

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

FINANCIAL STATEMENTS

AND REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

EXPRESSED IN THAI BAHT

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

<u>ASSETS</u>	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
CURRENT ASSETS					
Cash and cash equivalents	6	180,543,896	267,997,777	159,538,653	242,470,505
Short - term investments	7	305,563,080	50,000,000	300,000,000	50,000,000
Trade accounts receivable - related companies	5.2,8	8,393,339	8,047,337	21,678,626	15,625,755
- other companies - net	8	44,525,784	36,213,991	36,831,724	29,209,790
Loan to related company	5.2	-	24,500,000	-	24,500,000
Inventories - net	9	309,958,460	401,603,038	309,958,460	401,603,038
Other current assets					
Accounts receivable - planters - net	10	36,184,230	26,671,709	36,184,230	26,671,709
Value added tax receivable		1,633,661	1,638,826	1,611,619	1,624,182
Others		1,822,277	1,205,201	1,808,861	1,188,969
Total other current assets		39,640,168	29,515,736	39,604,710	29,484,860
TOTAL CURRENT ASSETS		888,624,727	817,877,879	867,612,173	792,893,948
NON - CURRENT ASSETS					
Fixed deposits pledged as collateral	11	14,491,685	14,416,580	-	-
Investments in subsidiary	12	-	-	23,353,658	23,353,658
Property, plant and equipment - net	13	426,340,446	448,455,591	424,849,043	448,386,945
Non operating assets - net	14	23,369,146	21,076,158	23,369,146	21,076,158
Computer software - net	15	2,798,886	182,260	2,798,886	182,260
Other non - current assets		3,205,087	3,473,214	3,204,187	3,472,314
TOTAL NON - CURRENT ASSETS		470,205,250	487,603,803	477,574,920	496,471,335
TOTAL ASSETS		1,358,829,977	1,305,481,682	1,345,187,093	1,289,365,283

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2010 AND 2009

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>Notes</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
CURRENT LIABILITIES					
Trade accounts payable		37,844,294	47,923,858	37,844,294	47,923,858
Payable from acquisition of assets		2,240,552	717,998	2,240,552	717,998
Accrued income tax		1,375,966	749,651	1,375,966	-
Accrued expenses - related companies	5.2	4,037,604	3,650,486	3,501,026	3,122,059
- other companies		39,949,425	43,041,639	39,131,689	42,016,575
Other current liabilities		2,412,106	1,330,862	2,372,857	1,302,702
TOTAL CURRENT LIABILITIES		87,859,947	97,414,494	86,466,384	95,083,192
SHAREHOLDERS' EQUITY					
Share capital - Baht 1 par value					
Authorized shares					
381,146,251 common shares	17	<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	18	38,115,000	38,115,000	38,115,000	38,115,000
Unappropriated		<u>783,709,305</u>	<u>720,806,463</u>	<u>771,459,984</u>	<u>707,021,366</u>
TOTAL SHAREHOLDERS' EQUITY		1,270,970,030	1,208,067,188	1,258,720,709	1,194,282,091
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,358,829,977	1,305,481,682	1,345,187,093	1,289,365,283

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
Note	2010	2009	2010	2009
Revenues from sales	1,367,578,383	1,321,454,879	1,349,072,122	1,294,066,043
Cost of sales	(1,028,858,624)	(913,392,443)	(1,027,217,303)	(912,365,692)
Gross profit	338,719,759	408,062,436	321,854,819	381,700,351
Gain on exchange rate	33,428,610	6,221,129	29,645,028	3,606,131
Other income	9,866,876	8,570,892	9,795,857	8,935,473
Profit before expenses	382,015,245	422,854,457	361,295,704	394,241,955
Selling expenses	(128,365,184)	(119,022,195)	(110,964,710)	(101,338,706)
Administrative expenses	(52,674,602)	(50,607,932)	(50,173,559)	(48,241,079)
Managements' remuneration	(41,344,419)	(40,126,400)	(38,990,619)	(37,608,200)
Profit before income tax	159,631,040	213,097,930	161,166,816	207,053,970
Income tax	23 (1,443,142)	(1,930,709)	(1,443,142)	-
NET PROFIT	<u>158,187,898</u>	<u>211,167,221</u>	<u>159,723,674</u>	<u>207,053,970</u>
Net profit attributable to:				
Equity holders of the parent	158,187,898	211,167,221	159,723,674	207,053,970
Minority interest of the subsidiary	-	-	-	-
	<u>158,187,898</u>	<u>211,167,221</u>	<u>159,723,674</u>	<u>207,053,970</u>
BASIC EARNINGS PER SHARE				
NET PROFIT	<u>0.42</u>	<u>0.55</u>	<u>0.42</u>	<u>0.54</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 financial statements are an integral part of these financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Notes	In Baht				Total
		Issued and paid-up share capital	Premium on share capital	Retained earnings		
				Appropriated for 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		-	-	-	211,167,221	211,167,221
Increase in appropriated for legal reserve	18	-	-	3,465,000	(3,465,000)	-
Stock dividends	17	34,649,133	-	-	(34,649,133)	-
Dividends paid	19	-	-	-	(199,232,685)	(199,232,685)
BALANCE as at December 31, 2009		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>720,806,463</u>	<u>1,208,067,188</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		-	-	-	158,187,898	158,187,898
Dividends paid	19	-	-	-	(95,285,056)	(95,285,056)
BALANCE as at December 31, 2010		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>783,709,305</u>	<u>1,270,970,030</u>

