

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, 2010 AND 2009

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

BALANCE SHEETS

AS AT JUNE 30, 2010 AND DECEMBER 31, 2009

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30, 2010	December 31, 2009	June 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	346,113,600	267,997,777	320,591,147	242,470,505
Short - term investments	7	-	50,000,000	-	50,000,000
Trade accounts receivable - related companies	5.2,8	24,118,921	8,047,337	42,744,341	15,625,755
- other companies - net	8	88,320,425	36,213,991	75,953,104	29,209,790
Loan to related company	5.2	-	24,500,000	-	24,500,000
Inventories - net	9	373,309,356	401,603,038	370,629,982	401,603,038
Other current assets					
Accounts receivable - planters - net	10	21,147,150	26,671,709	21,147,150	26,671,709
Value added tax receivable		2,495,897	1,638,826	2,470,455	1,624,182
Prepaid expenses		4,315,013	538,050	4,315,013	538,050
Others		766,421	667,151	749,500	650,919
Total other current assets		28,724,481	29,515,736	28,682,118	29,484,860
TOTAL CURRENT ASSETS		860,586,783	817,877,879	838,600,692	792,893,948
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	11	14,451,989	14,416,580	-	-
Investments in subsidiary	12	-	-	23,353,658	23,353,658
Property, plant and equipment - net	13	441,785,036	448,455,591	440,104,226	448,386,945
Non operating assets - net	14	20,620,925	21,076,158	20,620,925	21,076,158
Computer software - net	15	-	182,260	-	182,260
Other non - current assets		4,340,033	3,473,214	4,339,133	3,472,314
TOTAL NON - CURRENT ASSETS		481,197,983	487,603,803	488,417,942	496,471,335
TOTAL ASSETS		1,341,784,766	1,305,481,682	1,327,018,634	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 JUNE 30, 2010 AND DECEMBER 31, 2009

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30, 2010	December 31, 2009	June 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		49,928,625	47,923,858	49,928,625	47,923,858
Accrued income tax		-	749,651	-	-
Accrued expenses - related companies	5.2	3,734,856	3,650,486	3,321,963	3,122,059
- other companies		47,806,775	43,041,639	46,954,426	42,016,575
Payable from acquisition of assets		6,298,653	717,998	6,298,653	717,998
Other current liabilities		<u>2,963,602</u>	<u>1,330,862</u>	<u>2,923,352</u>	<u>1,302,702</u>
TOTAL CURRENT LIABILITIES		<u>110,732,511</u>	<u>97,414,494</u>	<u>109,427,019</u>	<u>95,083,192</u>
SHAREHOLDERS' EQUITY					
Share capital - Baht 1 par value					
Authorized shares					
381,146,251 common shares		<u>381,146,251</u>	<u>381,146,251</u>	<u>381,146,251</u>	<u>381,146,251</u>
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		<u>743,791,530</u>	<u>720,806,463</u>	<u>730,330,890</u>	<u>707,021,366</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,231,052,255</u>	<u>1,208,067,188</u>	<u>1,217,591,615</u>	<u>1,194,282,091</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,341,784,766</u>	<u>1,305,481,682</u>	<u>1,327,018,634</u>	<u>1,289,365,283</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
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

