

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 AND 2008 (REVIEWED) AND DECEMBER 31, 2008 (AUDITED)

1. BASIS OF INTERIM FINANCIAL STATEMENTS AND CONSOLIDATED INTERIM FINANCIAL STATEMENT PREPARATION

The accompanying consolidated interim financial statements and separate interim financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by related interpretations and guidelines promulgated by the Federation of Accounting Professions and regulations of the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard No. 34 (revised 2007), 'Interim Financial Reporting' and additional notes are presented as required by the Securities and Exchange Commission.

The consolidated interim financial statements and separate interim financial statements are prepared as additional information to financial statements for the year ended December 31, 2008 with the emphasis on the more current information about activities, events and situations, not a duplicate of information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2008.

The interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The consolidated financial statements include the account of Chiangmai Frozen Foods Public Company Limited and Subsidiary, Agrifood Processing Co., Ltd. with the percentage of holding of 100% of authorized share.

The significant transactions between the Company and its subsidiary have been eliminated in the consolidated interim financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company and subsidiary uses the same significant accounting policies and calculation method in these interim financial statements for the three-month and nine-month periods ended September 30, 2009 as those used in the financial statements for the year ended December 31, 2008.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponding to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

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- a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale and

Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after January 1, 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007), Accounting Treatment Guidance for leasehold right and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007) and TAS 36 (revised 2007), will not have any significant impact on the financial statements for the current period.

- b) Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
TAS 24 (revised 2007)	Related Party Disclosures	January 1, 2011
TAS 40	Investment Property	January 1, 2011

The management of the Company is still evaluating the effect of these three accounting standards.

4. TRANSACTIONS WITH RELATED COMPANIES

4.1 Relationships and pricing policies

<u>Subsidiary :</u>	<u>Relationship</u>
Agrifood Processing Co., Ltd.	Shareholding and Directorship
<u>Related companies :</u>	
C&W Interfoods Co.,Ltd.	Common shareholders
Itochu Corporation Co., Ltd.	Shareholder
P.P. Foods Supply Co., Ltd.	Common shareholders
Ing Shiang Co., Ltd.	Common shareholders
Agri World Co.,Ltd.	Common Shareholders and directors
C.T.Prosper Group Co.,Ltd.	Common Shareholders and directors
	<u>Pricing policy</u>
Sales	At normal business prices, as same as other entities.
Rental revenue	At contract price which had been agreed upon.
Service income	At price which had been agreed upon
Service expense	At price which had been agreed upon
Commission	At rate 1.50 – 3.00% of sales
Loan to	At interest rate 3.25% per annum.

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4.2 Balances of transactions with subsidiary and related companies

	In Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Trade accounts receivable				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	24,645,927	17,520,430
Related companies				
Itochu Corporation Co., Ltd.	6,088,043	9,002,795	3,084,823	7,330,073
P. P. Foods Supply Co., Ltd.	1,844,000	9,004,700	1,844,000	8,860,700
Ing shiang Co., Ltd.	1,678,605	4,790,400	1,678,605	4,790,400
Total	9,610,648	22,797,895	6,607,428	20,981,173
Grand Total	9,610,648	22,797,895	31,253,355	38,501,603
Other accounts receivable				
Related company				
C.T.Prosper Group Co., Ltd.	12,402	14,257	12,402	14,257
Interest receivable				
Related company				
C&W Interfoods Co., Ltd.	65,445	132,708	65,445	132,708
Long - term loans to				
Related company				
C&W Interfoods Co., Ltd.	24,500,000	24,500,000	24,500,000	24,500,000

In 2005 the Company entered into an agreement to lend to related company (C&W Interfoods Co., Ltd.), amount to Baht 24.5 million. The full principal repayment was due within June 2010. The interest is repayable on monthly basis at the last day of each month under the interest rate of 3.25% per annum. Such loan was guaranteed by Wonder Interfoods Co., Ltd., which is the major shareholders of C&W Interfoods Co., Ltd. and Mr.Nirand Pholpipattanapong, the director of C&W Interfoods Co., Ltd.

