



Chiangmai Frozen Foods Public Company Limited

1. General information

Name	Chiangmai Frozen Foods Public Company Limited
Office Location	149/34 Soi Anglo Plaza, Surawongse Road, Kwaeng Suriyawongse, Bangrak, Bangkok 10500, Thailand.
Registration	0107537000513
Telephone	(662) 238-4091, 634-0061-4
Facsimile	(662) 238-4090
Website	www.cmfrozen.com
Business Type	Manufacture and Export of Frozen Vegetables such as Soy Beans, Green Beans, Sweet Corn, Carrot, Baby Corn etc.
Capacity	42,000 Metric Tons per Year
Factory (Branch)	1 st Plant No. 92 Moo 3, Chiangmai-Phrao Road, Nongjom, Sansai, Chiangmai Province 50210, Thailand. 2 nd Plant No. 299 Moo 14, Chiangmai-Phrao Road, Mae Fag Mai, Sansai, Chiangmai Province 50290, Thailand.
Registered Capital	381,146,251 common shares each with par value 1 baht and in the aggregate value of 381,146,251 bahts.
Paid-up Capital	381,145,725 common shares each with par value 1 baht and in the aggregate value of 381,145,725 bahts.

Shares in juristic persons held by the company from 10% upwards.

Name	Agrifood Processing Co., Ltd.
Location	149/34 Soi Anglo Plaza, Surawongse Rd., Kwaeng Suriyawongse, Bangrak, Bangkok 10500, Thailand.
Telephone, Facsimile	Phone: (662) 634-2282-6 Fax: (662) 634-2287
Business Type	Conduct business buying-selling, distributor (Export) Frozen Sweet Corn.
Registered Capital	Ordinary share 12,000,000 shares of each 10 bahts/share total 120,000,000.00 bahts.
Paid-up Capital	Ordinary share 12,000,000 shares of each 10 bahts/share, paid up 30,000,000.00 bahts.
Percentage of Shareholding	100 % by the company.



Chiangmai Frozen Foods Public Company Limited

Other referred juristic persons

Registrar	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, 4,6-7 th Floor, Rachadapisek Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110,Thailand. Tel.(662)229-2800,654-5599 Fax.(662)359-1262-3
Auditor	Miss Nongram Laoha-areedilok,C.P.A.(Thailand) No.4334 or Miss Chamaporn Rodloytuk,C.P.A.(Thailand) No.9211 AST Master Office of 790/12 Thonglor Tower, Soi Tonglor 18, Sukhumvit Road 55, Kwaeng Klongtoey, Khet Wattana, Bangkok 10110, Thailand. Tel.(662)381-5716, 381- 8016
Legal Advisor	Mr. Wanchandr Sivaboonyawongs, Wisal & Associates Law Co., Ltd. 83-85 Soi Anuman Rajathon, Dejo Road, Khet Bangrak, Bangkok 10500, Thailand. Tel.(662)266-8217-8
Financial Institution	Siam Commercial Bank Public Co., Ltd. Mizuho Corporate Bank, Ltd. – Bangkok Office. Thanachart Bank



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SUMMARY FINANCIAL INFORMATION OF THE COMPANY

Financial Statements

(Unit: Thousand Baht)

Particular	Consolidated F/S.			Separate F/S.		
	2011	2010	2009	2011	2010	2009
Total assets	1,273,460	1,358,830	1,305,482	1,255,746	1,345,187	1,289,365
Total liabilities	103,188	87,860	97,415	99,707	86,466	95,083
Shareholders' equity	1,170,272	1,270,970	1,208,067	1,156,039	1,258,721	1,194,282
Sale revenue	1,293,387	1,367,578	1,321,455	1,267,970	1,349,072	1,294,066
Total income	1,317,773	1,410,874	1,336,247	1,290,896	1,388,513	1,306,608
Gross profit	244,259	338,720	408,062	219,838	321,855	381,700
Net profit (loss)	55,796	158,188	211,167	52,542	159,724	207,054

