

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2006 AND DECEMBER 31, 2005

<u>ASSETS</u>		IN BAHT			
		CONSOLIDATED		THE COMPANY ONLY	
		March 31,2006	December 31,2005	March 31,2006	December 31,2005
		"UNAUDITED"		"UNAUDITED"	
	Notes	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"
CURRENT ASSETS					
Cash and cash equivalents		86,659,607	123,888,186	49,065,820	91,629,533
Current investments					
Deposits at financial institutions-fixed deposits	4	50,000,000	50,000,000	50,000,000	50,000,000
Trade accounts receivable - related companies	3.2,5	15,733,849	20,372,930	21,970,470	21,985,601
- other companies-net	5	92,528,806	75,072,666	58,083,988	43,982,919
Inventories-net	6	322,997,984	274,969,754	314,395,418	267,570,846
Other current assets					
Accounts receivable - planters- net	7	11,061,817	26,177,890	11,061,817	26,177,890
Receivables from sales of investments		1,227,731	1,298,736	1,227,731	1,298,736
Value added tax receivable		3,685,565	1,669,797	2,892,370	1,188,668
Others		4,050,416	4,460,452	1,483,703	1,520,298
Total other current assets		20,025,529	33,606,875	16,665,621	30,185,592
TOTAL CURRENT ASSETS		587,945,775	577,910,411	510,181,317	505,354,491
NON - CURRENT ASSETS					
Investments in subsidiaries at equity method	8	-	-	71,127,293	76,778,665
Long-term loan to related company	3.2	-	-	24,500,000	24,500,000
Property, plant and equipment - net	9	738,045,517	747,570,604	571,920,286	579,506,429
Intangible assets - net	10	1,686,210	1,774,298	1,472,775	1,534,907
Other non - current assets					
Deposits pledged as collateral	16.1	3,552,626	4,675,988	-	-
Others		2,394,125	3,700,933	1,632,938	2,682,684
Total other non - current assets		5,946,751	8,376,921	1,632,938	2,682,684
TOTAL NON - CURRENT ASSETS		745,678,478	757,721,823	670,653,292	685,002,685
TOTAL ASSETS		1,333,624,253	1,335,632,234	1,180,834,609	1,190,357,176

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS(CONTINUED)

AS AT MARCH 31, 2006 AND DECEMBER 31, 2005

		IN BAHT			
		CONSOLIDATED		THE COMPANY ONLY	
		March 31,2006	December 31,2005	March 31,2006	December 31,2005
		"UNAUDITED"		"UNAUDITED"	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	Notes	"REVIEWED"	"AUDITED"	"REVIEWED"	"AUDITED"
CURRENT LIABILITIES					
Bank Overdrafts	11	36,464,351	20,627,792	6,713,329	4,019,782
Trade accounts payable		42,773,088	58,768,380	21,371,788	36,901,874
Current portion of liabilities under finance lease contracts		1,626,907	1,634,679	-	-
Current portion of long-term loans	12	13,200,000	13,200,000	-	-
Other current liabilities					
Accrued income tax and accrued expenses		34,269,609	41,224,394	26,749,610	33,364,433
Others		5,838,425	4,592,189	1,594,894	6,455,885
Total other current liabilities		40,108,034	45,816,583	28,344,504	39,820,318
TOTAL CURRENT LIABILITIES		134,172,380	140,047,434	56,429,621	80,741,974
NON - CURRENT LIABILITIES					
Liabilities under finance lease contracts - net		408,105	797,188	-	-
Long - term loans from financial institution - net	12	8,200,000	12,600,000	-	-
Long - term loans from related companies	3.2	25,500,000	25,500,000	-	-
TOTAL NON - CURRENT LIABILITIES		34,108,105	38,897,188	-	-
TOTAL LIABILITIES		168,280,485	178,944,622	56,429,621	80,741,974
SHAREHOLDERS' EQUITY					
Share capital					
Authorized shares					
Common share 315,000,000 shares, Baht 1 par value		315,000,000	315,000,000	315,000,000	315,000,000
Issued and paid - up shares					
Common share 314,997,360 shares, Baht 1 par value		314,997,360	314,997,360	314,997,360	314,997,360
Premium on share capital		68,000,000	68,000,000	68,000,000	68,000,000
Retained earnings					
Appropriated for legal reserve		25,420,000	25,420,000	25,420,000	25,420,000
Unappropriated		715,987,628	701,197,842	715,987,628	701,197,842
Total parent's shareholders' equity		1,124,404,988	1,109,615,202	1,124,404,988	1,109,615,202
Minority interest		40,938,780	47,072,410	-	-
Total Shareholders' Equity		1,165,343,768	1,156,687,612	1,124,404,988	1,109,615,202
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,333,624,253	1,335,632,234	1,180,834,609	1,190,357,176

