

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

INTERIM FINANCIAL STATEMENTS

AND AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2012 AND 2011

EXPRESSED IN THAI BAHT

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2012 AND 31 DECEMBER 2011**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
<b><u>ASSETS</u></b>	<b>Notes</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		303,925,670	261,771,921	281,840,009	242,783,021
Short - term investments	5	155,600,000	155,600,000	150,000,000	150,000,000
Trade accounts receivable	6	90,409,689	55,043,283	94,771,780	54,656,632
Accounts receivable - planters	7	27,275,869	28,821,956	27,275,869	28,821,956
Inventories	8	395,320,007	336,257,594	391,418,873	336,257,594
Other current assets		<u>7,544,336</u>	<u>6,063,152</u>	<u>7,443,915</u>	<u>5,810,084</u>
<b>TOTAL CURRENT ASSETS</b>		<u>980,075,571</u>	<u>843,557,906</u>	<u>952,750,446</u>	<u>818,329,287</u>
<b>NON - CURRENT ASSETS</b>					
Fixed deposits pledged as collateral		14,867,993	14,672,090	-	-
Investment in subsidiary		-	-	23,353,658	23,353,658
Property, plant and equipment	9	373,426,281	407,198,912	372,512,268	406,033,043
Computer software - installation		4,578,806	2,976,673	4,578,806	2,976,673
Other non - current assets		<u>4,204,971</u>	<u>5,054,007</u>	<u>4,204,071</u>	<u>5,053,107</u>
<b>TOTAL NON - CURRENT ASSETS</b>		<u>397,078,051</u>	<u>429,901,682</u>	<u>404,648,803</u>	<u>437,416,481</u>
<b>TOTAL ASSETS</b>		<u>1,377,153,622</u>	<u>1,273,459,588</u>	<u>1,357,399,249</u>	<u>1,255,745,768</u>

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 30 SEPTEMBER 2012 AND 31 DECEMBER 2011**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	Notes	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>CURRENT LIABILITIES</b>					
Trade and other payables	10	60,261,598	69,410,638	59,264,778	68,303,082
Accrued income tax		9,924,390	4,801,658	9,494,428	3,895,749
Other current liabilities		<u>2,998,615</u>	<u>2,733,864</u>	<u>2,943,780</u>	<u>2,608,996</u>
<b>TOTAL CURRENT LIABILITIES</b>		73,184,603	76,946,160	71,702,986	74,807,827
<b>NON - CURRENT LIABILITIES</b>					
Employee benefit obligations	11	<u>28,885,312</u>	<u>26,241,311</u>	<u>27,485,608</u>	<u>24,899,344</u>
<b>TOTAL LIABILITIES</b>		<u>102,069,915</u>	<u>103,187,471</u>	<u>99,188,594</u>	<u>99,707,171</u>
<b>SHAREHOLDERS' EQUITY</b>					
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		38,115,000	38,115,000	38,115,000	38,115,000
Unappropriated		<u>787,822,982</u>	<u>683,011,392</u>	<u>770,949,930</u>	<u>668,777,872</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>1,275,083,707</u>	<u>1,170,272,117</u>	<u>1,258,210,655</u>	<u>1,156,038,597</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,377,153,622</u>	<u>1,273,459,588</u>	<u>1,357,399,249</u>	<u>1,255,745,768</u>