Financial Ratio

Particular	Consolidated F/S.			Separate F/S.		
	2011	2010	2009	2011	2010	2009
Net profit ratio per total income %	4.31	11.57	15.98	4.14	11.84	16.00
Return on equity %	4.77	12.45	17.48	4.54	12.69	17.34
Return on assets %	4.38	11.64	16.18	4.18	11.87	16.06
Net profit(loss) per share Baht	0.15	0.42	0.55	0.14	0.42	0.54
Annual Dividend per share Baht	0.14	0.35	0.50	0.14	0.35	0.50
Book value per share Baht	3.07	3.33	3.17	3.03	3.30	3.13
Net assets value per share Baht	3.34	3.57	3.43	3.29	3.53	3.38



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Clarification from Chairman of Board of Directors

To: The Shareholders;

In the cycle year of 2011 was quite the hardness year in conducting business of the company due to the natural calamity occurred that was Surnami peril in Japan which was a business partner and main market of the company and flood within the country including economic problem of USA and European countries.

The Company's performance of the year 2011 earned income amount 1,268 million baht decreased from previous year amount 81 million baht or come to 6.0% and having net profit 52.5 million baht decreased from previous year amount 107.2 million baht or come to 67.1%, happened from stronger exchange rate impact 1.40 baht/us dollar, come to value 49.1 million baht and the other part from higher production capital from raw material capital, production expenditure and labor wages.

In the year 2011, the company had sale volume amount 25,700 metric tons decreased from previous year amount 800 metric tons. An decreased of sale volume happened from the economic problem of Japan by overall has not yet recovered and indirect impact from Surnami peril.

However, though the company's performance would decrease but as an overview especially the matter of maintaining the customer base of the company would regard that the company still has a good operation. In the meeting of the Board of Company No. 1/2012, Board of Company resolved and agreed to pay dividend to the shareholders 381,145,725 shares at rate 0.14 baht/share come to amount 53,360,401.50 bahts.

For the year 2012, the company puts sale target at 27,000 metric tons. The Company believes that under an endeavor and determination of the company would make the company able to score a success in conducting business and having good business performance in order the company would be able to pay dividend to the shareholders regularly.

A handwritten signature in black ink, appearing to read 'P. Prayoon Pholpipattanaphong'.

(Mr. Prayoon Pholpipattanaphong)

Chairman

February 27, 2012



Chiangmai Frozen Foods Public Company Limited

Clarification of Chairman of the Audit Committee

To: The Shareholders;

As the Board of Company have resolved to nominate the Board of Audit Committee which comprise three independent non-executives directors, namely Mr. Santichai Suakanonth as Chairman of the Board of Audit Committee, Mr. Amnuay Yossuck and Mr. Ampon Ruayfupant as Audit Committee to perform the duties assigned from the Board of Company which mentioned clearly in the Audit Committee Charter which is according to the provision of the Stock Exchange of Thailand.

During the year 2011, the Board of Audit Committee conducted 4 meetings by inviting Auditors, Management and Internal Auditor to review as limit and responsibility by having the significant duties summarized as follows:

1. Review the Financial Statements quarterly and Annual Financial Statements of 2011 and adequately listen the clear explanations and report from the Management and Auditor in related subject, therefore, the Audit Committee are of a same opinion with the External Auditors that said quarterly annual financial statements are correct in essence in conformity with the generally accepted accounting principles.
2. Review the disclosure of connected and related information between the company, subsidiary company and concerned company and it is of opinion that such related information has adequately and correctly disclosed.
3. Review the compliance with the laws and regulation of Securities and Stock Exchange and related laws with the company business and not found any point in the matter of not acting in accordance with the law of Securities and Securities of Stock Exchange and related laws with the company business.
4. Promote the independence of internal audit operation, agreeing with annual internal audit plan and reviewing to have the adequacy and effective internal control system and found no significant weakness of control that may have adverse impact.

A handwritten signature in black ink, appearing to read 'S. Suakanonth'.