	In Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Accrued commission				
Related companies				
Itochu Corporation Co., Ltd.	2,087,951	651,136	1,909,953	434,399
P.P. Foods Supply Co., Ltd.	803,522	945,489	803,522	945,489
Ing shiang Co., Ltd.	1,737,338	1,939,363	1,737,338	1,939,363
Total	4,628,811	3,535,988	4,450,813	3,319,251
Deposit				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	30,000	30,000

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4.3 Revenue and expenses transactions with subsidiary and related companies

Revenue and expenses between the Company, subsidiary and related companies for the three-month periods ended September 30, 2009 and 2008 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Sales				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	65,540,818	63,483,157
Related companies				
Itochu Corporation Co., Ltd.	56,811,259	45,829,566	34,155,162	24,581,645
P.P. Foods Supply Co., Ltd.	2,571,500	2,797,450	2,571,500	2,797,450
Ing shiang Co., Ltd.	1,703,198	621,145	1,703,198	621,145
Total	61,085,957	49,248,161	38,429,860	28,000,240
Grand Total	61,085,957	49,248,161	103,970,678	91,483,397
Other income				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	155,100	155,100
Related company				
C.T.Prosper Group Co., Ltd.	22,500	22,500	22,500	22,500
Total	22,500	22,500	177,600	177,600
Interest income				
Related company				
C&W Interfoods Co., Ltd.	200,698	200,151	200,698	200,151
Commission expenses				
Related companies				
Itochu Corporation Co., Ltd.	1,113,389	920,136	681,261	493,646
P.P. Foods Supply Co., Ltd.	218,968	431,013	218,968	431,013
Ing shiang Co., Ltd.	541,487	496,122	541,487	496,122
Total	1,873,844	1,847,271	1,441,716	1,420,781

Revenue and expenses between the Company, subsidiary and related companies for the nine-month periods ended September 30, 2009 and 2008 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Sales				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	163,137,285	151,350,317
Related companies				
C&W Interfoods Co., Ltd.	-	1,600	-	-
Itochu Corporation Co., Ltd.	145,210,665	137,102,915	107,312,606	96,083,446
P.P. Foods Supply Co., Ltd.	8,514,000	6,824,950	8,262,000	6,761,950
Ing shiang Co., Ltd.	3,449,856	6,076,548	2,800,064	5,448,406
Total	157,174,521	150,006,013	118,374,670	108,293,802
Grand Total	157,174,521	150,006,013	281,511,955	259,644,119

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	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Other income				
Subsidiary				
Agrifood Processing Co., Ltd.	-	-	465,300	465,300
Related company				
C.T.Prosper Group Co., Ltd.	67,500	67,500	67,500	67,500
Total	<u>67,500</u>	<u>67,500</u>	<u>532,800</u>	<u>532,800</u>
Interest Income				
Related company				
C&W Interfoods Co., Ltd.	<u>595,551</u>	<u>596,100</u>	<u>595,551</u>	<u>596,100</u>
Commission Expenses				
Related companies				
Itochu Corporation Co., Ltd.	2,887,688	2,760,467	2,161,245	1,928,358
P.P. Foods Supply Co., Ltd.	942,373	1,528,110	942,373	1,528,110
Ing shiang Co., Ltd.	<u>1,791,746</u>	<u>1,185,459</u>	<u>1,791,746</u>	<u>1,185,459</u>
Total	<u>5,621,807</u>	<u>5,474,036</u>	<u>4,895,364</u>	<u>4,641,927</u>
Service Expenses				
Related company				
Agriworld Co., Ltd.	<u>-</u>	<u>1,210,692</u>	<u>-</u>	<u>1,210,692</u>

5. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Cash on hand	142,275	116,343	132,275	106,343
Current accounts	587,226	1,336,350	-	-
Saving accounts	234,316,000	107,749,668	212,960,889	90,383,262
Fixed deposits : Less than 3 months	<u>35,511,650</u>	<u>5,440,729</u>	<u>30,000,000</u>	<u>-</u>
Total	<u>270,557,151</u>	<u>114,643,090</u>	<u>243,093,164</u>	<u>90,489,605</u>

The weighted average effective interest rates of deposits at financial institutions were 0.25% – 1.00% per annum (December 31,2008: 0.25 % – 4.00 % per annum).

