

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

INTERIM FINANCIAL STATEMENTS

AND REVIEW REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

BALANCE SHEETS

AS AT MARCH 31, 2010 AND DECEMBER 31, 2009

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
<u>ASSETS</u>		<u>"Reviewed"</u>		<u>"Reviewed"</u>	
CURRENT ASSETS					
Cash and cash equivalents	5	223,963,256	267,997,777	205,832,281	242,470,505
Short - term investments	6	-	50,000,000	-	50,000,000
Trade accounts receivable - related companies	4.2,7	13,890,056	8,047,337	29,208,341	15,625,755
- other companies - net	7	93,897,366	36,213,991	78,453,993	29,209,790
Loan to related company	4.2	24,500,000	24,500,000	24,500,000	24,500,000
Inventories - net	8	455,739,361	401,603,038	452,638,375	401,603,038
Other current assets					
Accounts receivable - planters - net	9	4,329,942	26,671,709	4,329,942	26,671,709
Value added tax receivable		2,252,956	1,638,826	2,204,339	1,624,182
Others		<u>3,160,673</u>	<u>1,205,201</u>	<u>3,144,183</u>	<u>1,188,969</u>
Total other current assets		<u>9,743,571</u>	<u>29,515,736</u>	<u>9,678,464</u>	<u>29,484,860</u>
TOTAL CURRENT ASSETS		<u>821,733,610</u>	<u>817,877,879</u>	<u>800,311,454</u>	<u>792,893,948</u>
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	10	14,434,567	14,416,580	-	-
Investments in subsidiary	11	-	-	23,353,658	23,353,658
Property, plant and equipment - net	12	451,909,348	448,455,591	450,132,992	448,386,945
Non operating assets - net	13	20,849,480	21,076,158	20,849,480	21,076,158
Computer software - net	14	94,289	182,260	94,289	182,260
Other non - current assets		<u>3,840,040</u>	<u>3,473,214</u>	<u>3,839,140</u>	<u>3,472,314</u>
TOTAL NON - CURRENT ASSETS		<u>491,127,724</u>	<u>487,603,803</u>	<u>498,269,559</u>	<u>496,471,335</u>
TOTAL ASSETS		<u>1,312,861,334</u>	<u>1,305,481,682</u>	<u>1,298,581,013</u>	<u>1,289,365,283</u>

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 MARCH 31, 2010 AND DECEMBER 31, 2009

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	Notes	<u>"Reviewed"</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>	<u>"Reviewed"</u>
CURRENT LIABILITIES					
Trade accounts payable		26,594,635	48,641,856	26,594,635	48,641,856
Accrued income tax		749,651	749,651	-	-
Accrued expenses - related companies	4.2	4,453,977	3,650,486	4,266,126	3,122,059
- other companies		36,122,072	43,041,639	35,731,576	42,016,575
Other current liabilities		<u>3,303,853</u>	<u>1,330,862</u>	<u>2,934,029</u>	<u>1,302,702</u>
TOTAL CURRENT LIABILITIES		<u>71,224,188</u>	<u>97,414,494</u>	<u>69,526,366</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	16	38,115,000	38,115,000	38,115,000	38,115,000
Unappropriated		<u>754,376,421</u>	<u>720,806,463</u>	<u>741,793,922</u>	<u>707,021,366</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,241,637,146</u>	<u>1,208,067,188</u>	<u>1,229,054,647</u>	<u>1,194,282,091</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,312,861,334</u>	<u>1,305,481,682</u>	<u>1,298,581,013</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 MARCH 31, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
Note	2010	2009	2010	2009
REVENUES				
Sales	318,766,566	307,639,753	314,517,813	299,991,482
Gain on exchange rate	4,348,767	-	3,996,876	-
Interest income	630,668	1,262,273	602,089	1,165,267
Other income	1,365,967	2,011,941	1,007,050	2,167,041
Total revenues	<u>325,111,968</u>	<u>310,913,967</u>	<u>320,123,828</u>	<u>303,323,790</u>
EXPENSES				
Cost of sales	239,052,925	207,196,872	238,534,650	207,196,872
Selling expenses	29,063,747	29,596,822	24,915,661	25,200,681
Administrative expenses	14,166,942	14,731,933	13,272,640	13,615,813
Managements' remuneration	9,258,396	8,067,661	8,628,321	7,437,586
Total expenses	<u>291,542,010</u>	<u>259,593,288</u>	<u>285,351,272</u>	<u>253,450,952</u>
Profit before income tax	33,569,958	51,320,679	34,772,556	49,872,838
Income tax	-	(547,905)	-	-
NET PROFIT	<u>33,569,958</u>	<u>50,772,774</u>	<u>34,772,556</u>	<u>49,872,838</u>
Net profit attributable to:				
Equity holders of the parent	33,569,958	50,772,774	34,772,556	49,872,838
Minority interest of the subsidiary	-	-	-	-
	<u>33,569,958</u>	<u>50,772,774</u>	<u>34,772,556</u>	<u>49,872,838</u>
BASIC EARNINGS PER SHARE				
	17			
NET PROFIT	<u>0.09</u>	<u>0.13</u>	<u>0.09</u>	<u>0.13</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 THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

