

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010 (UNAUDITED) AND DECEMBER 31, 2010 (AUDITED)

1. GENERAL INFORMATION

Chiangmai Frozen Foods Public Company Limited was a public company limited and was listed on the Stock Exchange of Thailand in 1993. The Company and subsidiary are engaged in business of manufacturing and exporting of frozen fruits and vegetable and transmuted sweet corn distribution. The address of its registered office are as follows :

Head Office is located at 149/34 floor 3rd – 4th Soi Anglo Plaza, Surawongse road, Surawongse, Bangrak, Bangkok.

Branch Office 1 is located at 92 Moo.3, Chiangmai – Phrao road, Tumbol Nongjom, Amphur Sansai, Chiangmai.

Branch Office 2 is located at 299 Moo.14, Chiangmai – Phrao road, Tumbol Maefak mai, Amphur Sansai, Chiangmai.

2. BASIS FOR INTERIM FINANCIAL STATEMENTS AND INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARATION

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 (revised 2009) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions; applicable rules and regulations of the Thai Securities and Exchange Commission; and with generally accepted accounting principles in Thailand.

The interim consolidated financial statements and interim separate financial statements are prepared as additional information to financial statements for the year ended December 31, 2010 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, 2010.

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

“The Company” represents “Chiangmai Frozen Foods Public Company Limited,” while “The Group” represents “Chiangmai Frozen Foods Public Company Limited” and its subsidiaries which is “Agrifood Processing Company Limited”.

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

3. ADOPTION OF NEW ACCOUNTING STANDARDS

During 2010, the FAP issued the following new and revised Thai Financial Reporting Standards (TFRS) relevant to the Group’s operations and effective for accounting periods beginning on or after January 1, 2011:

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 16 (Revised 2009)	Property, Plant and Equipment

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TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 4. Except for these changes, accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2010.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after January 1, 2013 and have not been adopted in the preparation of these interim financial statements.

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Management is presently considering the potential impact of adopting and initially applying these new and revised TFRS on the financial statements.

4. CHANGES IN ACCOUNTING POLICIES

From January 1, 2011, consequent to the adoption of new and revised TFRS as set out in note 3, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for property, plant and equipment
- Accounting for employee benefits

Presentation of financial statements

From January 1, 2011, The Group has applied TAS 1 (revised 2009) Presentation of Financial Statements. Under the revised TAS, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

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As a result, the Group separately presents other comprehensive income from the statement of changes in equity and presents those transactions in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in shareholder's equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

Accounting for property, plant and equipment

The Group has applied TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that

(a) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation

(b) the depreciation charge has to be determined separately for each significant part of an asset; and

(c) in determining the depreciable amount, the residual value of an item of assets has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised TAS, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively.

Accounting for employee benefits

The Group has applied TAS 19 Employee Benefits.

Under the new policy, the Group's obligation in respect of post-employment benefits under defined benefit plans and other long - term employee benefits recognised in the financial statements based on calculations by a qualified actuary using the projected unit credit method. Previously, this obligation was recognised as occurred.

The Group has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provisions of TAS 19 as disclosed in note 5.

5. EFFECT OF FIRST TIME ADOPTION OF THAI FINANCIAL REPORTING STANDARDS

	In Baht	
	Consolidated financial statements	Separate financial statements
Statement of financial position		
Retained earnings at December 31, 2010 - as reported	783,709,305	771,459,984
Increase in employee benefit obligations	(23,095,014)	(21,824,793)
Retained earnings at January 1, 2011	760,614,291	749,635,191

Statement of comprehensive income for the three-month and six-month periods ended June 30, 2011

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	In Baht			
	For the three-month period		For the six-month period	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Increase in employee expenses resulting in:				
Increase in cost	676,656	676,656	1,261,092	1,261,092
Increase in selling expenses	30,846	26,037	61,693	52,074
Increase in administrative expenses	132,380	119,252	250,402	224,148
Decrease in profit	839,882	821,945	1,573,187	1,537,314
Decrease in earnings per share:				
Basic earnings per share (in Baht)	0.002	0.002	0.004	0.004

