

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

INTERIM FINANCIAL STATEMENTS

AND REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FOR THE THREE - MONTH AND SIX - MONTH PERIODS
ENDED JUNE 30, 2011 AND 2010

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2011 AND DECEMBER 31, 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30, 2011	December 31, 2010	June 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		272,127,545	180,543,896	250,156,853	159,538,653
Short - term investments	7	5,600,000	305,563,080	-	300,000,000
Trade accounts receivable - related companies	6.2,8	17,175,918	8,393,339	36,890,333	21,678,626
- other companies - net	8	76,003,422	44,525,784	65,432,353	36,831,724
Inventories - net	9	387,963,620	309,958,460	385,398,125	309,958,460
Other current assets					
Accounts receivable - planters - net	10	10,659,213	36,184,230	10,659,213	36,184,230
Value added tax receivable		2,159,763	1,633,661	2,134,955	1,611,619
Others		5,424,864	1,822,277	5,391,480	1,808,861
Total other current assets		18,243,840	39,640,168	18,185,648	39,604,710
TOTAL CURRENT ASSETS		777,114,345	888,624,727	756,063,312	867,612,173
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	11	14,552,015	14,491,685	-	-
Investments in subsidiary	12	-	-	23,353,658	23,353,658
Property, plant and equipment - net	13	409,229,055	426,340,446	407,899,548	424,849,043
Non operating assets - net	14	17,073,400	23,369,146	17,073,400	23,369,146
Computer software - net		2,976,673	2,798,886	2,976,673	2,798,886
Other non - current assets		4,157,248	3,205,087	4,156,348	3,204,187
TOTAL NON - CURRENT ASSETS		447,988,391	470,205,250	455,459,627	477,574,920
TOTAL ASSETS		1,225,102,736	1,358,829,977	1,211,522,939	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 JUNE 30, 2011 AND DECEMBER 31, 2010

