

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

INTERIM FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2013

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

| | | In Baht | | | |
|--------------------------------------|---------------------|--------------------------|----------------------|--------------------------|----------------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| | | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| <u>ASSETS</u> | <u>Notes</u> | <u>(Restated)</u> | | <u>(Restated)</u> | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | | 213,217,248 | 354,250,608 | 184,931,579 | 327,082,224 |
| Short - term investments | 8 | 256,000,000 | 205,600,000 | 250,000,000 | 200,000,000 |
| Trade and other receivables | 9 | 150,421,832 | 60,671,633 | 154,766,852 | 64,578,302 |
| Accounts receivable - planters | 10 | 28,199,860 | 49,733,247 | 28,199,860 | 49,733,247 |
| Inventories | 11 | 399,510,547 | 356,817,670 | 398,502,632 | 356,817,670 |
| Other current assets | | <u>2,578,391</u> | <u>2,657,543</u> | <u>2,485,661</u> | <u>2,603,227</u> |
| TOTAL CURRENT ASSETS | | <u>1,049,927,878</u> | <u>1,029,730,701</u> | <u>1,018,886,584</u> | <u>1,000,814,670</u> |
| NON - CURRENT ASSETS | | | | | |
| Fixed deposits pledged as collateral | | 15,074,527 | 14,942,195 | - | - |
| Investment in subsidiary | | - | - | 23,353,658 | 23,353,658 |
| Property, plant and equipment | 12 | 354,305,523 | 381,281,051 | 353,620,570 | 380,463,619 |
| Computer software - installation | | 2,274,920 | 4,578,806 | 2,274,920 | 4,578,806 |
| Deferred tax assets | 6 | 7,164,305 | 7,013,679 | 6,871,951 | 6,729,889 |
| Other non - current assets | | <u>1,810,186</u> | <u>4,204,971</u> | <u>1,809,286</u> | <u>4,204,071</u> |
| TOTAL NON - CURRENT ASSETS | | <u>380,629,461</u> | <u>412,020,702</u> | <u>387,930,385</u> | <u>419,330,043</u> |
| TOTAL ASSETS | | <u>1,430,557,339</u> | <u>1,441,751,403</u> | <u>1,406,816,969</u> | <u>1,420,144,713</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
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2013

| | | In Baht | | | |
|---------------------------------------------------|----|----------------------|----------------------|----------------------|----------------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| | | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | | (Restated) | | (Restated) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | Notes | | | |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 13 | 88,063,485 | 93,435,016 | 87,237,253 | 91,601,251 |
| Accrued income tax | | 14,465,581 | 17,236,470 | 13,714,584 | 16,616,562 |
| Other current liabilities | | 3,494,485 | 2,827,322 | 3,349,814 | 2,767,340 |
| TOTAL CURRENT LIABILITIES | | 106,023,551 | 113,498,808 | 104,301,651 | 110,985,153 |
| NON - CURRENT LIABILITIES | | | | | |
| Employee benefit obligations | 14 | 31,779,309 | 29,588,203 | 30,317,542 | 28,169,254 |
| TOTAL LIABILITIES | | 137,802,860 | 143,087,011 | 134,619,193 | 139,154,407 |
| SHAREHOLDERS' EQUITY | | | | | |
| 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 | | 805,493,754 | 811,403,667 | 784,937,051 | 793,729,581 |
| TOTAL SHAREHOLDERS' EQUITY | | 1,292,754,479 | 1,298,664,392 | 1,272,197,776 | 1,280,990,306 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 1,430,557,339 | 1,441,751,403 | 1,406,816,969 | 1,420,144,713 |

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
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIOD ENDED 30 JUNE 2013

| | In Baht | | | |
|---------------------------------------------------------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2013 | 2012 | 2013 | 2012 |
| <u>Note</u> | | (Restated) | | (Restated) |
| Revenues from sales | 443,272,927 | 450,181,259 | 440,315,374 | 443,508,195 |
| Cost of sales | (335,272,338) | (320,502,975) | (335,272,338) | (320,035,725) |
| Gross profit | 108,000,589 | 129,678,284 | 105,043,036 | 123,472,470 |
| Gain on exchange rate | 25,645,020 | 5,551,809 | 20,578,798 | 4,226,567 |
| Other income | 6,073,884 | 4,469,498 | 6,070,853 | 4,462,694 |
| Profit before expenses | 139,719,493 | 139,699,591 | 131,692,687 | 132,161,731 |
| Selling expenses | (30,671,560) | (32,085,759) | (27,053,372) | (28,284,572) |
| Administrative expenses | (23,559,091) | (19,897,391) | (22,414,781) | (18,599,779) |
| Total expenses | (54,230,651) | (51,983,150) | (49,468,153) | (46,884,351) |
| Profit before Income tax expenses | 85,488,842 | 87,716,441 | 82,224,534 | 85,277,380 |
| Income tax expenses | 17 (10,541,036) | (12,006,692) | (9,879,224) | (11,614,325) |
| Profit for the period | 74,947,806 | 75,709,749 | 72,345,310 | 73,663,055 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 74,947,806 | 75,709,749 | 72,345,310 | 73,663,055 |
| Profit attributable to: | | | | |
| Equity holders of the parent | 74,947,806 | 75,709,749 | 72,345,310 | 73,663,055 |
| Non - controlling interests | - | - | - | - |
| | <u>74,947,806</u> | <u>75,709,749</u> | <u>72,345,310</u> | <u>73,663,055</u> |
| BASIC EARNINGS PER SHARE | | | | |
| Net profit attributable to equity holders of the parent | <u>0.20</u> | <u>0.20</u> | <u>0.19</u> | <u>0.19</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
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2013