6. TRANSACTIONS WITH RELATED COMPANIES

6.1 Relationships and pricing policies

The relationship and pricing policies among the Company, Subsidiary and related companies are as follows:

	Relationship
<u>Subsidiary :</u>	
Agrifood Processing Co., Ltd.	Shareholding and Directorship
<u>Related companies :</u>	
C&W Interfoods Co.,Ltd.	Common directors
Itochu Corporation Co., Ltd.	Shareholder
P.P. Foods Supply Co., Ltd.	Common shareholder
Ing Shiang Co., Ltd.	Common shareholder
Agri World Co.,Ltd.	Common Shareholders and directors
C.T.Prosper Group Co.,Ltd.	Common Shareholders and directors
	<u>Pricing policy</u>
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

6.2 Balances of transactions with subsidiary and related companies

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Balances of transactions among the Company, Subsidiary and related companies as at June 30, 2011 and December 31, 2010 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Trade accounts receivable				
Agrifood Processing Co., Ltd.	-	-	22,821,659	15,976,965
Itochu Corporation Co., Ltd.	14,059,613	4,531,292	11,137,369	1,839,614
P. P. Foods Supply Co., Ltd.	1,286,060	1,449,210	1,101,060	1,449,210
Ing shiang Co., Ltd.	1,830,245	2,412,837	1,830,245	2,412,837
Total	<u>17,175,918</u>	<u>8,393,339</u>	<u>36,890,333</u>	<u>21,678,626</u>
Accrued expenses				
Itochu Corporation Co., Ltd.	1,430,771	1,072,486	1,141,701	535,908
P. P. Foods Supply Co., Ltd.	542,931	287,839	542,931	287,839
Ing shiang Co., Ltd.	1,184,515	2,677,279	1,184,515	2,677,279
Total	<u>3,158,217</u>	<u>4,037,604</u>	<u>2,869,147</u>	<u>3,501,026</u>
Deposit				
Agrifood Processing Co., Ltd.	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>

6.3 Revenue and expenses among the Company, subsidiary and related companies

Revenue and expenses between the Company, subsidiary and related companies for the three-month period ended June 30, 2011 and 2010 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Revenues from sales				
Agrifood Processing Co., Ltd.	-	-	59,643,216	53,040,830
Itochu Corporation Co., Ltd.	53,136,087	70,930,870	41,596,400	59,693,708
P.P. Foods Supply Co., Ltd.	2,338,426	2,352,789	1,820,426	1,015,789
Ing shiang Co., Ltd.	1,798,835	1,621,394	1,798,835	1,621,394
Total	<u>57,273,348</u>	<u>74,905,053</u>	<u>104,858,877</u>	<u>115,371,721</u>
Interest revenue				
C&W Interfoods Co.,Ltd.	<u>-</u>	<u>176,702</u>	<u>-</u>	<u>176,702</u>
Other income				
Agrifood Processing Co., Ltd.	-	-	162,300	155,100
C.T.Prosper Group Co.,Ltd.	22,500	22,500	22,500	22,500
Total	<u>22,500</u>	<u>22,500</u>	<u>184,800</u>	<u>177,600</u>

In Baht			
Consolidated financial statements		Separate financial statements	

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	2011	2010	2011	2010
Commission expenses				
Itochu Corporation Co., Ltd.	1,115,130	1,428,332	872,164	1,203,596
P.P. Foods Supply Co., Ltd.	182,895	214,733	182,895	214,733
Ing shiang Co., Ltd.	560,471	842,537	560,471	842,537
Total	<u>1,858,496</u>	<u>2,485,602</u>	<u>1,615,530</u>	<u>2,260,866</u>
Service expenses				
Agri World Co.,Ltd.	-	161,453	-	161,453

