

( Translation )  
**Report of Ordinary Shareholder Meeting for Annual 2013**  
**of**  
**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED**

**Time and venue** The meeting held on Friday, April 19, 2013 and started meeting at 10.30 a.m., at Montien Hotel “Montienthip Room” No. 54 Surawongse Road, Bangrak, Bangkok.

**Quorum** Mr. Prayoon Pholpipattanaphong, Chairman, is a chairman in the meeting, informs that there are the shareholders whose attend meeting by themselves and whose assign to be present by proxy total 137 persons, countable share at 239,741,576 shares come to 62.90% of company register capital and already paid up share amount 381,145,725 shares and are amount not less than one third of total distributed amount shares or not less than 127,048,575 shares and there shall be shareholders and proxies attending at a shareholder meeting not less than twenty-five persons according to the Articles of Association No. 24, then complete as quorum.

During meeting, there are additional 22 persons both shareholders and proxy countable 727,269 shares.

The Chairman says to open a meeting by assigning Mr. Wanchandr Sivaboonyawongs, Legal Advisor of the company to proceed the meeting as agendas:

**Meeting agenda:** prior proceed the meeting as agenda, the conductor of a meeting informs as follows:

**Today there are 11 out of 11 company directors to attend the meeting namely:**

- |                                   |   |
|-----------------------------------|---|
| 1. Mr. Prayoon Pholpipattanaphong | Chairman  |
| 2. Mr. Prapas Pholpipattanaphong  | Managing Director and Chairman of Risk Management Committee                                     |
| 3. Mr. Suwat Phongphasura         | Executive Director  |
| 4. Mr. Prayuth Pholpipattanaphong | Executive Director, Chairman of Corporate Governance Committee and Business Development Manager |
| 5. Mr. Ankoon Pholpipattanaphong  | Executive Director, Assistant Managing Director, Company’s Secretary and Marketing Manager      |
| 6. Mr. Lan, Mu-Chiou              | Non-executive Director  |
| 7. Mr. Kenichi Tai                | Non-executive Director  |
| 8. Mr. Santichai Suakanonth       | Independent Director and Chairman of Board of Audit Committee                                   |
| 9. Mr. Amnuay Yossuck             | Independent Director and Chairman of Board of Nomination & Remuneration Committee               |
| 10. Mr. Ampon Ruayfupant          | Independent Director  |
| 11. Dr. Phusit Wonglorsaichon     | Independent Director  |

**Related persons who perform duty in the meeting as follows:**

- |                                  |   |
|----------------------------------|---|
| 1. Mr. Sakda Phimmuang           | Accounting Manager act as recorder of the meeting |
| 2. Mr. Wanchandr Sivaboonyawongs | Legal Advisor act as conductor                    |
| 3. Miss Nongram Laohaareedilok   | Auditor, eye-witness for counting votes.          |

**Resolution:** One share has one vote. To resolve in normal agenda, let regard the maximum vote of attended shareholders and have a right to vote. If equal vote, vote of the chairman in the meeting will be arbitrated. For agenda of approval remuneration for director and Audit Committee and approval for amending Articles of Association No. 24, let regard the vote not less than two third of total vote of shareholders which attend meeting and have a right to vote.

**Agenda 1 Consider certify report of Ordinary Shareholder Meeting for Annual 2012.**

The Chairman, requests the meeting to consider report of Ordinary Shareholder Meeting for Annual 2012 which held on April 20, 2012 as already sent copy to shareholders and requests the meeting to resolve.

**Resolution** The Meeting has considered and no inquiry from any shareholder or ask for amending report of Ordinary Shareholder Meeting for Annual 2012 and resolved in an unanimously to certify report of Ordinary Shareholder Meeting for Annual 2012 with following votes:

Approve	239,899,176	votes
Disapprove	-	Vote
Abstain from voting	-	vote

**Agenda 2 Acknowledge report the company operation result in cycle of 2012**

Mr. Prayoon Pholpipattanaphong, Chairman of the meeting informs the company operation result in 2012. The Company had a sale volume amount 26,000 metric tons increased from previous year amount 300 metric tons. The Company and subsidiary company earned income from selling 1,491.5 million baht increased from previous year amount 198.1 million baht and gained net profit 174.7 million baht increased from previous year amount 118.9 million baht. Increased profit mainly happened from average exchange rate increased, average sale price increased and sales volume increased.