	Note	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
REVENUES					
Sales		426,876,073	427,485,169	421,568,430	420,480,540
Gain on exchange rate		4,708,096	935,099	3,858,339	602,687
Interest income		669,051	903,976	622,533	827,678
Other income		2,097,102	1,432,396	2,252,200	1,587,496
Total revenues		<u>434,350,322</u>	<u>430,756,640</u>	<u>428,301,502</u>	<u>423,498,401</u>
EXPENSES					
Cost of sales		291,324,834	259,930,521	291,324,834	259,403,271
Selling expenses		37,189,352	34,950,510	33,149,244	31,514,403
Administrative expenses		11,950,906	12,321,063	11,450,410	11,760,846
Managements' remuneration		9,185,065	10,249,255	8,554,990	9,619,180
Total expenses		<u>349,650,157</u>	<u>317,451,349</u>	<u>344,479,478</u>	<u>312,297,700</u>
Profit before income tax		84,700,165	113,305,291	83,822,024	111,200,701
Income tax		-	(632,237)	-	-
NET PROFIT		<u>84,700,165</u>	<u>112,673,054</u>	<u>83,822,024</u>	<u>111,200,701</u>
Net profit attributable to:					
Equity holders of the parent		84,700,165	112,673,054	83,822,024	111,200,701
Minority interest of the subsidiary		-	-	-	-
		<u>84,700,165</u>	<u>112,673,054</u>	<u>83,822,024</u>	<u>111,200,701</u>
BASIC EARNINGS PER SHARE					
	20				
NET PROFIT		<u>0.22</u>	<u>0.30</u>	<u>0.22</u>	<u>0.29</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**STATEMENTS OF INCOME****FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009**