Revenue and expenses between the Company, subsidiary and related companies for the six-month period ended June 30, 2011 and 2010 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Revenues from sales				
Agrifood Processing Co., Ltd.	-	-	111,304,149	110,106,300
Itochu Corporation Co., Ltd.	85,608,334	116,627,699	60,755,204	89,696,027
P.P. Foods Supply Co., Ltd.	4,788,526	4,962,289	4,048,526	3,625,289
Ing shiang Co., Ltd.	3,160,799	2,658,839	3,160,799	2,658,839
Total	<u>93,557,659</u>	<u>124,248,827</u>	<u>179,268,678</u>	<u>206,086,455</u>
Interest revenue				
C&W Interfoods Co.,Ltd.	-	373,038	-	373,038
Other income				
Agrifood Processing Co., Ltd.	-	-	322,200	310,200
C.T.Prospers Group Co.,Ltd.	45,000	45,000	45,000	45,000
Total	<u>45,000</u>	<u>45,000</u>	<u>367,200</u>	<u>355,200</u>
Commission expenses				
Itochu Corporation Co., Ltd.	1,833,899	2,379,460	1,325,446	1,801,921
P.P. Foods Supply Co., Ltd.	484,233	589,118	484,233	589,118
Ing shiang Co., Ltd.	1,173,665	1,557,831	1,173,665	1,557,831
Total	<u>3,491,797</u>	<u>4,526,409</u>	<u>2,983,344</u>	<u>3,948,870</u>
Service expenses				
Agri World Co.,Ltd.	-	658,217	-	658,217

7. SHORT - TERM INVESTMENTS

As at June 30, 2011, the subsidiary has fixed deposit which are 11 months amounted to Baht 5.6 million (December 31, 2010: Baht 305.6 million, 5-11 months) bear interest at the rate of 2.85% per annum (December 31, 2010: 1.7% - 2.0% per annum).

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8. TRADE ACCOUNTS RECEIVABLE - NET

The aging of outstanding balances as at June 30, 2011 and December 31, 2010 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Accounts receivable - Related Companies				
Not yet due	15,803,234	7,428,607	35,517,649	20,713,894
Over due with 1 month to 3 months	1,372,684	897,188	1,372,684	897,188
Over due with 4 months to 6 months	-	67,544	-	67,544
Total accounts receivable - Related Companies	<u>17,175,918</u>	<u>8,393,339</u>	<u>36,890,333</u>	<u>21,678,626</u>
Trade accounts receivable - Other Companies				
Not yet due	72,619,477	42,246,806	62,048,408	34,552,746
Over due with 1 month to 3 months	3,383,945	2,278,978	3,383,945	2,278,978
Over due 12 months	2,751,014	2,751,014	2,751,014	2,751,014
Total accounts receivable - Other Companies	<u>78,754,436</u>	<u>47,276,798</u>	<u>68,183,367</u>	<u>39,582,738</u>
<u>Less</u> Allowance for doubtful accounts	<u>(2,751,014)</u>	<u>(2,751,014)</u>	<u>(2,751,014)</u>	<u>(2,751,014)</u>
Total accounts receivable - Other Companies - Net	<u>76,003,422</u>	<u>44,525,784</u>	<u>65,432,353</u>	<u>36,831,724</u>

9. INVENTORIES - NET

Consolidated financial statements

	In Baht					
	Cost		Allowance for diminution of inventories		Inventories - net	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Finished goods and semi-finished products	327,830,104	264,095,906	(1,598,374)	(1,445,769)	326,231,730	262,650,137
Raw material and supplies	33,921,215	30,303,046	(195,351)	(138,966)	33,725,864	30,164,080
Seeds, insecticide, fertilizer	28,006,026	17,215,357	-	(71,114)	28,006,026	17,144,243
Total	<u>389,757,345</u>	<u>311,614,309</u>	<u>(1,793,725)</u>	<u>(1,655,849)</u>	<u>387,963,620</u>	<u>309,958,460</u>

Separate financial statements

	In Baht		
	Cost	Allowance for diminution of inventories	Inventories - net

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	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Finished goods and semi - finished products	325,264,609	264,095,906	(1,598,374)	(1,445,769)	323,666,235	262,650,137
Raw material and supplies	33,921,215	30,303,046	(195,351)	(138,966)	33,725,864	30,164,080
Seeds, insecticide fertilizer	28,006,026	17,215,357	-	(71,114)	28,006,026	17,144,243
Total	<u>387,191,850</u>	<u>311,614,309</u>	<u>(1,793,725)</u>	<u>(1,655,849)</u>	<u>385,398,125</u>	<u>309,958,460</u>

10. ACCOUNTS RECEIVABLE - PLANTERS - NET

	In Baht	
	Consolidated and Separate financial statements	
	June 30, 2011	December 31, 2010
Accounts receivable-planters	11,629,364	36,875,041
<u>Less</u> Allowance for doubtful accounts	<u>(970,151)</u>	<u>(690,811)</u>
Net	<u>10,659,213</u>	<u>36,184,230</u>

11. FIXED DEPOSITS PLEDGED AS COLLATERAL

As at June 30, 2011 and December 31, 2010, the subsidiary has fixed deposit amounted to Baht 14.5 million which pledged as collateral against credit line from a local financial institution.