6. SHORT- TERM INVESTMENTS

As at September 30, 2009, the Company has short-term investments in deposits at financial institution amounting of Baht 50.0 million (December 31, 2008 : Baht 140.0 million) which are 5 - 8 months fixed deposits bear interest at the rate of 1.00 - 4.00% per annum.

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7. TRADE ACCOUNTS RECEIVABLE - NET

The aging of outstanding balances as at September 30, 2009 and December 31, 2008 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Accounts receivable - Related companies				
Not yet due	8,573,740	12,780,947	30,216,447	28,514,619
Over due within 1 - 3 months	1,036,908	5,756,998	1,036,908	5,727,034
Over due within 4 - 6 months	-	1,482,750	-	1,482,750
Over due within 7 – 12 months	-	2,777,200	-	2,777,200
Total accounts receivable				
- Related companies	<u>9,610,648</u>	<u>22,797,895</u>	<u>31,253,355</u>	<u>38,501,603</u>
Trade accounts receivable - Other companies				
Not yet due	41,042,492	51,639,847	30,235,944	39,672,616
Over due within 1 - 3 months	4,959,162	6,228,505	1,003	6,228,505
Over due within 4 - 6 months	-	3,130,719	-	3,130,719
Over due over 12 months	<u>2,751,014</u>	<u>2,751,014</u>	<u>2,751,014</u>	<u>2,751,014</u>
Total accounts receivable - Other companies	48,752,668	63,750,085	32,987,961	51,782,854
<u>Less</u> Allowance for doubtful accounts	<u>(2,751,014)</u>	<u>(2,751,014)</u>	<u>(2,751,014)</u>	<u>(2,751,014)</u>
Total accounts receivable				
- Other companies - Net	<u>46,001,654</u>	<u>60,999,071</u>	<u>30,236,947</u>	<u>49,031,840</u>

8. INVENTORIES – NET

Consolidated financial statements

	In Baht					
	At Cost		Provision for diminution in value of inventories		Inventories-net	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Finished goods and semi – products	321,543,561	294,365,295	(1,188,629)	(2,207,779)	320,354,932	292,157,516
Raw material and supplies	28,143,492	29,095,336	(738,505)	(427,723)	27,404,987	28,667,613
Seeds, insecticide, fertilizer	20,226,283	32,455,814	(61,122)	(94,301)	20,165,161	32,361,513
Total	<u>369,913,336</u>	<u>355,916,445</u>	<u>(1,988,256)</u>	<u>(2,729,803)</u>	<u>367,925,080</u>	<u>353,186,642</u>

Separate financial statements

	In Baht					
	At Cost		Provision for diminution in value of inventories		Inventories-net	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Finished goods and semi – products	318,894,651	294,365,295	(1,188,629)	(2,207,779)	317,706,022	292,157,516
Raw material and supplies	28,143,492	29,095,336	(738,505)	(427,723)	27,404,987	28,667,613
Seeds, insecticide, fertilizer	20,226,283	32,455,814	(61,122)	(94,301)	20,165,161	32,361,513
Total	<u>367,264,426</u>	<u>355,916,445</u>	<u>(1,988,256)</u>	<u>(2,729,803)</u>	<u>365,276,170</u>	<u>353,186,642</u>

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9. ACCOUNTS RECEIVABLE - PLANTERS – NET

	In Baht	
	Consolidated and Separate	
	financial statements	
	September 30, 2009	December 31, 2008
Accounts receivable-planters	26,911,117	27,278,068
<u>Less Allowance for doubtful accounts</u>	<u>(704,823)</u>	<u>(711,521)</u>
Accounts receivable -planters- Net	<u>26,206,294</u>	<u>26,566,547</u>

10.FIXED DEPOSITS PLEDGED AS COLLATERAL

As at September 30, 2009 and December 31, 2008, the subsidiary has fixed deposit amounted to Baht 14.4 million and Baht 14.2 million, respectively which pledged as collateral against credit line from a local financial institution.

