

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

INTERIM FINANCIAL STATEMENTS

AND AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

EXPRESSED IN THAI BAHT

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2012 AND DECEMBER 31, 2011**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
<b><u>ASSETS</u></b>	<b><u>Notes</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		205,262,909	261,771,921	185,531,554	242,783,021
Short - term investments	5	105,600,000	155,600,000	100,000,000	150,000,000
Trade accounts receivable	6	97,397,271	55,043,283	100,827,168	54,656,632
Accounts receivable - planters	7	11,397,177	28,821,956	11,397,177	28,821,956
Inventories	8	445,302,815	336,257,594	443,400,531	336,257,594
Other current assets		4,964,556	6,063,152	4,913,764	5,810,084
<b>TOTAL CURRENT ASSETS</b>		<b>869,924,728</b>	<b>843,557,906</b>	<b>846,070,194</b>	<b>818,329,287</b>
<b>NON - CURRENT ASSETS</b>					
Fixed deposits pledged as collateral		14,740,380	14,672,090	-	-
Investment in subsidiary		-	-	23,353,658	23,353,658
Property, plant and equipment	9	401,752,002	407,198,912	400,677,332	406,033,043
Computer software - installation		3,866,747	2,976,673	3,866,747	2,976,673
Other non - current assets		5,233,346	5,054,007	5,232,446	5,053,107
<b>TOTAL NON - CURRENT ASSETS</b>		<b>425,592,475</b>	<b>429,901,682</b>	<b>433,130,183</b>	<b>437,416,481</b>
<b>TOTAL ASSETS</b>		<b>1,295,517,203</b>	<b>1,273,459,588</b>	<b>1,279,200,377</b>	<b>1,255,745,768</b>

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

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT MARCH 31, 2012 AND DECEMBER 31, 2011**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<b><u>Notes</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	10	60,112,711	69,410,638	59,499,045	68,303,082
Accrued income tax		9,116,105	4,801,658	8,210,196	3,895,749
Other current liabilities		2,406,082	2,733,864	2,360,904	2,608,996
<b>TOTAL CURRENT LIABILITIES</b>		71,634,898	76,946,160	70,070,145	74,807,827
<b>NON - CURRENT LIABILITIES</b>					
Employee benefit obligations	11	27,173,145	26,241,311	25,811,932	24,899,344
<b>TOTAL LIABILITIES</b>		98,808,043	103,187,471	95,882,077	99,707,171
<b>SHAREHOLDERS' EQUITY</b>					
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		709,448,435	683,011,392	696,057,575	668,777,872
<b>TOTAL SHAREHOLDERS' EQUITY</b>		1,196,709,160	1,170,272,117	1,183,318,300	1,156,038,597
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		1,295,517,203	1,273,459,588	1,279,200,377	1,255,745,768

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

(Unaudited)

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Revenue from sales	325,473,509	264,021,021	320,025,251	261,627,416
Cost of sales	(247,714,239)	(233,835,418)	(246,636,579)	(233,835,418)
<b>Gross profit</b>	<b>77,759,270</b>	<b>30,185,603</b>	<b>73,388,672</b>	<b>27,791,998</b>
Gain (loss) on exchange rate	(4,136,839)	1,822,647	(4,241,551)	1,822,647
Other income	2,585,958	2,981,154	2,644,437	3,082,356
<b>Profit before expenses</b>	<b>76,208,389</b>	<b>34,989,404</b>	<b>71,791,558</b>	<b>32,697,001</b>
Selling expenses	(25,051,544)	(26,436,354)	(21,324,815)	(22,883,816)
Administrative expenses	(20,383,649)	(26,789,071)	(18,850,887)	(24,990,986)
Total expenses	(45,435,193)	(53,225,425)	(40,175,702)	(47,874,802)
<b>Profit (loss) before income tax</b>	<b>30,773,196</b>	<b>(18,236,021)</b>	<b>31,615,856</b>	<b>(15,177,801)</b>
Income tax	(4,336,153)	-	(4,336,153)	-
<b>Profit (loss) for the period</b>	<b>26,437,043</b>	<b>(18,236,021)</b>	<b>27,279,703</b>	<b>(15,177,801)</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>26,437,043</b>	<b>(18,236,021)</b>	<b>27,279,703</b>	<b>(15,177,801)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the parent	26,437,043	(18,236,021)	27,279,703	(15,177,801)
Non - controlling interests	-	-	-	-
	<b>26,437,043</b>	<b>(18,236,021)</b>	<b>27,279,703</b>	<b>(15,177,801)</b>
<b>BASIC EARNINGS (LOSS) PER SHARE</b>				
Net profit (loss) attributable to equity holders of the parent	0.07	(0.05)	0.07	(0.04)
<b>Weighted average number of common shares (shares)</b>	<b>381,145,725</b>	<b>381,145,725</b>	<b>381,145,725</b>	<b>381,145,725</b>