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

		IN BAHT			
		CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
REVENUES					
Sales and service income		283,224,103	237,191,983	226,823,662	193,206,194
Share of profit from investments in subsidiary					
at equity method		-	-	241,723	332,036
Gain on exchange rate		3,922,617	3,133,332	3,922,617	2,881,712
Interest income		508,685	478,512	646,336	480,959
Other income		1,886,668	3,063,767	1,218,330	2,387,087
Total revenues		289,542,073	243,867,594	232,852,668	199,287,988
EXPENSES					
Cost of sales and service		217,199,888	223,072,558	171,246,570	184,681,118
Selling and administrative expenses		61,362,971	61,441,111	39,823,183	38,958,471
Share of loss of investments in subsidiary					
at equity method		-	-	5,893,095	8,507,864
Director's remuneration		1,100,000	1,100,000	1,100,000	1,100,000
Total expenses		279,662,859	285,613,669	218,062,848	233,247,453
Income(Loss) before interest expenses and income tax		9,879,214	(41,746,075)	14,789,820	(33,959,465)
Interest expenses		(1,116,784)	(1,189,387)	(34)	(265,209)
Income tax		(106,274)	(144,335)	-	-
Income(Loss) after income tax		8,656,156	(43,079,797)	14,789,786	(34,224,674)
Minority interest in net loss of subsidiary		6,133,630	8,855,123	-	-
NET INCOME(LOSS)		14,789,786	(34,224,674)	14,789,786	(34,224,674)
BASIC EARNINGS(LOSS) PER SHARE					
NET INCOME(LOSS)		0.05	(0.16)	0.05	(0.16)
Weighted average number of common shares	shares	314,997,360	210,000,000	314,997,360	210,000,000

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

"UNAUDITED"

"REVIEWED"

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

	IN BAHT					
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Minority	
			Appropriated for legal reserve	Unappropriated	interest	Total
BALANCE as at January 1, 2005	210,000,000	68,000,000	21,000,000	774,729,161	69,224,325	1,142,953,486
Net loss	-	-	-	(34,224,674)	-	(34,224,674)
Minority interest from investment in subsidiary	-	-	-	-	6,375,000	6,375,000
Minority interest in net loss of subsidiary	-	-	-	-	(8,855,123)	(8,855,123)
BALANCE as at March 31, 2005	210,000,000	68,000,000	21,000,000	740,504,487	66,744,202	1,106,248,689
BALANCE as at January 1, 2006	314,997,360	68,000,000	25,420,000	701,197,842	47,072,410	1,156,687,612
Net income	-	-	-	14,789,786	-	14,789,786
Minority interest in net loss of subsidiary	-	-	-	-	(6,133,630)	(6,133,630)
BALANCE as at March 31, 2006	314,997,360	68,000,000	25,420,000	715,987,628	40,938,780	1,165,343,768

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

"UNAUDITED"

"REVIEWED"

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

	IN BAHT				
	Issued and paid - up share capital	Premium on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
BALANCE as at January 1, 2005	210,000,000	68,000,000	21,000,000	774,729,161	1,073,729,161
Net loss	-	-	-	(34,224,674)	(34,224,674)
BALANCE as at March 31, 2005	<u>210,000,000</u>	<u>68,000,000</u>	<u>21,000,000</u>	<u>740,504,487</u>	<u>1,039,504,487</u>
BALANCE as at January 1, 2006	314,997,360	68,000,000	25,420,000	701,197,842	1,109,615,202
Net income	-	-	-	14,789,786	14,789,786
BALANCE as at March 31, 2006	<u>314,997,360</u>	<u>68,000,000</u>	<u>25,420,000</u>	<u>715,987,628</u>	<u>1,124,404,988</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 SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