11.INVESTMENTS IN SUBSIDIARY

Separate financial statements

As at September 30, 2009 and December 31, 2008.

	Activities	Paid up Capital (In Baht)	% Holdings	At Cost (In Baht)
Agrifood Processing Co.,Ltd.	Transmuted Sweet corn distribution	30,000,000	100	<u>23,353,658</u>

12.PROPERTY, PLANT AND EQUIPMENT - NET

	In Baht	
	Consolidated financial statements	Separate financial statements
Transaction for the nine-month period ended September 30, 2009		
Opening net book amount	487,280,190	487,046,365
Acquisition	20,449,977	20,444,659
Disposals	(15,405)	(15,405)
Depreciation	<u>(55,810,953)</u>	<u>(55,651,486)</u>
Closing net book amount	<u>451,903,809</u>	<u>451,824,133</u>

Net book value of land and buildings amounted to Baht 146.1 million were mortgaged and pledged as collateral against partial bank overdrafts and short-term loans from financial institutions as discussed in Note 15 to interim financial statements.

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13. NON OPERATING ASSETS - NET

	In Baht		
	Consolidated and Separate financial statements		Total
	Land	Machineries and equipment	
Transaction for the nine-month period ended September 30, 2009			
Opening net book value	16,107,988	2,296,799	18,404,787
<u>Less</u> Amortization during the period	-	(292,814)	(292,814)
Closing net book value	<u>16,107,988</u>	<u>2,003,985</u>	<u>18,111,973</u>
As at September 30, 2009			
Cost	16,107,988	10,076,335	26,184,323
<u>Less</u> Accumulative amortization	-	(4,627,152)	(4,627,152)
<u>Less</u> Allowance for impairment	-	(3,445,198)	(3,445,198)
Net book value	<u>16,107,988</u>	<u>2,003,985</u>	<u>18,111,973</u>

Unused land of the Company amounting of Baht 16.1 million to prepare for the plant expansion in the future.

14. COMPUTER SOFTWARE - NET

	In Baht
	Consolidated and Separate financial statements
Transaction for the nine-month period ended September 30, 2009	
Opening net book value	520,422
<u>Less</u> Amortization during the period	(262,143)
Closing net book value	<u>258,279</u>
As at September 30, 2009	
Cost	1,690,810
<u>Less</u> Accumulative amortization	(1,432,531)
Net book value	<u>258,279</u>

15. OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at September 30, 2009 and December 31, 2008, the Company has the overdrafts and short-term loans lines amounted to Baht 420 million and Baht 540 million, respectively. The facilities charge an interest at the rate of MOR per annum. Such overdrafts and short-term loans lines are secured over a part of the land and buildings of the company as discussed in Note 12 to interim financial statements.

16. SHARE CAPITAL

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- According to the resolution of the shareholders' meeting No.1/2009 held on April 30, 2009 the shareholders had the resolution to approve as follows :
 - Approved the capital decreasing of the Company's authorized share capital from Baht 346,497,096 (346,497,096 of common shares with a par value of Baht 1 per share) to Baht 346,496,592 (346,496,592 of common shares with a par value of Baht 1 per share). The Company registered with the Ministry of Commerce on May 12, 2009.
 - Approved the capital increasing amount to Baht 34,649,659 of the Company's authorized share capital from Baht 346,496,592 (346,496,592 of common shares with a par value of Baht 1 per share) to Baht 381,146,251 (381,146,251 of common shares with a par value of Baht 1 per share) The Company registered with the Ministry of Commerce on June 2, 2009.
- On May 29, 2009, the Company paid stock dividends to the existing shareholders at the ratio of 10 existing common shares to 1 common shares (throw away fraction) totaling 34,649,133 shares at the rate Baht 0.10 per share with a par value of Baht 1 per share amount to Baht 34,649,133 The paid up share capital increased amount to Baht 381,145,725 (381,145,725 of common shares with a par value of Baht 1 per share). The Company registered with the Ministry of Commerce on June 2, 2009.