12. INVESTMENTS IN SUBSIDIARY

Separate financial statements

As at June 30, 2011 and December 31, 2010

	Activities	Paid up Capital (In Baht)	% Holdings	At Cost (In Baht)
Agrifood Processing Co.,Ltd.	Transmuted Sweet corn distribution	30,000,000	100.0	<u>23,353,658</u>

13. PROPERTY, PLANT AND EQUIPMENT - NET

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	In Baht	
	Consolidated financial statements	Separate financial statements
Transaction for the six - month period ended June 30, 2011		
Net book value, Beginning of period	426,340,446	424,849,043
Acquisitions	11,485,219	11,463,554
Transfer from non operating asset	5,860,590	5,860,590
Disposal and write off	(2,544)	(2,544)
Depreciation	(34,454,656)	(34,271,095)
Net book value, End of period	<u>409,229,055</u>	<u>407,899,548</u>

Net book value of land and buildings amounted to Baht 129.0 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.

14. NON OPERATING ASSET - NET

	In Baht		
	Consolidated and Separate financial statements		
	Land and land Improvement	Machineries and Equipment	Total
Transaction for the six - month period ended June 30, 2011			
Net book value, Beginning of period	21,240,711	2,128,435	23,369,146
Transfer in property, plant and equipment	(5,860,590)	-	(5,860,590)
Depreciation	-	(435,156)	(435,156)
Net book value, End of period	<u>15,380,121</u>	<u>1,693,279</u>	<u>17,073,400</u>
As at June 30, 2011			
Cost	15,380,121	20,997,561	36,377,682
Accumulative depreciation	-	(15,859,084)	(15,859,084)
Allowance for impairment	-	(3,445,198)	(3,445,198)
Net book value	<u>15,380,121</u>	<u>1,693,279</u>	<u>17,073,400</u>

Non operating land and land Improvement of the Company amounting of Baht 15.4 million was prepared for the plant expansion in the future.

15. BANK OVERDRAFTS AND SHORT - TERM LOANS

As at June 30, 2011 and December 31, 2010 the Company has the overdrafts and short - term loans lines amounted to Baht 450.9 million. 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 buildings of the Company as discussed in Note 13 to interim financial statements.

16. EMPLOYEE BENEFIT OBLIGATIONS

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The Group adopted TAS 19 Employee Benefits with effect from January 1, 2011 and the effect on the financial statements is disclosed in note 5.

The Group operate post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	In Baht	
	Consolidated financial statements	Separate financial statements
For the six - month period ended June 30, 2011		
Defined benefit obligations at January 1,	23,095,014	21,824,793
Current service costs and interest	1,573,187	1,537,314
Defined benefit obligations at June 30, 2011	24,668,201	23,362,107

Expense recognised in profit or loss :

For the three months and six months period ended June 30, 2011

	In Baht			
	For the three-month period		For the six-month period	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Current service costs	701,273	687,224	1,295,968	1,267,872
Interest on obligation	138,609	134,721	277,219	269,442
Total	839,882	821,945	1,573,187	1,537,314

The above expense recognised in profit or loss is recognised in the following line items.

