TOTAL CURRENT ASSETS		863,998,631	888,624,727	846,760,175	867,612,173
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	11	14,514,286	14,491,685	-	-
Investments in subsidiary	12	-	-	23,353,658	23,353,658
Property, plant and equipment - net	13	422,892,940	426,340,446	421,492,742	424,849,043
Non operating assets - net	14	17,292,180	23,369,146	17,292,180	23,369,146
Computer software - net		2,798,886	2,798,886	2,798,886	2,798,886
Other non - current assets		3,676,643	3,205,087	3,675,743	3,204,187
TOTAL NON - CURRENT ASSETS		461,174,935	470,205,250	468,613,209	477,574,920
TOTAL ASSETS		1,325,173,566	1,358,829,977	1,315,373,384	1,345,187,093

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 MARCH 31, 2011 AND DECEMBER 31, 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
<u>LIABILITIES AND EQUITY</u>	<u>Notes</u>	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
CURRENT LIABILITIES					
Trade accounts payable		30,016,757	37,844,294	30,016,757	37,844,294
Payable from acquisition of assets		190,742	2,240,552	190,742	2,240,552
Accrued income tax		1,375,966	1,375,966	1,375,966	1,375,966
Accrued expenses - related companies	6.2	4,060,503	4,037,604	4,018,316	3,501,026
- other companies		34,058,522	39,949,425	33,644,623	39,131,689
Other current liabilities		2,003,762	2,412,106	1,868,703	2,372,857
TOTAL CURRENT LIABILITIES		71,706,252	87,859,947	71,115,107	86,466,384
NON - CURRENT LIABILITIES					
Employee benefit obligations	16	23,828,319	-	22,540,162	-
TOTAL LIABILITIES		95,534,571	87,859,947	93,655,269	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		742,378,270	783,709,305	734,457,390	771,459,984
TOTAL EQUITY		1,229,638,995	1,270,970,030	1,221,718,115	1,258,720,709
TOTAL LIABILITIES AND EQUITY		1,325,173,566	1,358,829,977	1,315,373,384	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 MARCH 31, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Revenues from sales	264,021,021	318,766,566	261,627,416	314,517,813
Cost of sales	<u>(233,835,418)</u>	<u>(239,052,925)</u>	<u>(233,835,418)</u>	<u>(238,534,650)</u>
Gross profit	30,185,603	79,713,641	27,791,998	75,983,163
Gain on exchange rate	1,822,647	4,348,767	1,822,647	3,996,876
Other income	<u>2,981,154</u>	<u>1,996,635</u>	<u>3,082,356</u>	<u>1,609,139</u>
Profit before expenses	<u>34,989,404</u>	<u>86,059,043</u>	<u>32,697,001</u>	<u>81,589,178</u>
Selling expenses	<u>(26,436,354)</u>	<u>(29,063,747)</u>	<u>(22,883,816)</u>	<u>(24,915,661)</u>
Administrative expenses	<u>(19,294,514)</u>	<u>(14,166,942)</u>	<u>(18,084,879)</u>	<u>(13,272,640)</u>
Managements' remuneration	<u>(7,494,557)</u>	<u>(9,258,396)</u>	<u>(6,906,107)</u>	<u>(8,628,321)</u>
Total expenses	<u>(53,225,425)</u>	<u>(52,489,085)</u>	<u>(47,874,802)</u>	<u>(46,816,622)</u>
Profit (loss) for the period	<u>(18,236,021)</u>	<u>33,569,958</u>	<u>(15,177,801)</u>	<u>34,772,556</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(18,236,021)</u>	<u>33,569,958</u>	<u>(15,177,801)</u>	<u>34,772,556</u>
Profit (loss) attributable to:				
Equity holders of the parent	(18,236,021)	33,569,958	(15,177,801)	34,772,556
Non - controlling interests	-	-	-	-
Total comprehensive income for the period	<u>(18,236,021)</u>	<u>33,569,958</u>	<u>(15,177,801)</u>	<u>34,772,556</u>
BASIC EARNINGS (LOSS) PER SHARE				
Net profit (loss) attributable to equity holders of the parent	<u>(0.05)</u>	<u>0.09</u>	<u>(0.04)</u>	<u>0.09</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 THREE - MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