**Agenda 3 Consider approve Financial Statements of the company for the year ended December 31, 2012**

The Chairman requests the meeting to consider the Financial Statements of the company for the year ended December 31, 2012 which already passed auditing from certified public accountant, then requests the meeting to consider and resolve.

**Resolution** The Meeting has considered and no shareholder inquire further, then resolved in an unanimously to approve the financial statements of the company for the year ended December 31, 2012 with following votes:

Approve	240,259,976	votes
Disapprove	-	Vote
Abstain from voting	-	vote

**Agenda 4 Consider approve the appoint the Director to replace quitted one**

The Chairman informs in the meeting that there are 3 directors whose completed term this year, namely:

1. Mr. Prapas Pholpipattanaphong
2. Mr. Prayuth Pholpipatanaphong
3. Dr. Phusit Wonglorsaichon

By the Board of Company which not include quitted directors, have considered and agreed with the proposal of the Board of Nomination and Remuneration Committee to propose all 3 completed term directors name to the shareholder meeting for considering elect as director owing all completed term directors are entirely knowledgeable, competent and experience suitable for holding director of the company, then wish to propose such above persons to re-hold the director once again.

All this, the company has opened a chance to the minority shareholders enable to propose person name for considering to select as company director in advanced by having public relation and propagate the information through company website, [www.cmfrozen.com](http://www.cmfrozen.com) and website of the Stock Exchange of Thailand, [www.set.or.th](http://www.set.or.th). By this year 2013, no any propose of name lists from the minor shareholders for selecting as Independent Director of the company.

Name lists and biography briefly of the proposed director to hold the company director once again as already sent to the shareholders.

The Company opens a chance to the shareholders enable to propose other person names apart from said 4 directors, by a person who is proposed the name must not be the forbidden person according to the Royal Act of Public Company Limited, Royal Act of Securities and Securities of Stock Exchange, provision of Securities of Stock Exchange of Thailand, provision of Securities and Exchange Commission and Article of Association of the company and a person who is proposed must consent to propose the name and if it is proposed the name, the company will examine the property before register as director. If it is found that the property is forbidden, the company will not register as company director.

When no other shareholders inquire further, the chairman then requests the meeting to consider and resolve to elect the director individually to replace quitted one.

**Resolution** The Meeting has considered and resolved in an unanimously to elect the director individually respectively namely: 1) Mr. Prapas Pholpipattanaphong 2) Mr. Prayuth Pholpipatanaphong and 3) Dr. Phusit Wonglorsaichon, with following votes:

1. Mr. Prapas Pholpipattanaphong

Approve	230,431,015	votes
Disapprove	-	Vote
Abstain from voting	10,037,830	votes

2. Mr. Prayuth Pholpipatanaphong

Approve	240,240,095	votes
Disapprove	-	Vote
Abstain from voting	30,000	votes

3. Dr. Phusit Wonglorsaichon

Approve	240,240,095	votes
Disapprove	-	Vote
Abstain from voting	30,000	votes

**Agenda 5 Consider approve to fix remuneration for Directors and Audit Committees of 2013**

The Chairman has informed in the meeting that in promote for performing duty of Board of Director in creating value added to the company, the company then should pay an appropriate remuneration for the duty and responsibility to the director propose by Board of Nomination and Remuneration Committee which the Board of Company Meeting No. 1/2013 on February 26, 2013 have already considered to see that the shareholder meeting should consider approving to fix remuneration for director of 2013 as follows:

- Remuneration for 11 company directors each 400,000.-baht/year
- Remuneration for Chairman of Audit Committee 40,000.-baht/month
- Remuneration for 2 Audit Committees each 20,000.-baht/month

Such remuneration have already compared with various reference information which is the same rate with the year 2012 and it is the remuneration that put on suitable basis to uphold the qualified directors that company required.

when no other shareholders inquire further, the chairman then requests the meeting to consider and resolve.

**Resolution** The Meeting has considered and resolved in an unanimously approve to fix remuneration for company directors of 2013 as informed by the chairman with following votes:

Approve	240,270,095	votes
Disapprove	-	Vote
Abstain from voting	-	vote

**Agenda 6 Consider appoint Auditor and fix auditing fee of 2013**

The Chairman informs in the meeting that at the meeting of Board of Company No. 1/2013 on February 26, 2013 have considered and agreed to appoint company Auditor and fix auditing fee of 2013 with an approval of Board of Audit Committee to propose the Shareholder meeting for approving to appoint AST Master Co., Ltd., and/or DIA International , as company Auditor with having either of Auditor as follows:

1. Miss Nongram Laoha-areedilok Certified Public Accountant License No. 4334 and/or
2. Mrs. Suwimol Kittayakien Certified Public Accountant License No. 2982

is an Auditor and express an opinion toward financial statements of the company of 2013 by appointed Auditor has no relationship or common interest with the company, subsidiary company, executives or related person in an appearance that may impact toward performing duty freely by propose the remuneration amount 570,000.- baht (five hundred seventy thousand).