| | | In Baht | | | | | |
|-------|--------------------------------------------------------------------------------|--------------------------------|-----------------------------------|----------------|----------------------------------|-------|---------------|
| Notes | Issued and paid-up share capital | Premium on share capital | Retained earnings | | Other components of equity | Total | |
| | | | Appropriated for legal reserve | Unappropriated | | | |
| | Balance as at 1 January 2012 - as previously reported | 381,145,725 | 68,000,000 | 38,115,000 | 683,011,392 | - | 1,170,272,117 |
| | Cumulative effect of the change in accounting policy relating to income tax | - | - | - | 7,689,616 | - | 7,689,616 |
| 6 | | - | - | - | 7,689,616 | - | 7,689,616 |
| | Balance as at 1 January 2012 - as restated | 381,145,725 | 68,000,000 | 38,115,000 | 690,701,008 | - | 1,177,961,733 |
| | Dividends paid | - | - | - | (53,359,660) | - | (53,359,660) |
| 15 | | - | - | - | (53,359,660) | - | (53,359,660) |
| | Total comprehensive income for the period | - | - | - | 101,480,276 | - | 101,480,276 |
| | Balance as at 30 June 2012 | 381,145,725 | 68,000,000 | 38,115,000 | 738,821,624 | - | 1,226,082,349 |
| | Balance as at 1 January 2013 - as previously reported | 381,145,725 | 68,000,000 | 38,115,000 | 804,389,988 | - | 1,291,650,713 |
| | Cumulative effect of the change in accounting policy relating to income tax | - | - | - | 7,013,679 | - | 7,013,679 |
| 6 | | - | - | - | 7,013,679 | - | 7,013,679 |
| | Balance as at 1 January 2013 - as restated | 381,145,725 | 68,000,000 | 38,115,000 | 811,403,667 | - | 1,298,664,392 |
| | Dividends paid | - | - | - | (106,716,518) | - | (106,716,518) |
| 15 | | - | - | - | (106,716,518) | - | (106,716,518) |
| | Total comprehensive income for the period | - | - | - | 100,806,605 | - | 100,806,605 |
| | Balance as at 30 June 2013 | 381,145,725 | 68,000,000 | 38,115,000 | 805,493,754 | - | 1,292,754,479 |

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 SIX - MONTH PERIOD ENDED 30 JUNE 2013

| | | In Baht | | | | | |
|-------|-----------------------------------------------------------------------------|------------------------------------------|--------------------------------|-----------------------------------|----------------|----------------------------------|---------------|
| | | Issued and paid - up share capital | Premium on share capital | Retained earnings | | Other components of equity | Total |
| Notes | | | | Appropriated for legal reserve | Unappropriated | | |
| | Balance as at 1 January 2012 - as previously reported | 381,145,725 | 68,000,000 | 38,115,000 | 668,777,872 | - | 1,156,038,597 |
| | Cumulative effect of the change in accounting policy relating to income tax | - | - | - | 7,421,223 | - | 7,421,223 |
| 6 | | - | - | - | 7,421,223 | - | 7,421,223 |
| | Balance as at 1 January 2012 - as restated | 381,145,725 | 68,000,000 | 38,115,000 | 676,199,095 | - | 1,163,459,820 |
| | Dividends paid | - | - | - | (53,359,660) | - | (53,359,660) |
| 15 | | - | - | - | (53,359,660) | - | (53,359,660) |
| | Total comprehensive income for the period | - | - | - | 100,272,393 | - | 100,272,393 |
| | Balance as at 30 June 2012 | 381,145,725 | 68,000,000 | 38,115,000 | 723,111,828 | - | 1,210,372,553 |
| | Balance as at 1 January 2013 - as previously reported | 381,145,725 | 68,000,000 | 38,115,000 | 786,999,692 | - | 1,274,260,417 |
| | Cumulative effect of the change in accounting policy relating to income tax | - | - | - | 6,729,889 | - | 6,729,889 |
| 6 | | - | - | - | 6,729,889 | - | 6,729,889 |
| | Balance as at 1 January 2013 - as restated | 381,145,725 | 68,000,000 | 38,115,000 | 793,729,581 | - | 1,280,990,306 |
| | Dividends paid | - | - | - | (106,716,518) | - | (106,716,518) |
| 15 | | - | - | - | (106,716,518) | - | (106,716,518) |
| | Total comprehensive income for the period | - | - | - | 97,923,988 | - | 97,923,988 |
| | Balance as at 30 June 2013 | 381,145,725 | 68,000,000 | 38,115,000 | 784,937,051 | - | 1,272,197,776 |