	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
Net profit	-	-	-	50,772,774	50,772,774
BALANCE as at March 31, 2009	<u>346,496,592</u>	<u>68,000,000</u>	<u>34,650,000</u>	<u>797,758,834</u>	<u>1,246,905,426</u>
BALANCE as at January 1, 2010	381,145,725	68,000,000	38,115,000	720,806,463	1,208,067,188
Net profit	-	-	-	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>

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 THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

	In Baht				
	Issued and paid - up share capital	Premium on share capital	Retained earnings		Total
			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
Net profit	-	-	-	49,872,838	49,872,838
BALANCE as at March 31, 2009	346,496,592	68,000,000	34,650,000	787,187,052	1,236,333,644
 BALANCE as at January 1, 2010	 381,145,725	 68,000,000	 38,115,000	 707,021,366	 1,194,282,091
Net profit	 -	 -	 -	 34,772,556	 34,772,556
BALANCE as at March 31, 2010	 381,145,725	 68,000,000	 38,115,000	 741,793,922	 1,229,054,647

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, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	33,569,958	51,320,679	34,772,556	49,872,838
Adjustments to reconcile net profit to net cash provided by (used in) operating activities				
Unrealized loss (gain) on exchange rate	290,199	(193,068)	151,753	(156,284)
Doubtful accounts (reversal)	33,353	(6,698)	33,353	(6,698)
Loss on diminution of inventories (reversal)	646,421	(767,879)	646,421	(767,879)
Gain on disposal of equipment	(576,480)	(26,465)	(62,462)	(26,465)
Depreciation	16,783,455	15,169,358	16,712,166	15,116,871
Amortization of computer software	87,971	73,422	87,971	73,422
Profit from operating activities before change in operational assets and liabilities	50,834,877	65,569,349	52,341,758	64,105,805
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(5,854,805)	(369,907)	(13,596,469)	1,431,925
Trade accounts receivable - other companies	(58,059,911)	(31,742,315)	(49,480,496)	(35,449,505)
Inventories	(54,782,744)	(41,096,418)	(51,681,758)	(38,429,324)
Accounts receivable - planters	22,308,414	16,379,443	22,308,414	16,379,443
Value added tax receivable	(614,130)	(160,980)	(580,157)	(378,116)
Other current assets	(1,955,472)	2,126,750	(1,955,214)	2,121,026
Other non - current assets	(350,291)	(161,848)	(350,577)	(161,848)
Increase (Decrease) in operational liabilities				
Trade accounts payable	(21,648,645)	(4,807,959)	(21,648,645)	(4,807,959)
Accrued expenses - related companies	901,546	1,116,523	1,242,122	1,283,662
Accrued expenses - other companies	(6,919,199)	(6,057,109)	(6,284,631)	(5,681,106)
Other current liabilities	1,972,991	316,881	1,631,327	318,594
Cash receipt (paid) from operation	(74,167,369)	1,112,410	(68,054,326)	732,597
Income tax paid	(16,535)	(23,063)	(16,249)	(21,744)
Net cash provided by (used in) operating activities	(74,183,904)	1,089,347	(68,070,575)	710,853

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, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in fixed deposits at financial institutions	49,982,013	139,906,727	50,000,000	140,000,000
Proceeds from disposal of equipment	576,531	29,561	62,512	29,561
Cash paid for acquisition of plant and equipment				
(Supplement of cash flows information)	<u>(20,409,161)</u>	<u>(8,979,771)</u>	<u>(18,630,161)</u>	<u>(8,979,771)</u>
Net cash provided by investing activities	<u>30,149,383</u>	<u>130,956,517</u>	<u>31,432,351</u>	<u>131,049,790</u>
Net increase (decrease) in cash and cash equivalents	(44,034,521)	132,045,864	(36,638,224)	131,760,643
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>223,963,256</u></u>	<u><u>246,688,954</u></u>	<u><u>205,832,281</u></u>	<u><u>222,250,248</u></u>
<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	(20,010,585)	(8,710,611)	(18,231,585)	(8,710,611)
Decrease in payable from acquisition of assets	<u>(398,576)</u>	<u>(269,160)</u>	<u>(398,576)</u>	<u>(269,160)</u>
Cash paid for acquisition of plant and equipment	<u><u>(20,409,161)</u></u>	<u><u>(8,979,771)</u></u>	<u><u>(18,630,161)</u></u>	<u><u>(8,979,771)</u></u>

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