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
<u>LIABILITIES AND EQUITY</u>	Notes	(Unaudited)	(Audited)	(Unaudited)	(Audited)
CURRENT LIABILITIES					
Trade accounts payable		43,554,092	37,844,294	43,554,092	37,844,294
Payable from acquisition of assets		373,361	2,240,552	373,361	2,240,552
Accrued income tax		-	1,375,966	-	1,375,966
Accrued expenses - related companies	6.2	3,158,217	4,037,604	2,869,147	3,501,026
- other companies		31,528,971	39,949,425	30,865,010	39,131,689
Other current liabilities		1,758,335	2,412,106	1,609,131	2,372,857
TOTAL CURRENT LIABILITIES		80,372,976	87,859,947	79,270,741	86,466,384
NON - CURRENT LIABILITIES					
Employee benefit obligations	16	24,668,201	-	23,362,107	-
TOTAL LIABILITIES		105,041,177	87,859,947	102,632,848	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		632,800,834	783,709,305	621,629,366	771,459,984
TOTAL EQUITY		1,120,061,559	1,270,970,030	1,108,890,091	1,258,720,709
TOTAL LIABILITIES AND EQUITY		1,225,102,736	1,358,829,977	1,211,522,939	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 JUNE 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Revenues from sales	359,954,301	426,876,073	351,643,170	421,568,430
Cost of sales	<u>(291,969,530)</u>	<u>(291,324,834)</u>	<u>(291,451,530)</u>	<u>(291,324,834)</u>
Gross profit	67,984,771	135,551,239	60,191,640	130,243,596
Gain on exchange rate	7,315,081	4,708,096	6,439,590	3,858,339
Other income	<u>2,970,422</u>	<u>2,766,153</u>	<u>3,006,138</u>	<u>2,874,733</u>
Profit before expenses	<u>78,270,274</u>	<u>143,025,488</u>	<u>69,637,368</u>	<u>136,976,668</u>
Selling expenses	<u>(34,441,699)</u>	<u>(37,189,352)</u>	<u>(29,949,525)</u>	<u>(33,149,244)</u>
Administrative expenses	<u>(12,102,689)</u>	<u>(11,950,906)</u>	<u>(11,800,995)</u>	<u>(11,450,410)</u>
Managements' remuneration	<u>(7,879,258)</u>	<u>(9,185,065)</u>	<u>(7,290,808)</u>	<u>(8,554,990)</u>
Total expenses	<u>(54,423,646)</u>	<u>(58,325,323)</u>	<u>(49,041,328)</u>	<u>(53,154,644)</u>
Profit before income tax	23,846,628	84,700,165	20,596,040	83,822,024
Income tax	<u>(24,810)</u>	-	<u>(24,810)</u>	-
Profit for the period	<u>23,821,818</u>	<u>84,700,165</u>	<u>20,571,230</u>	<u>83,822,024</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>23,821,818</u>	<u>84,700,165</u>	<u>20,571,230</u>	<u>83,822,024</u>
Profit attributable to:				
Equity holders of the parent	23,821,818	84,700,165	20,571,230	83,822,024
Non - controlling interests	-	-	-	-
Profit for the period	<u>23,821,818</u>	<u>84,700,165</u>	<u>20,571,230</u>	<u>83,822,024</u>
BASIC EARNINGS PER SHARE				
Net profit attributable to equity holders of the parent	<u>0.06</u>	<u>0.22</u>	<u>0.05</u>	<u>0.22</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 SIX - MONTH PERIODS ENDED JUNE 30, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Revenues from sales	623,975,322	745,642,639	613,270,586	736,086,243
Cost of sales	<u>(525,804,948)</u>	<u>(530,377,759)</u>	<u>(525,286,948)</u>	<u>(529,859,484)</u>
Gross profit	98,170,374	215,264,880	87,983,638	206,226,759
Gain on exchange rate	9,137,728	9,056,863	8,262,237	7,855,215
Other income	<u>5,951,576</u>	<u>4,762,788</u>	<u>6,088,494</u>	<u>4,483,872</u>
Profit before expenses	<u>113,259,678</u>	<u>229,084,531</u>	<u>102,334,369</u>	<u>218,565,846</u>
Selling expenses	(60,878,053)	(66,253,099)	(52,833,341)	(58,064,905)
Administrative expenses	(31,397,203)	(26,117,848)	(29,885,874)	(24,723,050)
Managements' remuneration	<u>(15,373,815)</u>	<u>(18,443,461)</u>	<u>(14,196,915)</u>	<u>(17,183,311)</u>
Total expenses	<u>(107,649,071)</u>	<u>(110,814,408)</u>	<u>(96,916,130)</u>	<u>(99,971,266)</u>
Profit before income tax	5,610,607	118,270,123	5,418,239	118,594,580
Income tax	(24,810)	-	(24,810)	-
Profit for the period	<u>5,585,797</u>	<u>118,270,123</u>	<u>5,393,429</u>	<u>118,594,580</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>5,585,797</u>	<u>118,270,123</u>	<u>5,393,429</u>	<u>118,594,580</u>
Profit attributable to:				
Equity holders of the parent	5,585,797	118,270,123	5,393,429	118,594,580
Non - controlling interests	-	-	-	-
Profit for the period	<u>5,585,797</u>	<u>118,270,123</u>	<u>5,393,429</u>	<u>118,594,580</u>
BASIC EARNINGS PER SHARE				
Net profit attributable to equity holders of the parent	<u>0.01</u>	<u>0.31</u>	<u>0.01</u>	<u>0.31</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 SIX - MONTH PERIODS ENDED JUNE 30, 2011 AND 2010

		In Baht					
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings Appropriated for legal reserve	Unappropriated	Other comprehensive income for the period	Total Changes in equity
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		-	-	-	118,270,123	-	118,270,123
BALANCE as at June 30, 2010		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>743,791,530</u>	<u>-</u>	<u>1,231,052,255</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		-	-	-	5,585,797	-	5,585,797
BALANCE as at June 30, 2011		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>632,800,834</u>	<u>-</u>	<u>1,120,061,559</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 SIX - MONTH PERIODS ENDED JUNE 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	-	-	-	118,594,580	-	118,594,580
BALANCE as at June 30, 2010	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>730,330,890</u>	<u>-</u>	<u>1,217,591,615</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	-	-	-	5,393,429	-	5,393,429
BALANCE as at June 30, 2011	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>621,629,366</u>	<u>-</u>	<u>1,108,890,091</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, 2011 AND 2010