	Note	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
REVENUES					
Sales		745,642,639	735,124,922	736,086,243	720,472,022
Gain on exchange rate		9,056,863	-	7,855,215	-
Interest income		1,299,719	2,166,249	1,224,622	1,992,945
Other income		3,463,069	3,444,337	3,259,250	3,754,537
Total revenues		<u>759,462,290</u>	<u>740,735,508</u>	<u>748,425,330</u>	<u>726,219,504</u>
EXPENSES					
Cost of sales		530,377,759	467,127,393	529,859,484	466,600,143
Selling expenses		66,253,099	64,547,332	58,064,905	56,715,084
Administrative expenses		26,117,848	24,035,061	24,723,050	22,685,318
Loss on exchange rate		-	2,082,836	-	2,088,654
Managements' remuneration		18,443,461	18,316,916	17,183,311	17,056,766
Total expenses		<u>641,192,167</u>	<u>576,109,538</u>	<u>629,830,750</u>	<u>565,145,965</u>
Profit before income tax		118,270,123	164,625,970	118,594,580	161,073,539
Income tax		-	(1,180,142)	-	-
NET PROFIT		<u>118,270,123</u>	<u>163,445,828</u>	<u>118,594,580</u>	<u>161,073,539</u>
Net profit attributable to:					
Equity holders of the parent		118,270,123	163,445,828	118,594,580	161,073,539
Minority interest of the subsidiary		-	-	-	-
		<u>118,270,123</u>	<u>163,445,828</u>	<u>118,594,580</u>	<u>161,073,539</u>
BASIC EARNINGS PER SHARE					
	20				
NET PROFIT		<u>0.31</u>	<u>0.43</u>	<u>0.31</u>	<u>0.42</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 SIX-MONTH PERIODS ENDED JUNE 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	-	-	-	(103,947,503)	(103,947,503)
Net profit		-	-	-	163,445,828	163,445,828
Balance as at June 30, 2009		<u>381,145,725</u>	<u>68,000,000</u>	<u>34,650,000</u>	<u>771,835,252</u>	<u>1,255,630,977</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		-	-	-	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>1,231,052,255</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 SIX-MONTH PERIODS ENDED JUNE 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	-	-	-	(103,947,503)	(103,947,503)
Net profit		-	-	-	161,073,539	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>	<u>1,243,586,842</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		-	-	-	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>1,217,591,615</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, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	118,270,123	164,625,970	118,594,580	161,073,539
Adjustments to reconcile net profit to net cash provided by operating activities				
Unrealized loss (gain) on exchange rate	(251,043)	299,822	(207,470)	257,975
Reversal of doubtful accounts	(6,647)	(6,698)	(6,647)	(6,698)
Loss on diminution of inventories (reversal)	107,127	(304,402)	107,127	(304,402)
Gain on disposal of equipment	(1,145,475)	(55,659)	(631,457)	(55,659)
Depreciation	40,198,362	37,866,056	40,031,526	37,760,374
Amortization of computer software	182,260	180,412	182,260	180,412
Profit from operating activities before change in operational assets and liabilities	157,354,707	202,605,501	158,069,919	198,905,541
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(15,999,417)	(3,879)	(27,057,738)	530,110
Trade accounts receivable - other companies	(51,926,332)	(39,679,817)	(46,595,773)	(32,767,846)
Inventories	28,186,555	(5,094,767)	30,865,929	(5,094,767)
Accounts receivable - planters	5,531,206	(2,374,463)	5,531,206	(2,374,463)
Value added tax receivable	(857,071)	(812,598)	(846,273)	(973,099)
Prepaid expenses	(3,776,963)	(2,645,346)	(3,776,963)	(2,645,346)
Other current assets	(99,270)	3,185,100	(98,581)	3,139,780
Other non - current assets	(833,984)	(1,397,777)	(834,736)	(1,397,777)
Increase (Decrease) in operational liabilities				
Trade accounts payable	2,004,767	24,840,981	2,004,767	24,840,981
Accrued expenses - related companies	83,144	182,304	198,985	294,810
Accrued expenses - other companies	(10,379,766)	(4,973,125)	(10,207,051)	(4,854,809)
Other current liabilities	1,632,740	385,372	1,620,650	383,733
Cash received from operation	110,920,316	174,217,486	108,874,341	177,986,848
Income tax paid	(782,486)	(826,489)	(32,083)	(40,321)
Net cash provided by operating activities	<u>110,137,830</u>	<u>173,390,997</u>	<u>108,842,258</u>	<u>177,946,527</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 (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short - term investments	50,000,000	140,000,000	50,000,000	140,000,000
Increase in fixed deposits pledged as collateral	(35,409)	(132,076)	-	-
Cash receipts from loan to related company	24,500,000	-	24,500,000	-
Proceeds from disposal of equipment	1,150,017	61,097	635,998	61,097
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	<u>(27,496,461)</u>	<u>(14,818,383)</u>	<u>(25,717,460)</u>	<u>(14,813,065)</u>
Net cash provided by investing activities	<u>48,118,147</u>	<u>125,110,638</u>	<u>49,418,538</u>	<u>125,248,032</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for dividends (Supplement of cash flows information 2)	<u>(80,140,154)</u>	<u>(103,947,503)</u>	<u>(80,140,154)</u>	<u>(103,947,503)</u>
Net cash used in financing activities	<u>(80,140,154)</u>	<u>(103,947,503)</u>	<u>(80,140,154)</u>	<u>(103,947,503)</u>
Net increase in cash and cash equivalents	78,115,823	194,554,132	78,120,642	199,247,056
Cash and cash equivalents, beginning of period	<u>267,997,777</u>	<u>114,643,090</u>	<u>242,470,505</u>	<u>90,489,605</u>
Cash and cash equivalents, end of period	<u><u>346,113,600</u></u>	<u><u>309,197,222</u></u>	<u><u>320,591,147</u></u>	<u><u>289,736,661</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	(33,077,116)	(13,884,000)	(31,298,115)	(13,878,682)
Increase (Decrease) in payable from acquisition of assets	<u>5,580,655</u>	<u>(934,383)</u>	<u>5,580,655</u>	<u>(934,383)</u>
Cash paid for acquisition of plant and equipment	<u>(27,496,461)</u>	<u>(14,818,383)</u>	<u>(25,717,460)</u>	<u>(14,813,065)</u>
<u>2. Cash paid for dividends</u>				
Dividends paid	(95,285,056)	(103,947,503)	(95,285,056)	(103,947,503)
Increase in accrued dividends	<u>15,144,902</u>	<u>267,280</u>	<u>15,144,902</u>	<u>267,280</u>
Cash paid for dividends	<u>(80,140,154)</u>	<u>(103,680,223)</u>	<u>(80,140,154)</u>	<u>(103,680,223)</u>

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