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

(Unaudited)

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011**

	In Baht				
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity
			Appropriated for legal reserve	Unappropriated	Total
BALANCE as at January 1, 2011	381,145,725	68,000,000	38,115,000	760,614,291	-
Total comprehensive income for the period	-	-	-	(18,236,021)	-
BALANCE as at March 31, 2011	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>742,378,270</u>	<u>-</u>
BALANCE as at January 1, 2012	381,145,725	68,000,000	38,115,000	683,011,392	-
Total comprehensive income for the period	-	-	-	26,437,043	-
BALANCE as at March 31, 2012	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>709,448,435</u>	<u>-</u>

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(Unaudited)

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED**  
**SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011**

	In Baht					Total
	Issued and paid - up share capital	Premium on share capital	Retained earnings		Other components of equity	
			Appropriated for legal reserve	Unappropriated		
BALANCE as at January 1, 2011	381,145,725	68,000,000	38,115,000	749,635,191	-	1,236,895,916
Total comprehensive income for for the period	-	-	-	(15,177,801)	-	(15,177,801)
BALANCE as at March 31, 2011	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>734,457,390</u>	<u>-</u>	<u>1,221,718,115</u>
BALANCE as at January 1, 2012	381,145,725	68,000,000	38,115,000	668,777,872	-	1,156,038,597
Total comprehensive income for for the period	-	-	-	27,279,703	-	27,279,703
BALANCE as at March 31, 2012	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>696,057,575</u>	<u>-</u>	<u>1,183,318,300</u>

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## CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

## FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (Loss) before income tax	30,773,196	(18,236,021)	31,615,856	(15,177,801)
Adjustments to reconcile net profit (loss) to net cash used in operating activities				
Unrealized loss (gain) on exchange rate	(470,515)	142,234	(432,511)	139,608
Doubtful accounts	68,444	39,975	68,444	39,975
Loss on diminution of inventories	507,069	384,219	507,069	384,219
Loss (gain) on disposal of equipment and written off	(3,029)	20	(3,029)	20
Depreciation	13,564,366	15,196,719	13,470,372	15,105,514
Provisions for employee benefit obligations	931,834	733,305	912,588	715,369
Profit (loss) from operating activities before change in operational assets and liabilities	45,371,365	(1,739,549)	46,138,789	1,206,904
Decrease (Increase) in operational assets				
Trade accounts receivable	(41,957,801)	(41,774,910)	(45,812,353)	(40,108,390)
Accounts receivable - planters	17,356,335	30,730,396	17,356,335	30,730,396
Inventories	(109,552,290)	#####	(107,650,006)	(146,519,353)
Other current assets	1,099,710	(687,602)	896,320	(686,740)
Other non - current assets	(179,339)	(446,110)	(179,339)	(446,613)
Increase (Decrease) in operational liabilities				
Trade and other payables	(9,421,552)	(14,662,332)	(8,927,662)	(13,846,627)
Other current liabilities	(327,782)	556,381	(248,092)	543,094
<b>Cash paid from operation</b>	(97,611,354)	#####	(98,426,008)	(169,127,329)
Income tax paid	(22,820)	(25,446)	(21,706)	(24,943)
Net cash used in operating activities	(97,634,174)	#####	(98,447,714)	(169,152,272)

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## CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in short - term investments	50,000,000	89,963,080	50,000,000	90,000,000
Increase in fixed deposits pledged as collateral	(68,290)	(22,601)	-	-
Proceeds from disposal of equipment	8,598	-	8,598	-
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(7,925,072)	(7,722,077)	(7,922,277)	(7,722,077)
Cash paid for acquisition of computer software	(890,074)	-	(890,074)	-
Net cash provided by investing activities	41,125,162	82,218,402	41,196,247	82,277,923
Net decrease in cash and cash equivalents	(56,509,012)	(94,114,663)	(57,251,467)	(86,874,349)
Cash and Cash Equivalents, Beginning of period	261,771,921	180,543,896	242,783,021	159,538,653
Cash and Cash Equivalents, End of period	205,262,909	86,429,233	185,531,554	72,664,304
<u>Supplement disclosures of cash flows information</u>				
<u>1.Cash paid for acquisition of 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	(8,123,025)	(5,672,267)	(8,120,230)	(5,672,267)
Increase (Decrease) in payable from acquisition of assets	197,953	(2,049,810)	197,953	(2,049,810)
Cash paid for acquisition of plant and equipment	(7,925,072)	(7,722,077)	(7,922,277)	(7,722,077)

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