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	5,610,607	118,270,123	5,418,239	118,594,580
Adjustments to reconcile net profit to net cash provided by (used in) provided by operating activities				
Unrealized gain on exchange rate	(437,293)	(251,043)	(408,735)	(207,470)
Doubtful accounts (reversal)	279,340	(6,647)	279,340	(6,647)
Loss on diminution of inventories	137,876	107,127	137,876	107,127
Loss (gain) on disposal of equipment and written off	2,544	(1,145,475)	2,544	(631,457)
Depreciation	34,889,812	40,198,362	34,706,251	40,031,526
Amortization of computer software	-	182,260	-	182,260
Provisions for employee benefit obligations	1,573,187	-	1,537,314	-
Profit from operating activities before change in operational assets and liabilities	42,056,073	157,354,707	41,672,829	158,069,919
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(8,729,622)	(15,999,417)	(15,162,008)	(27,057,738)
Trade accounts receivable - other companies	(31,059,215)	(51,926,332)	(28,211,152)	(46,595,773)
Inventories	(78,143,036)	28,186,555	(75,577,541)	30,865,929
Accounts receivable - planters	25,245,677	5,531,206	25,245,677	5,531,206
Value added tax receivable	(526,102)	(857,071)	(523,336)	(846,273)
Other current assets	(3,602,587)	(3,876,233)	(3,582,619)	(3,875,544)
Other non - current assets	(905,767)	(833,984)	(907,437)	(834,736)
Increase (Decrease) in operational liabilities				
Trade accounts payable	5,709,798	2,004,767	5,709,798	2,004,767
Accrued expenses - related companies	(912,476)	83,144	(661,322)	198,985
Accrued expenses - other companies	(8,647,234)	(10,379,766)	(8,493,459)	(10,207,051)
Other current liabilities	(653,771)	1,632,740	(763,726)	1,620,650
Cash recived (paid) from operation	(60,168,262)	110,920,316	(61,254,296)	108,874,341
Income tax paid	(1,447,170)	(782,486)	(1,445,500)	(32,083)
Net cash provided by (used in) operating activities	(61,615,432)	110,137,830	(62,699,796)	108,842,258

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, 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	299,963,080	50,000,000	300,000,000	50,000,000
Increase in fixed deposits pledged as collateral	(60,330)	(35,409)	-	-
Cash receipts from loan to related company	-	24,500,000	-	24,500,000
Proceeds from disposal of equipment	-	1,150,017	-	635,998
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(13,352,410)	(27,496,461)	(13,330,745)	(25,717,460)
Cash paid for acquisition of computer software	(177,787)	-	(177,787)	-
Net cash provided by investing activities	<u>286,372,553</u>	<u>48,118,147</u>	<u>286,491,468</u>	<u>49,418,538</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for dividends (Supplement of cash flows information 2)	(133,173,472)	(80,140,154)	(133,173,472)	(80,140,154)
Net cash used in financing activities	<u>(133,173,472)</u>	<u>(80,140,154)</u>	<u>(133,173,472)</u>	<u>(80,140,154)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	91,583,649	78,115,823	90,618,200	78,120,642
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>272,127,545</u></u>	<u><u>346,113,600</u></u>	<u><u>250,156,853</u></u>	<u><u>320,591,147</u></u>
<u>Supplement disclosures of cash flows information</u>				
<u>1. 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	(11,485,219)	(33,077,116)	(11,463,554)	(31,298,115)
Increase (Decrease) in payable from acquisition of assets	<u>(1,867,191)</u>	<u>5,580,655</u>	<u>(1,867,191)</u>	<u>5,580,655</u>
Cash paid for acquisition of plant and equipment	<u><u>(13,352,410)</u></u>	<u><u>(27,496,461)</u></u>	<u><u>(13,330,745)</u></u>	<u><u>(25,717,460)</u></u>
<u>2. Cash paid for dividends</u>				
Dividends paid	(133,399,254)	(95,285,056)	(133,399,254)	(95,285,056)
Increase in accrued dividends	<u>225,782</u>	<u>15,144,902</u>	<u>225,782</u>	<u>15,144,902</u>
Cash paid for dividends	<u><u>(133,173,472)</u></u>	<u><u>(80,140,154)</u></u>	<u><u>(133,173,472)</u></u>	<u><u>(80,140,154)</u></u>

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