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 30 SEPTEMBER 2012 AND 2011**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Revenues from sales	397,239,672	371,289,724	389,487,121	364,135,966
Cost of sales	(286,870,043)	(293,388,113)	(286,244,443)	(292,911,113)
<b>Gross profit</b>	<b>110,369,629</b>	<b>77,901,611</b>	<b>103,242,678</b>	<b>71,224,853</b>
Gain (loss) on exchange rate	(762,207)	7,680,463	(1,251,389)	5,889,529
Other income	5,494,346	2,866,409	5,536,818	2,929,345
<b>Profit before expenses</b>	<b>115,101,768</b>	<b>88,448,483</b>	<b>107,528,107</b>	<b>80,043,727</b>
Selling expenses	(28,174,367)	(32,658,948)	(23,651,327)	(28,004,362)
Administrative expenses	(20,897,610)	(19,245,607)	(19,716,298)	(18,007,662)
Total expenses	(49,071,977)	(51,904,555)	(43,367,625)	(46,012,024)
<b>Profit before income tax</b>	<b>66,029,791</b>	<b>36,543,928</b>	<b>64,160,482</b>	<b>34,031,703</b>
Income tax	(9,963,954)	(1,586,060)	(9,533,992)	(1,189,935)
<b>Profit for the period</b>	<b>56,065,837</b>	<b>34,957,868</b>	<b>54,626,490</b>	<b>32,841,768</b>
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>56,065,837</b>	<b>34,957,868</b>	<b>54,626,490</b>	<b>32,841,768</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	56,065,837	34,957,868	54,626,490	32,841,768
Non - controlling interests	-	-	-	-
	<b>56,065,837</b>	<b>34,957,868</b>	<b>54,626,490</b>	<b>32,841,768</b>
<b>BASIC EARNINGS PER SHARE</b>				
Net profit attributable to equity holders of the parent	0.15	0.09	0.14	0.09
<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**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2012 AND 2011**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Revenues from sales	1,172,894,440	995,265,046	1,153,020,567	977,406,552
Cost of sales	(855,087,257)	(819,193,061)	(852,916,747)	(818,198,061)
<b>Gross profit</b>	<b>317,807,183</b>	<b>176,071,985</b>	<b>300,103,820</b>	<b>159,208,491</b>
Gain (loss) on exchange rate	652,763	16,818,191	(1,266,373)	14,151,766
Other income	12,549,802	8,817,985	12,643,949	9,017,839
<b>Profit before expenses</b>	<b>331,009,748</b>	<b>201,708,161</b>	<b>311,481,396</b>	<b>182,378,096</b>
Selling expenses	(85,311,670)	(93,537,001)	(73,260,714)	(80,837,703)
Administrative expenses	(61,178,650)	(66,016,625)	(57,166,964)	(62,090,451)
Total expenses	(146,490,320)	(159,553,626)	(130,427,678)	(142,928,154)
<b>Profit before income tax</b>	<b>184,519,428</b>	<b>42,154,535</b>	<b>181,053,718</b>	<b>39,449,942</b>
Income tax	(26,348,178)	(1,610,870)	(25,522,000)	(1,214,745)
<b>Profit for the period</b>	<b>158,171,250</b>	<b>40,543,665</b>	<b>155,531,718</b>	<b>38,235,197</b>
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>158,171,250</b>	<b>40,543,665</b>	<b>155,531,718</b>	<b>38,235,197</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	158,171,250	40,543,665	155,531,718	38,235,197
Non - controlling interests	-	-	-	-
	<b>158,171,250</b>	<b>40,543,665</b>	<b>155,531,718</b>	<b>38,235,197</b>
<b>BASIC EARNINGS PER SHARE</b>				
Net profit attributable to equity holders of the parent	0.41	0.11	0.41	0.10
<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 NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2012 AND 2011**

	Notes	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 1 January 2011		381,145,725	68,000,000	38,115,000	760,614,291	-	1,247,875,016
Dividends paid	12	-	-	-	(133,399,254)	-	(133,399,254)
Total comprehensive income for the period		-	-	-	40,543,665	-	40,543,665
Balance as at 30 September 2011		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>667,758,702</u>	<u>-</u>	<u>1,155,019,427</u>
Balance as at 1 January 2012		381,145,725	68,000,000	38,115,000	683,011,392	-	1,170,272,117
Dividends paid	12	-	-	-	(53,359,660)	-	(53,359,660)
Total comprehensive income for the period		-	-	-	158,171,250	-	158,171,250
Balance as at 30 September 2012		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>787,822,982</u>	<u>-</u>	<u>1,275,083,707</u>

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

(Unaudited)

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED**  
**SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2012 AND 2011**

	Notes	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 1 January 2011		381,145,725	68,000,000	38,115,000	749,635,191	-	1,236,895,916
Dividends paid	12	-	-	-	(133,399,254)	-	(133,399,254)
Total comprehensive income for for the period		-	-	-	38,235,197	-	38,235,197
Balance as at 30 September 2011		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>654,471,134</u>	-	<u>1,141,731,859</u>
Balance as at 1 January 2012		381,145,725	68,000,000	38,115,000	668,777,872	-	1,156,038,597
Dividends paid	12	-	-	-	(53,359,660)	-	(53,359,660)
Total comprehensive income for for the period		-	-	-	155,531,718	-	155,531,718
Balance as at 30 September 2012		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>770,949,930</u>	-	<u>1,258,210,655</u>