17.LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

18.DIVIDENDS PAID

At the directors' meeting No.4/2009 held on August 13, 2009 the meeting approved the payment of interim dividends from net income for the period of January 1, 2009 to June 30, 2009 under the Board of Investment Promotional Certificate No. 1465/2542 to the shareholders for 381,145,725 on shares, at Baht 0.25 per share amounted to Baht 95,285,182. Such dividends paid on September 11, 2009. However, dividends of Baht 1,249 were not paid to certain shareholders due to disqualification.

At the shareholders' meeting No.1/2009 held on April 30, 2009 the shareholders had the resolution to approve the payment of cash dividends and stock dividends. To pay cash dividends from net income for the year 2007 - 2008 under the Board of Investment Promotional Certificate No.1465/2542 to the shareholders for 346,496,592 shares, at Baht 0.30 per share amounted to Baht 103,947,503 and to pay stock dividends from net income for the year 2007 - 2008 under the Board of Investment Promotional Certificate No.1465/2542 to the existing shareholders at the ratio of 10 existing common shares to 1 common shares (throw away fraction) at the rate Baht 0.10 per share amounted to 34,649,133 shares with a par value of Baht 1 per share amounted to Baht 34,649,133. The Company paid such dividends on May 29, 2009. However, dividends of Baht 1,475 were not paid to certain shareholders due to disqualification.

At the shareholders' meeting No.1/2008 held on April 30, 2008, the shareholders were unanimously approved the payment of dividends from net income for the year 2005-2007 under the Board of Investment Promotional Certificate No. 1465/2542 to the shareholders for 346,496,592 on shares, at Baht 0.30 per share amounted to Baht 103,947,478. Such dividends paid on May 30, 2008.

19.BASIC EARNINGS PER SHARE

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Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period. The numbers of ordinary shares are adjusted by the stock dividends distributed during this quarter as mentioned in Note 18 to interim financial statements are incurred in the beginning.

Basic earnings per share for the three month and nine month periods ended September 30, 2008 were recalculated for comparison purpose.

20.EXPENSES BY NATURE

Significant expenses by nature are as follows :

	In Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended September 30,			
	2009	2008	2009	2008
Changes in raw materials finished goods and semi – finished products	(16,501,339)	(32,144,103)	(31,293,023)	(32,144,103)
Purchase of raw material	140,354,530	152,628,410	140,354,530	152,628,410
Depreciation and amortization	18,319,442	22,156,955	18,265,657	22,097,435
Staff costs	47,188,844	43,813,077	46,160,113	42,874,977
	In Baht			
	Consolidated financial statements		Separate financial statements	
	For the nine-month periods ended September 30,			
	2009	2008	2009	2008
Changes in raw materials finished goods and semi – finished products	(24,529,354)	12,142,695	(24,529,354)	12,142,695
Purchase of raw material	370,130,588	330,102,884	370,130,588	330,102,884
Depreciation and amortization	56,365,910	59,151,346	56,206,443	58,896,055
Staff costs	136,667,033	124,906,828	133,573,571	122,149,128

21.SEGMENT INFORMATION

The Company and subsidiaries are engaged in business of manufacturing and exporting of frozen fruits, vegetables and transmuted sweet corn distribution and operate in one geographical area in Thailand. Therefore, these financial statements do not present the geographical segment.

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The details of business segment information for the three-month period ended September 30, 2009 are as follows:

Consolidated financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	349,785,918	1,323,447	351,109,365
	(244,366,610		
Cost of sales)	(1,498,224)	(245,864,834)
Gross (loss) profit	105,419,308	(174,777)	105,244,531
Selling expenses	(29,990,701)	(94,060)	(30,084,761)
Income (loss) from operating	75,428,607	(268,837)	75,159,770
Interest and other income			5,342,097
Central expenses			(23,085,066)
Income before income tax			57,416,801
Income tax			(624,853)
Net income			56,791,948

The details of business segment information for the three-month period ended September 30, 2008 and are as follows:

Consolidated financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	348,118,251	1,996,487	350,114,738
	(249,622,844		
Cost of sales)	(1,655,750)	(251,278,594)
Gross profit	98,495,407	340,737	98,836,144
Selling expenses	(37,242,319)	(213,588)	(37,455,907)
Income from operating	61,253,088	127,149	61,380,237
Interest and other income			4,499,038
Central expenses			(24,741,646)
Net income			41,137,629