For the three months and six months period ended June 30, 2011

	In Baht			
	For the three-month period		For the six-month period	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Cost	676,656	676,656	1,261,092	1,261,092
Selling expenses	30,846	26,037	61,693	52,074
Administrative expenses	132,380	119,252	250,402	224,148
	839,882	821,945	1,573,187	1,537,314

Principal actuarial assumptions at the reporting date

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Six - month period ended June 30, 2011	
Discount rate	3.56% per annum
Salary increase rate	5%
Employee turnover rate	Scale related to Age ranging from 0 - 37.5%
Mortality rate	According to Thailand TMO97 male and female tables

17. DIVIDENDS PAID

According to the resolution of the ordinary shareholders' meeting for the year 2011 held on April 29, 2011 had the resolution to approve the payment of cash dividends at Baht 0.35 per share to the shareholders of 381,145,725 shares totaling Baht 133.4 million from operational result of year 2010. The Company paid such dividends on May 27, 2011.

According to the resolution of the ordinary shareholders' meeting for the year 2010 held on April 30, 2010 had the resolution to approve the payment of cash dividends at Baht 0.5 per share to the shareholders of 381,145,725 shares totaling Baht 190.6 million from operational result of year 2009. On September 11, 2009, the Company paid interim dividend at Baht 0.25 per share to the shareholders of 381,145,725 shares totaling Baht 95.3 million and the Company had already paid remaining dividend on May 27, 2010 at Baht 0.25 per share of 381,145,725 shares totaling Baht 95.3 million. However, dividends of Baht 1,375 were not paid to certain shareholders due to disqualification.

18. EXPENSES BY NATURE

Significant expenses by nature for three - month periods ended June 30, 2011 and 2010 are as follows :

	In Baht			
	Consolidated		Separate	
	Financial statements		financial statements	
	2011	2010	2011	2010
Changes in finished goods, semi - finished products and raw materials	68,732,252	83,969,603	68,732,252	83,969,603
Purchase finish goods	61,925,756	53,462,443	-	-
Purchase raw materials	80,067,963	68,705,325	80,067,963	68,705,325
Depreciation and Amortization	19,693,093	23,509,196	19,600,737	23,413,649
Staff costs	52,192,127	48,633,855	51,772,395	48,221,070

Significant expenses by nature for six - month periods ended June 30, 2011 and 2010 are as follows :

In Baht

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	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Changes in finished goods, semi - finished products and raw materials	(59,889,466)	40,580,822	(59,889,466)	40,580,822
Purchase finish goods	111,822,149	107,945,201	-	-
Purchase raw materials	306,289,988	215,636,919	306,289,988	215,636,919
Depreciation and Amortization	34,889,812	40,380,622	34,706,251	40,213,786
Staff costs	105,733,883	95,476,399	104,893,283	94,649,719

19. SEGMENT INFORMATION

The Group are engaged in business of manufacturing and exporting of frozen fruits and vegetables, transmuted sweet corn distribution and frozen dough and bakery products 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 three - month periods ended June 30, 2011 and 2010 are as follows:

Consolidated financial statements

	In Thousand Baht					
	Frozen Products		Transmuted Products		Total	
	2011	2010	2011	2010	2011	2010
Sales	359,954	426,101	-	775	359,954	426,876
Cost of sales	(291,970)	(289,823)	-	(1,502)	(291,970)	(291,325)
Gross profit (loss)	67,984	136,278	-	(727)	67,984	135,551
Selling expenses	(34,442)	(37,127)	-	(62)	(34,442)	(37,189)
Profit (loss) from operating	33,542	99,151	-	(789)	33,542	98,362
Gain on exchange rate					7,315	4,708
Other income					2,970	2,766
Central expenses					(19,982)	(21,136)
Income tax					(24)	-
Profit for the period					23,821	84,700

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The details of business segment information for six - month periods ended June 30, 2011 and 2010 are as follows:

	In Thousand Baht					
	Frozen Products		Transmuted Products		Total	
	2011	2010	2011	2010	2011	2010
Sales	622,758	744,288	1,217	1,355	623,975	745,643
Cost of sales	(524,998)	(528,358)	(807)	(2,020)	(525,805)	(530,378)
Gross profit (loss)	97,760	215,930	410	(665)	98,170	215,265
Selling expenses	(60,767)	(66,167)	(111)	(86)	(60,878)	(66,253)
Profit (loss) from operating	36,993	149,763	299	(751)	37,292	149,012
Gain on exchange rate					9,137	9,057
Other income					5,952	4,763
Central expenses					(46,771)	(44,562)
Income tax					(24)	-
Profit for the period					5,586	118,270
Property , plant and equipment - net by segment as at June 30,	335,447	366,416	30,437	30,071	365,884	396,487
Property , plant and equipment - net which cannot be classified by segment					43,346	45,298
Other assets					815,873	900,000
Total assets					1,225,103	1,341,785