(Mr. Santichai Suakanonth)

Chairman of the Audit Committee

February 21, 2012



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2. Risk

Producing

The Company is a manufacturer and distributor of Frozen Vegetables product which must use Soy Beans, Green Beans and Sweet Corns as important raw materials of producing capital and since these raw materials are the agriculture raw materials that mainly depends on the nature factors make the company may affect and incur some shortage of such raw materials.

To serve this risk, the company would use the way of increasing more volume of producing in next stage due to raw materials could be able to grow 2-3 stages a year and harvesting life is only about 60-90 days. Therefore, if the problem arises in any stage of growing, the company would increase more growing area in next stage.

From arose of flood problem, the growing areas of the formers whose joint company project were few affect owing most growing areas were in the upper Northern region of the country.

Conducting business

The Company has presently exported Frozen Vegetables product to Japan market about 75% of the total sale which this dependence on Japan market at high portion would affect the company business from their economic slowdown. And/or change on the trade policy of such country.

However, as the products of the company which is food type necessary for standard of living and Japanese peoples like to consume Frozen Soy Beans and Frozen Green Beans also the company has a good relationship with the customer throughout, so the affective from depending on Japan market as a main would not be so risk.

Exchange rate

As the company has its value export about 80% of the total sale with all products sold in US Dollar currency, so the company may be affected due to stronger exchange rate, would make the company receive less baht value from

less exchange rate.

The measurement to reduce risk in this case, the company has made a US exchange forward contract which can reduce moderate risk from foreign exchange rate in which the company will make forward sell contract each time about 300,000-2,000,000 US Dollars for periods time 6 - 12 months make the company would be able to prevent risk in exchange rate not less than 6 months.

Quality products

Quality products that must free from chemical causes the company having risk in returning products from the customers if incapable to control the quality to free from chemical as agreed with the customers.



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The standard measure of controlling quality products which is an impact incur from chemical residue, the company is available an inspection process strictly according to GMP standard in which the company has arranged detector for detecting chemical residue that having high efficient which presently the company available 2 detectors capable to detect the chemical residue more than 250 kinds whereas the company uses the chemical about 20 kinds.

Management

Board of Company comprise 7 directors represented main shareholders group which are of experience in agricultural business for a long time and 4 Independent Directors jointly formulate the policy to the Board of Executive, take care and control operation of the Board of Executive continuously and efficiency.

Board of Executive comprise 5 high rank executive team which each of person is of knowledgeable and competent in managing agricultural business excellently, having scatter an authority in management and decision appropriately inclusive meeting together to make decision in an important point.

Working of the Board of Executive and Board of Company are conducting under the policy of Good Corporate Governance, think of every group of stakeholders, transparency, checkable and in every meeting of Board of Company, the meeting has reported operation review and open a chance to every director for making inquiry at their wish, so risk in management of the company then is in a low level.

Financial

The Company has total assets amount 1,255.7 million bahts, total liabilities 99.7 million bahts or come to 7.9% of total assets and shareholder equity 1,156.0 million bahts or come to 92.1% of total assets, liabilities ratio per shareholder equity 0.09:1 time, liquidity ratio 11.0 times and quick liquidity ratio 6.0 times, also amount credit line provided by 3 financial institutions that the company is using services are the credit lines that need not have promissory note which shows the financial status and reliably of the company obtained from the financial institutions in a high level. Besides, the company has held the financial policy of thoroughness make the company's financial risk is in low level.

Investment

The Company has a good performance and profitable throughout (except in the year 1997 due to economic crisis). At December 31, 2011, the company had total retained earnings amount 706.9 million baht or 56.3% of total assets and the company could pay dividend to the shareholders every year.