The details of business segment information for the nine-month period ended September 30, 2009 and are as follows:

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	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	1,083,570,515	2,663,772	1,086,234,287
Cost of sales	(709,942,171)	(3,050,056)	(712,992,227)
Gross (loss) profit	373,628,344	(386,284)	373,242,060
Selling expenses	(94,420,346)	(211,747)	(94,632,093)
Income (loss) from operating	279,207,998	(598,031)	278,609,967
Interest and other income			8,869,847
Central expenses			(65,437,043)
Income before income tax			222,042,771
Income tax			(1,804,995)
Net income			220,237,776
Property , plant and equipment by segment as at September 30, 2009	386,151,511	24,245,470	410,396,981
Property , plant and equipment which cannot be classified by segment			41,506,828
Other assets			835,071,761
Total assets			1,286,975,570

The details of business segment information for the nine-month period ended September 30, 2008 and are as follows:

Consolidated financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	968,615,375	2,967,021	971,582,396
Cost of sales	(702,195,578)	(2,384,567)	(704,580,145)
Gross profit	266,419,797	582,454	267,002,251
Selling expenses	(98,661,120)	(302,215)	(98,963,335)
Income from operating	167,758,677	280,239	168,038,916
Interest and other income			13,938,652
Central expenses			(61,846,911)
Net income			120,130,657
Property , plant and equipment by segment as at September 30, 2008	414,893,710	39,600,296	454,494,006
Property , plant and equipment which cannot be classified by segment			43,251,225
Other assets			738,997,320
Total assets			1,236,742,551

The details of business segment information for the three-month period ended September 30, 2009 are as follows:

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	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	343,042,271	690,156	343,732,427
	(244,366,610)		
Cost of sales)	(998,724)	(245,365,334)
Gross (loss) profit	98,675,661	(308,568)	98,367,093
Selling expenses	(24,884,737)	(51,594)	(24,936,331)
Income (loss) from operating	73,790,924	(360,162)	73,430,762
Interest and other income			4,219,256
Central expenses			(22,310,040)
Net income			55,339,978

The details of business segment information for the three-month period ended September 30, 2008 are as follows:

Separate financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	337,144,256	-	337,144,256
	(249,622,844)		
Cost of sales)	-	(249,622,844)
Gross profit	87,521,412	-	87,521,412
Selling expenses	(31,347,667)	-	(31,347,667)
Income from operating	56,173,745	-	56,173,745
Interest and other income			4,543,882
Central expenses			(21,057,985)
Net income			39,659,642

The details of business segment information for the nine-month period ended September 30, 2009 are as follows:

Separate financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	1,062,833,137	1,371,312	1,064,204,449
Cost of sales	(709,942,171)	(2,023,306)	(711,965,477)
Gross (loss) profit	352,890,966	(651,994)	352,238,972
Selling expenses	(81,546,201)	(105,214)	(81,651,415)
Income (loss) from operating	271,344,765	(757,208)	270,587,557
Interest and other income			7,878,084
Central expenses			(62,052,124)
Net income			216,413,517
Property , plant and equipment by segment as at September 30, 2009	386,151,511	24,245,470	410,396,981
Property , plant and equipment which cannot be classified by segment			41,427,152
Other assets			819,737,635
Total assets			1,271,534,768

The details of business segment information for the nine-month period ended September 30, 2008 are as follows:

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Separate financial statements

	In Baht		
	Frozen Products	Transmuted Products	Total
Sales	949,377,419	-	949,377,419
Cost of sales	(702,195,578)	-	(702,195,578)
Gross profit	247,181,841	-	247,181,841
Selling expenses	(85,173,223)	-	(85,173,223)
Income from operating	162,008,618	-	162,008,618
Interest and other income			14,054,480
Central expenses			(56,897,542)
Net income			119,165,556
Property, plant and equipment - net by segment as at September 30, 2008	414,893,710	39,600,296	454,494,006
Property, plant and equipment - net which cannot be classified by segment			42,963,892
Other assets			731,956,352
Total assets			1,229,414,250

22.FINANCIAL INSTRUMENTS

As at September 30, 2009, the Company and subsidiary have no policy to perform speculate or trade the financial instrument transaction derivatives.