The details of business segment information for three - month periods ended June 30, 2011 and 2010 are as follows:

Separate financial statements

	In Thousand Baht					
	Frozen Products		Transmuted Products		Total	
	2011	2010	2011	2010	2011	2010
Sales	351,643	420,785	-	783	351,643	421,568
Cost of sales	(291,451)	(289,823)	-	(1,502)	(291,451)	(291,325)
Gross profit (loss)	60,192	130,962	-	(719)	60,192	130,243
Selling expenses	(29,950)	(33,111)	-	(38)	(29,950)	(33,149)
Profit (loss) from operating	30,242	97,851	-	(757)	30,242	97,094
Gain on exchange rate					6,440	3,858
Other income					3,006	2,875
Central expenses					(19,093)	(20,005)
Income tax					(24)	-
Profit for the period					20,571	83,822

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The details of business segment information for six - month periods ended June 30, 2011 and 2010 are as follows:

	In Thousand Baht					
	Frozen Products		Transmuted Products		Total	
	2011	2010	2011	2010	2011	2010
Sales	612,585	735,304	685	783	613,270	736,087
Cost of sales	(524,998)	(528,358)	(289)	(1,502)	(525,287)	(529,860)
Gross profit (loss)	87,587	206,946	396	(719)	87,983	206,227
Selling expenses	(52,774)	(58,027)	(59)	(38)	(52,833)	(58,065)
Profit (loss) from operating	34,813	148,919	337	(757)	35,150	148,162
Gain on exchange rate					8,262	7,855
Other income					6,088	4,484
Central expenses					(44,083)	(41,906)
Income tax					(24)	-
Profit for the period					5,393	118,595
Property , plant and equipment - net by segment as at June 30,	335,447	366,416	30,437	30,071	365,884	396,487
Property , plant and equipment - net which cannot be classified by segment					42,016	43,617
Other assets					803,623	886,915
Total assets					1,211,523	1,327,019

20. FINANCIAL INSTRUMENTS

As at June 30, 2011, the Company and subsidiary have no policy to perform speculate or trade the financial instrument transaction derivatives.

20.1 Credit risk

The Group exposed to credit risks mainly relating to their trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with their receivables.

20.2 Foreign Currency Risk and Risk Management

The Group exposure to foreign currency risk relates primarily to their business transactions which are denominated in foreign currencies. The Group have policies to hedge such risks by using derivative financial instruments. As at June 30, 2011, the Group have outstanding forward foreign exchange selling contracts total of U.S. Dollars 16.3 million in exchange of Baht 508.0 million with 3 commercial banks. The contract will be due in June 2012. Per comparative between fair value and contract value, the profit amounting Baht 4.0 million is incurred.

As at June 30, 2011, liabilities of The Group have accrued commission amounting of U.S.Dollars 77,093 which are not hedged.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
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20.3 Interest rate risk

The Group were exposed to interest risks because it held deposits to financial institutions. However, such financial assets are month short-term, the Group 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.

20.4 Fair value of financial instruments

The financial assets and liabilities include cash and cash equivalents, short - term investment, trade accounts receivable, trade accounts payable, accrued income tax and accrued expenses. Their carried values approximate to their fair values.

21. COMMITMENT AND CONTINGENT LIABILITIES

As at June 30, 2011

- 21.1 The Company has commitment to pay the uncalled investments in Agrifood Processing Co., Ltd. amounting to approximately Baht 90.0 million.
- 21.2 The Company has commitments for software license with a local company amounting of Baht 0.9 million.
- 21.3 The Company has contingent liable for bank guarantees issued in favor of government agency amounting to approximately Baht 8.9 million.

22. 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, 2011, debt to equity ratio in the consolidated financial statements is 0.09:1 (Separate financial statements: 0.09:1)

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim consolidated financial statements and separate financial statements have been approved by the Company's Board of directors on August 11, 2011.