	IN BAHT			
	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income(loss)	14,789,786	(34,224,674)	14,789,786	(34,224,674)
Adjustments to reconcile net income(loss) to net cash used in operating activities				
Unrealized loss(gain) on exchange rate	681,199	(1,232,126)	526,269	(1,173,209)
Reversal of doubtful accounts	(1,621,081)	(704,907)	(1,679,564)	(2,579,097)
Loss(gain) on disposal of fixed assets	(12,244)	56,138	(12,244)	56,138
Loss on written off assets	2,712	313,909	2,712	-
Depreciation	18,557,593	17,251,132	12,656,532	11,613,271
Amortization of software	88,088	-	62,132	-
Provision for obsolescence	2,348,011	2,321,761	2,348,011	2,321,761
Share of profit from investments in subsidiary at equity method	-	-	(241,723)	(332,036)
Share of loss from investments in subsidiary at equity method	-	-	5,893,095	8,507,864
Minority interest in net loss of subsidiary	(6,133,630)	(8,855,123)	-	-
Income(loss) from operating activities before change in operational assets and liabilities	28,700,434	(25,073,890)	34,345,006	(15,809,982)
Decrease (Increase) in operational assets				
Trade accounts receivable	(13,538,554)	(17,512,436)	(14,591,046)	(21,705,528)
Inventories	(50,376,241)	(109,569,894)	(49,172,583)	(109,632,068)
Accounts receivable - planters	16,795,637	25,790,970	16,795,637	25,790,970
Other current assets	(1,605,732)	(9,454,314)	(1,667,107)	(7,533,040)
Other non - current assets	1,306,808	1,181,135	1,049,746	1,147,385
Increase (Decrease) in operational liabilities				
Trade accounts payable	(15,995,292)	8,242,325	(15,530,086)	11,439,998
Accrued income tax and accrued expenses	(6,901,967)	2,912,935	(6,564,979)	1,961,455
Other current liabilities	1,000,216	(162,743)	(4,860,991)	(1,023,428)
Net cash used in operating activities	(40,614,691)	(123,645,912)	(40,196,403)	(115,364,238)

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2006 AND 2005

	IN BAHT			
	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in investment in subsidiary	-	-	-	(6,125,000)
Decrease in deposits at financial institutions-fixed deposits	1,123,362	149,996,253	-	150,000,000
Increase in short - term loan to related company	-	-	-	(10,006,233)
Proceeds from disposal of fixed assets	21,565	910,983	21,565	910,983
Cash paid for acquisition of plant and equipment	(8,798,519)	(103,420,588)	(5,082,422)	(101,396,309)
Net cash provided by (used in) investing activities	(7,653,592)	47,486,648	(5,060,857)	33,383,441
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts	15,836,559	29,538,649	2,693,547	29,881,547
Repayment liabilities - under finance lease contracts	(396,855)	(729,293)	-	-
Repayment of long-term loans	(4,400,000)	(3,300,000)	-	-
Cash received for capital from minority interest	-	6,375,000	-	-
Net cash provided by financing activities	11,039,704	31,884,356	2,693,547	29,881,547
Net decrease in cash and cash equivalents	(37,228,579)	(44,274,908)	(42,563,713)	(52,099,250)
Cash and cash equivalents, beginning of period	123,888,186	85,890,428	91,629,533	68,226,033
Cash and cash equivalents, end of period	86,659,607	41,615,520	49,065,820	16,126,783

Supplement disclosures of cash flows information1.Cash paid during the period for :-

Interest paid	1,239,619	1,168,328	34	265,209
Corporate income tax	14,487	445,092	13,418	444,304

2. Property, Plant and Equipment

Detail of acquisition of plant and equipment during the period is as follows :

Acquisition of plant and equipment during the period	9,044,539	103,420,588	5,082,422	101,396,309
<u>Less</u> outstanding liabilities	(246,020)	-	-	-
Acquisition of plant and equipment paid by cash	8,798,519	103,420,588	5,082,422	101,396,309

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