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2013

| | In Baht | | | |
|-----------------------------------------------------------------------------------------------|----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2013 | 2012 | 2013 | 2012 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before income tax expenses | 115,190,230 | 118,489,637 | 111,565,180 | 116,893,236 |
| Adjustments to reconcile net profit to net cash provided by (used in) operating activities | | | | |
| Unrealized gain on exchange rate | (1,133,822) | (1,029,768) | (1,005,345) | (1,001,580) |
| Doubtful accounts | - | 44,203 | - | 44,203 |
| Reversal on diminution in value of inventories | (1,437,979) | (193,627) | (1,437,979) | (193,627) |
| Loss (gain) on disposal and amortization | 2,840,209 | (650,098) | 2,860,208 | (650,098) |
| Depreciation | 33,818,640 | 32,379,929 | 33,623,162 | 32,191,547 |
| Provisions for employee benefit obligations | 2,376,206 | 1,863,667 | 2,333,388 | 1,825,176 |
| Profit from operating activities before change in operational assets and liabilities | 151,653,484 | 150,903,943 | 147,938,614 | 149,108,857 |
| Decrease (Increase) in operational assets | | | | |
| Trade and other receivables | (88,486,430) | (130,789,999) | (89,064,824) | (133,531,366) |
| Accounts receivable - planters | 21,533,387 | 8,739,016 | 21,533,387 | 8,739,016 |
| Inventories | (41,254,898) | (50,651,084) | (40,246,983) | (48,589,252) |
| Other current assets | 81,858 | (2,209,685) | 117,567 | (2,360,907) |
| Other non - current assets | 2,394,785 | 849,039 | 2,394,785 | 849,036 |
| Increase (Decrease) in operational liabilities | | | | |
| Trade and other payables | (1,986,413) | 15,892,709 | (967,314) | 15,798,364 |
| Other current liabilities | 481,598 | (112,865) | 396,909 | (40,242) |
| Benefits paid by the plan | (185,100) | - | (185,100) | - |
| Cash receipt (paid) from operation | 44,232,271 | (7,378,926) | 41,917,041 | (10,026,494) |
| Income tax paid | (17,307,846) | (4,849,283) | (16,685,233) | (3,940,504) |
| Net cash provided by (used in) operating activities | 26,924,425 | (12,228,209) | 25,231,808 | (13,966,998) |

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2013

| | In Baht | | | |
|----------------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2013 | 2012 | 2013 | 2012 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Increase in short - term investments | (50,400,000) | - | (50,000,000) | - |
| Increase in fixed deposits pledged as collateral | (132,332) | (131,259) | - | - |
| Proceeds from disposal of equipment | 38,766 | 662,804 | 18,766 | 662,804 |
| Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1) | (10,438,266) | (12,638,341) | (10,375,266) | (12,605,116) |
| Cash paid for acquisition of computer software | (495,000) | (890,074) | (495,000) | (890,074) |
| Net cash used in investing activities | <u>(61,426,832)</u> | <u>(12,996,870)</u> | <u>(60,851,500)</u> | <u>(12,832,386)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Cash paid for dividends (Supplement of cash flows information 2) | <u>(106,530,953)</u> | <u>(53,170,481)</u> | <u>(106,530,953)</u> | <u>(53,170,481)</u> |
| Net cash used in financing activities | <u>(106,530,953)</u> | <u>(53,170,481)</u> | <u>(106,530,953)</u> | <u>(53,170,481)</u> |
| Net Decrease in cash and cash equivalents | (141,033,360) | (78,395,560) | (142,150,645) | (79,969,865) |
| Cash and Cash Equivalents, Beginning of period | <u>354,250,608</u> | <u>261,771,921</u> | <u>327,082,224</u> | <u>242,783,021</u> |
| Cash and Cash Equivalents, End of period | <u><u>213,217,248</u></u> | <u><u>183,376,361</u></u> | <u><u>184,931,579</u></u> | <u><u>162,813,156</u></u> |
| <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 | (6,923,201) | (13,366,369) | (6,860,201) | (13,333,144) |
| Increase (Decrease) in payable from acquisition of assets | (3,515,065) | 728,028 | (3,515,065) | 728,028 |
| Cash paid for acquisition of plant and equipment | <u>(10,438,266)</u> | <u>(12,638,341)</u> | <u>(10,375,266)</u> | <u>(12,605,116)</u> |
| <u>2.Cash paid for dividends</u> | | | | |
| Dividends paid | (106,716,518) | (53,359,660) | (106,716,518) | (53,359,660) |
| Increase in accrued dividends | 185,565 | 189,179 | 185,565 | 189,179 |
| Cash paid for dividends | <u>(106,530,953)</u> | <u>(53,170,481)</u> | <u>(106,530,953)</u> | <u>(53,170,481)</u> |

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