When no other shareholders inquire further, the Chairman then requests the meeting to consider and resolve.

**Resolution** The Meeting has considered and resolved in an unanimously approve to appoint 1) AST Master Co., Ltd., by having Miss Nongram Laoha-areedilok, CPA Registration No. 4334 and/or 2) DIA International by having Mrs. Suwimol Kittayakien, CPA Registration No. 2982 as company Auditor of 2013 by allowing either of them has an authority to auditing and express an opinion toward financial statements of the company and approve remuneration in auditing amount 570,000.- baht (five hundred seventy thousand) with following votes:

Approve	240,271,845	votes
Disapprove	-	Vote
Abstain from voting	-	vote

**Agenda 7 Consider approve dividend payment for the operation result of 2012**

The Chairman has informed in the meeting that at the meeting of Board of Company No. 1/2013 on February 26, 2013 have considered and resolved the company to pay dividend as follows:

- Pay dividend at rate 0.28 baht per share from the operation result of installment January 1 – December 31, 2012 to the shareholders amount 381,145,725 shares come to amount 106,720,803.00 baht or 61.07% of consolidated net profit by separating into: pay from business of paid corporate income tax 11.5% at rate 0.14 baht per share come to 53,360,401.50 baht and pay from business of paid corporate income tax 23% at rate 0.14 baht per share come to 53,360,401.50 baht.
- Rate of dividend payment from the operation result of 2012 61.07% of consolidated net profit decreased 34.56% when compare with the rate of dividend payment from the operation result of 2011 that paid 95.63% due to problem of much higher on capital cost of labor and hardness in procurement of labor. The Company then is under possibility study in bringing the machine to use for harvesting the raw materials to replace manpower and procure some parts of machine to recompense lack of labors. The Company then protects cash as reserve fund to supplement liquidity of the company. But however, the rate of dividend payment from the operation result in the year 2012 still coordinated with the formulated dividend payment policy, that is pay dividend not less than 60% of net profit.
- Dividend is deducted withholding tax 10%.
- Formulate name lists of shareholders who have right to receive dividends on March 13, 2013 and let collect name lists as clause 225 of Royal Act of Securities and Stock Exchange by method of closing register book in March 14, 2013 and fix Dividend payment in May 10, 2013.

**Resolution** The Meeting has considered and resolved in an unanimously approve the company to pay dividend by having details as informed by the Chairman in every way with following votes:

Approve	240,413,845	votes
Disapprove	-	Vote
Abstain from voting	55,000	votes

**Agenda 8 Consider approve for amending Articles of Association No. 24**

The Chairman informs in the meeting that Board of Corporate Governance have managed to make the policy of Corporate Governance in order to allow the directors, executives and Officials to hold and practice and the position of Chairman, Board of Executive are also a part of Good Corporate Governance. Board of Corporate Governance then propose the Board of Company to amend Articles of Association NO. 24 in order to coordinate with the policy line of corporate governance of the company.

The Resolution of Board of Company No. 1/2013 on February 26, 2013 have resolved to propose an Ordinary Shareholder Meeting for annual 2013 to approve for amending the Articles of Association No. 24 by having following details:

NO. 24 Board of Director have an authority to appoint a number of director to be Board of Executive which consist of Chairman of the board, vice-chairman and other positions as the Board of Director see that it is necessary, allow Board of Executive to have an authority to administer and control an activity of the company as formulated or assigned by the Board of Director.

**Resolution** The Meeting has considered and resolved in an unanimously approve to amending Articles of Association No. 24 with following votes:

Approve	240,438,845	votes
Disapprove	-	Vote
Abstain from voting	30,000	votes

**Agenda 9** To consider other mattes ( if any).

**During the meeting, the company opens a chance to the shareholders to express their opinion and inquiry as follows:**

**Shareholder** Whether the company has any policy to expand an investment to the neighbor 9countries like Burma, Vietnam, Laos or not?