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 CASH FLOWS**

**FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2012 AND 2011**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	184,519,428	42,154,535	181,053,718	39,449,942
Adjustments to reconcile net profit to net cash provided by operating activities				
Unrealized loss (gain) on exchange rate	235,847	(1,027,983)	184,427	(846,275)
Doubtful accounts	35,068	286,594	35,068	286,594
Loss on diminution of inventories (reversal)	(252,580)	1,579,978	(252,580)	1,579,978
Loss (gain) on disposal of equipment and written off	(2,613,658)	5,686	(2,605,334)	5,679
Depreciation	50,211,678	52,660,308	49,926,623	52,382,326
Loss on impairment of assets	319,265	-	319,265	-
Provisions for employee benefit obligations	2,795,501	2,359,780	2,737,764	2,305,971
Profit from operating activities before change in operational assets and liabilities	235,250,549	98,018,898	231,398,951	95,164,215
Decrease (Increase) in operational assets				
Trade accounts receivable	(35,664,369)	(6,319,627)	(40,361,691)	(8,101,221)
Accounts receivable - planters	1,511,019	16,507,787	1,511,019	16,507,787
Inventories	(58,809,833)	(37,027,957)	(54,908,699)	(34,351,257)
Other current assets	(1,481,184)	(948,948)	(1,633,831)	(905,219)
Other non - current assets	849,036	(1,501,971)	849,036	(1,504,593)
Increase (Decrease) in operational liabilities				
Trade and other payables	(10,268,869)	(35,195,380)	(10,158,133)	(34,922,907)
Employee benefit obligations	(151,500)	-	(151,500)	-
Other current liabilities	78,092	160,805	148,125	126,804
<b>Cash receipt from operation</b>	131,312,941	33,693,607	126,693,277	32,013,609
Income tax paid	(21,225,446)	(1,469,507)	(19,923,321)	(1,466,885)
Net cash provided by operating activities	110,087,495	32,224,100	106,769,956	30,546,724

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 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	-	199,963,080	-	200,000,000
Increase in fixed deposits pledged as collateral	(195,903)	(114,798)	-	-
Proceeds from disposal of equipment	3,281,130	-	3,272,780	-
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(16,243,839)	(15,410,961)	(16,210,614)	(15,363,335)
Cash paid for acquisition of computer software	(1,602,133)	(177,787)	(1,602,133)	(177,787)
Net cash provided by (used in) investing activities	<u>(14,760,745)</u>	<u>184,259,534</u>	<u>(14,539,967)</u>	<u>184,458,878</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash paid for dividends (Supplement of cash flows information 2)	<u>(53,173,001)</u>	<u>(133,179,259)</u>	<u>(53,173,001)</u>	<u>(133,179,259)</u>
Net cash provided by financing activities	<u>(53,173,001)</u>	<u>(133,179,259)</u>	<u>(53,173,001)</u>	<u>(133,179,259)</u>
Net Increase in cash and cash equivalents	42,153,749	83,304,375	39,056,988	81,826,343
Cash and Cash Equivalents, Beginning of period	<u>261,771,921</u>	<u>180,543,896</u>	<u>242,783,021</u>	<u>159,538,653</u>
Cash and Cash Equivalents, End of period	<u><u>303,925,670</u></u>	<u><u>263,848,271</u></u>	<u><u>281,840,009</u></u>	<u><u>241,364,996</u></u>
<b><u>Supplement disclosures of cash flows information</u></b>				
<b><u>1. Cash paid for acquisition of plant and equipment</u></b>				
Details of acquisition of plant and equipment during the period are as follows :				
Acquisition of plant and equipment during the period	(17,425,784)	(14,278,951)	(17,392,559)	(14,231,325)
Increase (Decrease) in payable from acquisition of assets	<u>1,181,945</u>	<u>(1,132,010)</u>	<u>1,181,945</u>	<u>(1,132,010)</u>
Cash paid for acquisition of plant and equipment	<u><u>(16,243,839)</u></u>	<u><u>(15,410,961)</u></u>	<u><u>(16,210,614)</u></u>	<u><u>(15,363,335)</u></u>
<b><u>2. Cash paid for dividends</u></b>				
Dividends paid	(53,359,660)	(133,399,254)	(53,359,660)	(133,399,254)
Increase in accrued dividends	<u>186,659</u>	<u>219,995</u>	<u>186,659</u>	<u>219,995</u>
Cash paid for dividends	<u><u>(53,173,001)</u></u>	<u><u>(133,179,259)</u></u>	<u><u>(53,173,001)</u></u>	<u><u>(133,179,259)</u></u>

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