22.1 Credit risk

Credit risk is the exposure to the risk that the counterparties might discharge their obligations which could cause the Company to incur financial loss. The main financial assets that potentially subject to the Company to credit risk are trade accounts receivable and long-term loan to related company.

- Trade accounts receivable, Due to the large number and diversity of the entities comprising the Group's customer base and confined credit policy adopted, the Company and subsidiary therefore does not anticipate material losses from its debt collection in excess of the allowance for doubtful accounts already set up in the accounts
- Long - term loan to related company, the Company has managed credit risk by setting up appropriate credit limit and term which are granted, including personal and corporate guarantees as a means of mitigating the risk of financial loss from defaults. As at September 30, 2009 the Company has long-term loan to related company amounting of Baht 24.5 million with full principle repayment due within June 2010 and is paid interest at the rate of 3.25% per annum on monthly basis (at the last day of each month). Such loan is guaranteed by Wonder Interfoods Co., Ltd., which is the major shareholders of such related company and Mr. Nirand Pholpipattanapong as the director of such related company. The Company's management believes that the Company can get all loan repayment from the above related company.

22.2 Foreign currency risk and risk management

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The Company and subsidiary exposure to foreign currency risk relates primarily to their business transactions which are denominated in foreign currencies. The Company and subsidiary have policies to hedge such risks by using derivative financial instruments. As at September 30, 2009, the Company has outstanding forward foreign exchange selling contracts and option contracts of a total of U.S. Dollars 9.0 million in exchange of Baht 302.8 million with 3 commercial banks. The contract will be due on May 2010.

As at September 30, 2009, liabilities of the Company and subsidiary have accrued commission amounting of U.S.Dollars 114,167 which is not hedged.

22.3 Interest rate risk

The Company and subsidiary were exposed to interest risks because it held deposits to financial institutions. However, such financial assets are month short-term, the Company and subsidiary believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

22.4 Fair value

The financial assets and liabilities include cash and cash equivalents, short-term investments, trade accounts receivable, long-term loan and trade accounts payable. Their carried values approximate to their fair values.

23.COMMITMENTS AND CONTINGENT LIABILITY

As at September 30, 2009

- 23.1 The Company has contingent liable for bank guarantees issued in favor of government agency amounting to approximately Baht 8.9 million.
- 23.2 The Company has commitment to pay the uncalled investments in Agrifood Processing Co., Ltd. amounting to approximately Baht 90 million.
- 23.3 The Company has commitments for software license with a local company amounting of Baht 1.0 million.

24.RECLASSIFICATION

Certain amounts in the financial statements for the three - month and nine - month period ended September 30, 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

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	In Baht			
	For the three-month period ended September 30, 2008			
	Consolidated financial statements		Separate financial statements	
	The reclassifications	The previously reported	The reclassifications	The previously reported
Selling and administrative expenses	-	57,598,335	-	49,149,193
Selling expenses	37,455,907	-	31,347,667	-
Administrative expenses	12,781,474	-	11,022,022	-
Directors and managements' remuneration	8,673,391	1,312,404	8,091,941	1,312,404
Interest expenses	-	33	-	33

	In Baht			
	For the nine-month period ended September 30, 2008			
	Consolidated financial statements		Separate financial statements	
	The reclassifications	The previously reported	The reclassifications	The previously reported
Selling and administrative expenses	-	156,817,794	-	138,078,313
Selling expenses	98,963,335	-	85,173,223	-
Administrative expenses	35,784,491	-	32,577,472	-
Directors and managements' remuneration	26,062,420	3,992,404	24,320,070	3,992,404
Interest expenses	-	48	-	48

25.CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at September 30, 2009 debt to equity ratio in the consolidated financial statements is 0.06:1 (the separate financial statements: 0.06:1)

26.APPROVAL OF INTERIM FINANCIAL STATEMENTS

These the interim financial statements were authorized for issue by the board of directors of the Company on November 13, 2009.