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Notes	In Baht				Total
		Issued and paid - up share capital	Premium on share capital	Retained earnings		
				Appropriated for 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		-	-	-	207,053,970	207,053,970
Increase in appropriated for legal reserve	18	-	-	3,465,000	(3,465,000)	-
Stock dividends	17	34,649,133	-	-	(34,649,133)	-
Dividends paid	19	-	-	-	(199,232,685)	(199,232,685)
BALANCE as at December 31, 2009		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>707,021,366</u>	<u>1,194,282,091</u>
BALANCE as at January 1, 2010		381,145,725	68,000,000	38,115,000	707,021,366	1,194,282,091
Net profit		-	-	-	159,723,674	159,723,674
Dividends paid	19	-	-	-	(95,285,056)	(95,285,056)
BALANCE as at December 31, 2010		<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>771,459,984</u>	<u>1,258,720,709</u>

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 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	159,631,040	213,097,930	161,166,816	207,053,970
Adjustments to reconcile net profit to net cash provided by operating activities				
Unrealized gain on exchange rate	(35,384)	(128,127)	(43,931)	(117,344)
Reversal of doubtful accounts	(6,646)	(14,064)	(6,646)	(14,064)
Reversal of loss on diminution of inventories	(582,859)	(491,095)	(582,859)	(491,095)
Loss (Gain) on disposal of equipment and written off	(1,180,123)	293,974	(665,639)	293,974
Depreciation	68,496,491	68,780,389	68,140,249	68,564,892
Amortization of computer software	182,260	338,162	182,260	338,162
Amortization of withholding tax	1,798	-	-	-
Profit from operating activities before change in operational assets and liabilities	226,506,577	281,877,169	228,190,250	275,628,495
Decrease (Increase) in operational assets				
Trade accounts receivable - related companies	(346,562)	14,751,689	(6,049,412)	22,877,626
Trade accounts receivable - other companies	(8,293,130)	24,902,673	(7,598,304)	19,928,955
Inventories	92,227,437	(47,925,301)	92,227,437	(47,925,301)
Accounts receivable - planters	(9,505,875)	(91,098)	(9,505,875)	(91,098)
Value added tax receivable	5,165	(167,766)	12,563	(415,012)
Other current assets	(617,076)	3,178,116	(619,892)	3,123,810
Other non - current assets	268,127	(2,240,957)	268,127	(2,240,957)
Increase (Decrease) in operational liabilities				
Trade accounts payable	(10,079,564)	15,305,001	(10,079,564)	15,477,327
Accrued expenses - related companies	404,399	114,498	395,809	(197,192)
Accrued expenses - other companies	(3,185,530)	8,507,903	(2,978,202)	8,410,671
Other current liabilities	1,081,244	(300,688)	1,070,155	(232,168)
Cash receipt from operation	288,465,212	297,911,239	285,333,092	294,345,156
Income tax paid	(818,625)	(2,035,308)	(67,176)	(70,268)
Net cash provided by operating activities	287,646,587	295,875,931	285,265,916	294,274,888

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

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (Increase) in short - term investments	(255,563,080)	90,000,000	(250,000,000)	90,000,000
Increase in fixed deposits pledged as collateral	(75,105)	(176,938)	-	-
Cash receipt from loan to related company	24,500,000	-	24,500,000	-
Proceeds from disposal of vehicle and equipment	1,188,316	455,653	673,830	455,653
Cash paid for acquisition of plant and equipment (Supplement of cash flows information 1)	(46,360,424)	(33,878,585)	(44,581,423)	(33,828,267)
Cash paid for acquisition of non operating land	(3,190,590)	-	(3,190,590)	-
Cash paid for acquisition of computer software	(407,845)	-	(407,845)	-
Net cash provided by (used in) investing activities	<u>(279,908,728)</u>	<u>56,400,130</u>	<u>(273,006,028)</u>	<u>56,627,386</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for dividends (Supplement of cash flows information 2)	(95,191,740)	(198,921,374)	(95,191,740)	(198,921,374)
Net cash used in financing activities	<u>(95,191,740)</u>	<u>(198,921,374)</u>	<u>(95,191,740)</u>	<u>(198,921,374)</u>
Net increase (decrease) in cash and cash equivalents	(87,453,881)	153,354,687	(82,931,852)	151,980,900
Cash and cash equivalents, beginning of year	<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 year	<u>180,543,896</u>	<u>267,997,777</u>	<u>159,538,653</u>	<u>242,470,505</u>
<u>Supplement disclosures of cash flows information</u>				
<u>1. Property, Plant and Equipment</u>				
Details of acquisition of plant and equipment during the year are as follows :				
Acquisition of plant and equipment during the year	(47,882,978)	(33,376,788)	(46,103,977)	(33,326,470)
Increase (Decrease) in payable from acquisition of assets	1,522,554	(501,797)	1,522,554	(501,797)
Cash paid for acquisition of plant and equipment	<u>(46,360,424)</u>	<u>(33,878,585)</u>	<u>(44,581,423)</u>	<u>(33,828,267)</u>
<u>2. Cash paid for dividends</u>				
Dividends paid	(95,285,056)	(199,232,685)	(95,285,056)	(199,232,685)
Increase in accrued dividends	93,316	311,311	93,316	311,311
Cash paid for dividends	<u>(95,191,740)</u>	<u>(198,921,374)</u>	<u>(95,191,740)</u>	<u>(198,921,374)</u>

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