	In Baht					Total Changes in equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other comprehensive income	
			Appropriated for legal reserve	Unappropriated		
Note	share capital	capital	for legal reserve	Unappropriated	income	
BALANCE as at January 1, 2010	381,145,725	68,000,000	38,115,000	720,806,463	-	1,208,067,188
Total comprehensive income for the period	-	-	-	33,569,958	-	33,569,958
BALANCE as at March 31, 2010	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>754,376,421</u>	-	<u>1,241,637,146</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
Total comprehensive income for the period	-	-	-	(18,236,021)	-	(18,236,021)
BALANCE as at March 31, 2011	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>742,378,270</u>	-	<u>1,229,638,995</u>

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(Unaudited)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

	In Baht					Total Changes in equity
	Issued and paid - up share capital	Premium on share capital	Retained earnings		Other comprehensive income	
<u>Note</u>			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
Total comprehensive income for the period	-	-	-	34,772,556	-	34,772,556
BALANCE as at March 31, 2010	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>741,793,922</u>	-	<u>1,229,054,647</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	5	-	-	(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
Total comprehensive income for the period	-	-	-	(15,177,801)	-	(15,177,801)
BALANCE as at March 31, 2011	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>734,457,390</u>	-	<u>1,221,718,115</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 THREE - MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	(18,236,021)	33,569,958	(15,177,801)	34,772,556
Adjustments to reconcile profit (loss) to net cash used in operating activities				
Unrealized loss on exchange rate	142,234	290,199	139,608	151,753
Doubtful accounts	39,975	33,353	39,975	33,353
Loss on diminution of inventories	384,219	646,421	384,219	646,421
Loss (gain) on disposal of equipment and written off	20	(576,480)	20	(62,462)
Depreciation	15,196,719	16,783,455	15,105,514	16,712,166
Amortization of computer software	-	87,971	-	87,971
Provisions for employee benefit obligations	733,305	-	715,369	-
Profit (loss) from operating activities before change in operational assets and liabilities	(1,739,549)	50,834,877	1,206,904	52,341,758
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(1,138,159)	(5,854,805)	(3,961,647)	(13,596,469)
Trade accounts receivable - other companies	(40,636,751)	(58,059,911)	(36,146,743)	(49,480,496)
Inventories	(148,283,893)	(54,782,744)	(146,519,353)	(51,681,758)
Accounts receivable - planters	30,730,396	22,308,414	30,730,396	22,308,414
Value added tax receivable	(355,945)	(614,130)	(364,020)	(580,157)
Other current assets	(331,657)	(1,955,472)	(322,720)	(1,955,214)
Other non - current assets	(446,110)	(350,291)	(446,613)	(350,577)
Increase (Decrease) in operational liabilities				
Trade accounts payable	(7,827,537)	(21,648,645)	(7,827,537)	(21,648,645)
Accrued expenses - related companies	20,304	901,546	514,695	1,242,122
Accrued expenses - other companies	(5,890,374)	(6,919,199)	(5,486,537)	(6,284,631)
Other current liabilities	(408,344)	1,972,991	(504,154)	1,631,327
Cash paid from operation	(176,307,619)	(74,167,369)	(169,127,329)	(68,054,326)
Income tax paid	(25,446)	(16,535)	(24,943)	(16,249)
Net cash used in operating activities	(176,333,065)	(74,183,904)	(169,152,272)	(68,070,575)

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 THREE - MONTH PERIODS ENDED MARCH 31, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short - term investments	89,963,080	49,982,013	90,000,000	50,000,000
Increase in fixed deposits pledged as collateral	(22,601)	-	-	-
Proceeds from disposal of equipment	-	576,531	-	62,512
Cash paid for acquisition of plant and equipment (Supplement of cash flows information)	(7,722,077)	(20,409,161)	(7,722,077)	(18,630,161)
Net cash provided by investing activities	82,218,402	30,149,383	82,277,923	31,432,351
NET DECREASE IN CASH AND CASH EQUIVALENTS	(94,114,663)	(44,034,521)	(86,874,349)	(36,638,224)
Cash and cash equivalents, beginning of period	180,543,896	267,997,777	159,538,653	242,470,505
CASH AND CASH EQUIVALENTS, END OF PERIOD	86,429,233	223,963,256	72,664,304	205,832,281
<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	(5,672,267)	(20,010,585)	(5,672,267)	(18,231,585)
Decrease in payable from acquisition of assets	(2,049,810)	(398,576)	(2,049,810)	(398,576)
Cash paid for acquisition of plant and equipment	(7,722,077)	(20,409,161)	(7,722,077)	(18,630,161)

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