**Company** To invest in the neighbor countries must consider many factors like labors, readiness of raw materials, investment promotion policy of each countries and return result rate of investment. There have been same kinds of company business to invest in Vietnam but not successful. If there is any investment in Burma, it must clearly study an investment promotion policy of Burma first which the company is under studying an information.

**Shareholder** The Company has been earned income from selling products to P.P. Foods Supply Co., Ltd., but at present why it is none?

**Company** Due to holding shares structure of P.P. Foods Supply Co., Ltd., changes, so make not to meet the basis of report related subject.

**Shareholder** At present the company has not distributed to P.P. Foods Supply Co., Ltd., but distributes to other costumers.

**Company** It is an expenses of accrued expenses increased from electricity charge and bonus.

**Shareholder** Would like to know whether the company has public relations on operating and company investment or not? inclusive clarification from one newspaper.

**Company** Owing the company does not expand the business as jumping step style but it is little by little, so no public relation in this part. For the news from one newspaper, the company has already consulted with the Stock Exchange of Thailand, then has sent a letter to clarify the Stock Exchange of Thailand that such news is not true. Therefore, the shareholders should follow up the company information from website of the Stock Exchange of Thailand, would be the best?

**Shareholder** How's the guide line of the company to consider remuneration for directors in the year 2013? because the company gained higher profit but remuneration remained as same.

**Company** The Company considers remuneration by comparing with other companies in the same industry group which sees that it is suitable and better performance result incur from many factors both from internal and external factors.

**Shareholder** The Company appoints Auditor from two companies wish to know whether these two companies must sign certify financial statements or not? also wish to know the cause to choose DIA International Co., Ltd., and what are their working experiences?

**Company** The cause to choose two companies because as the provision of the Stock Exchange of Thailand, the company must appoint one more Auditor for reserve, incase either of them unable to certify financial statements of the company. To sign for certify financial statements, it must sign for certify from only one Auditor. For DIA International Co. Ltd., since their representative absent from the meeting, so it is unable to tell their working experiences but DIA International Co., Ltd., has many customers that are registered company in the Stock Exchange of Thailand and using their service.

**Shareholder** Whether the company plan to expand the business or not? because this year the company pays dividend only 61.07% of net profit whereas in the previous years the company paid dividend nearly 100% of net profit throughout.

**Company** Dividend payment rate from the performance result of 2012 still coordinated with the formulated dividend payment, that is: pays dividend not less than 60% of net profit but due to problem of much higher of labor capital and hardness in labor procurement, the company then is under possibility study in bringing machine to use for harvesting raw materials to substitute manpower and procure some parts of machine to recompense lack of labor, The Company then protects cash as reserve fund to supplement liquidity.

**Shareholder** The Company gains net profit 0.46 baht/share but the company pays dividend 0.28 baht/share from taxation base 11.5%, would like to know whether the company still gains profit from other taxation bases or not? If so, wish the company to consider pay dividend from higher taxation base for an advantage in asking taxation credit of shareholders.

**Company** In the year 2012, the company had 2 rates of taxation base, that are : base 23% and base 11.5% . The Chairman in the meeting shall take into consideration taxation base of dividend payment. If any change, the company would inform to the Stock Exchange of Thailand later.

**Shareholder** Would like to know whether the profit from the part of received investment promotion still remain or not?

**Company** At present certificates of investment promotion of the company are all expired, still remain only 4<sup>th</sup> certificate of investment promotion which still obtains the right to pay half of normal rate of corporate income tax till the year 2014.

**Shareholder** The reason of amending the Article of Association of the company No. 24.

**Company** To make readiness preparation in administration to create more and more activeness.

**Shareholder** Why 5<sup>th</sup> certificate of investment promotion has no starting date and expiry date?

**Company** The Company asks for receiving 5<sup>th</sup> certificate of investment promotion in conducting business of cold storage service, not factory which according to the definition of investment promotion certificate, shall specify the starting day when the company begins to earn an income, but in practical way, the company uses the area of cold storage of 5<sup>th</sup>

investment promotion certificate in storing the company products with full area which make no income that incur from outside storing service, so it is unable to formulate starting day and ending day.

**Shareholder** Is there any impact toward the company with higher adjusted labor cost to 300 baht?

**Company** The impact to be occurred are divided into 1) Labor capital - the products of the company are frozen agriculture that needs to use large number of labors, the company then received impact of labor capital that much higher 2) Exchange rate - exchange rate in the year 2012 was in plus direction toward the company when compared with the year 2011 but since end of the previous year continuous to the early year, exchange rate kept stronger which would impact toward the performance result of the company in the year 2013 owing the company uses US currency in buying-selling. However, the company and Board of Risk Management have a policy to prevent and reduce the risk from fluctuation of exchange rate and follow up closely which makes the company capable to reduce the risk from fluctuation of exchange rate in one lever 3) Price adjustment in the year 2013 products - at present Yen currency is much weaken in the period of few months passed. Though the company shall buying-selling with US currency as a main but weaken value of Yen currency makes imported products capital of the customers higher. Therefore, consideration on price adjustment in the year 2013 must be made with carefully by thinking of the company competence in the competition and economic condition as a whole of Japan as main 4) Raw materials - agricultural products price have a trend to be higher which would make the raw materials capital of the company also higher.

**Shareholder** What are the main products? If the company is unable to distribute the main products, is there any way to solve the problem? and how would the trend of performance result in the year 2013-2014 be? and why not change to use Japan currency to substitute US Dollars?

**Company** The Company does business with the customers by US Currency throughout and believes that it would not change to use other currency. This moment, Yen value toward US Dollar is much weaken. If the company uses Yen currency, it would be much damages. In the part of company main commodity, that are: Frozen Green Beans, Frozen Soy Beans, Frozen Sweet Corns and Frozen Baby Corns, no impact on sale but to procure raw materials is much problem both in procurement on growing areas owing some parts of the formers turn to grow other plants such as growing rice which the government has the policy to guarantee the price and problem on lack of labor in agriculture part owing young couple labors are better educated, so they go to work with provide more comfortable such as work in industry service, Department Stores, Modern Trade and Government service chiefly.

**Shareholder** If Japanese customers turn to buy from other traders, how to do? Why not try to expand more market to Europe and USA?

**Company** Japanese customers are the main buyer of the company. Meantime, the company also exports the products to Europe and USA and having a trend of increasing but selling price can't match with Japan market, also delivery distance to Europe and USA is much farther, so transportation capital is high, whereas the selling price is much not high. For the competitions of the company in abroad are China and Taiwan. However, the customers still provide confident on the products of the company due to it is the quality products with



international standard and the important, products of the company could delivery regularly throughout the year which is a good point of the company and the customers pay an important on it.

**Shareholder** Why the company keeps rather mach on cash?

**Company** Cash that appeared in financial statements, some parts deposit with Bank and some parts the company must keep as short-run cash due to raw materials that buy from the formers are made by cash, the company then has to protect cash for such purpose. However, the company would try to exercise cash to be more efficiency.

**Shareholder** Would like to know that will there be any new products in the future?

**Company** As passed, the company tried to increase newly products but with climate condition of Thai is not allowed in growing such as Carrots, Broccoli which qualities were not good enough, production obtainable were rather low caused enable to compete with other countries.

**Shareholder** Why accounts receivable of growers increased?

**Company** The Company has a project to promote agriculture which must procure seeds, fertilizers and insecticides to the farmers who join the project by the company advances money and deduct back later and presently cost of seeds, fertilizers and insecticides are higher, also current season deviates from original. Some growing period are done in the end of year, then resulted to make accounts receivable of growers which the company advances money first have outstanding balances at end of the year increased but such accounts receivable of growers shall be deducted back gradually when having harvested raw materials and send to the company in the early year of next year.

**Shareholder** Has the company any guide line with an increased approximate sale of 500 metric tons?

**Company** Requirement of the products from the customers is still increasing, then not much in sale problem when compares with the problem of looking for growing areas in order to get sufficient products to meet customer requirement.

**Shareholder** Where the Company distribute the products in domestic?

**Company** There are 2 parts to distribute the products in the country that are: distribute through subsidiary company that is Agrifood Processing Co., Ltd. Which is an indirect export. Another part-distribute to the customers of factory to use as ingredient in producing the product to sell in domestic and export in form of various products.

**Shareholder** How many market portion in Japan?

**Company** Agricultural products distributed in Japan are much various and from many countries. Therefore, wish to answer only domestic competitors that does export to Japan. As a whole, the company has export portion about 60% of frozen agricultural products that deliver from Thailand to Japan.

Since no any other matter propose for consideration the chairman then says to close the meeting and thankful every shareholder whose attended the meeting.

Meeting closed at 12.20 times.

Signed  
(Mr. Prayoon Pholpipattanaphong)  
Chairman of the Meeting

Signed  
(Mr. Sakda Phimmuang)  
Recorder