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3. BUSINESS CHARACTER

(1) Change and development significant

Nov. 1988	Established a company with register capital 50 million bahts with par value 10 bahts/share.
Apr. 1989	Built 1 st plant at Nongjom, Sansai, Chiangmai on area 15 rais 36.6 square wahs and finished in Oct. 1989
Feb. 1990	Started earning income from the operation.
Dec. 1991	Increased register capital from 50 million bahts to be 125 million bahts.
Jan. 1993	Permitted from The Securities of Stock Exchange of Thailand as register securities.
Jan. 1993	Started buying-selling shares in the Securities of Stock Exchange of Thailand under the name "CM"
Feb. 1994	Changed from company limited into Public Company Limited
Mar. 1994	Built 2 nd plant at Maefagmai, Sansai, Chiangmai on area 26 rais 29.9 square wahs and started producing in Oct. 1995
Nov. 1998	Increased register capital from 125 million bahts to be 210 million bahts.
Apr. 2003	Joint investment with River Kway International Co.,Ltd. in ratio 51:49 in Agri Foods Processing Co.,Ltd. with capital invested 120 million bahts, paid-up 30 million bahts.
Mar. 2004	Built cold storage at Maefagmai, Sansai, Chiangmai on area 8 rais 3 ngans 97 square wahs and finished in Jul. 2005
Jul. 2004	Bought capital investment in Agrifoods Processing Co.,Ltd. from River Kway International Co.,Ltd. increased from 51% to 100%.
May. 2005	Increased register capital from 210 million bahts to be 315 million bahts.
May. 2005	Changed par value from original par value 10 bahts/share to be 1 baht/share.
May. 2007	Increased register capital from 315 million bahts to be 346 million bahts.
May. 2009	Increased register capital from 346 million bahts to be 381 million bahts.

Change of authority in controlling the company

None

Change of holding structure, management or conducting business in the passed 3 years

No any change.

Important incident in 2011

- On march 2011 donated money to help peoples whose suffered from Surnami peril in Japan amount 3,300,000 bahts through Japan Consulate, Chiangmai and through Maejoe University.
- April 2011 granted ISO22000:2005.



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(2) To carry on business of the company.

The Company is a Manufacturer and Exporter of Frozen Vegetables which to be brought the agricultural products as raw materials to pass the processing methods then brings to keep at Cold Storage with temperature -25 degrees Celsius.

The products of the company are Frozen Vegetables such as Soy Beans, Green Beans, Sweet Corns. Carrots, Baby Corns etc.

(3) Structure of Revenue

For Chiangmai Frozen Foods Public Company Limited

(In Thousand Baht)

Products	2011	%	2010	%	2009	%
Frozen Vegetables	1,267,285	99.9	1,346,700	99.8	1,292,202	99.9
Others	685	0.1	2,372	0.2	1,865	0.1
Total	1,267,970	100.0	1,349,072	100.0	1,294,067	100.0

Product markets	2011	%	2010	%	2009	%
Overseas	1,019,895	80.4	1,109,487	82.2	1,057,959	81.8
Domestic	248,075	19.6	239,585	17.8	236,108	18.2
Total	1,267,970	100.0	1,349,072	100.0	1,294,067	100.0

Remark: Domestic sale, mostly from indirect export which is exported by Agrifood Processing Co., Ltd. (Subsidiary Company)

Nature of Customers	Percentage		
	Oversea Market	Domestic Market	Total
Total sale value	80.4	19.6	100.00

Operation cycle	Percentage		
	2011	2010	2009
1 st Quarter	21.00	23.00	23.00
2 nd Quarter	28.00	31.00	32.00
3 rd Quarter	29.00	25.00	27.00
4 th Quarter	22.00	21.00	18.00
Total	100.00	100.00	100.00



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Subsidiary company

Agrifood Processing Co.,Ltd., is a distributor (Export) of Frozen Sweet Corns.

Structure of Income

(Unit: Thousand baht)

Particular	2011	%	2010	%	2009	%
Revenue from sales	261,066	99.2	248,377	98.2	248,206	98.9
Others income	2,106	0.8	4,475	1.8	2,871	1.1
Total	263,172	100.0	252,852	100.0	251,077	100.0

Business target

- Maintain the product quality always in standard.
- Always strive to produce the goods to meet consumer requirement.
- Seek the business expansion channel for maximum advantage to every shareholder.
- Fairly conduct business, not ruin an environment and promote of living together with good relationship between company and community.

4. To carry on business of each products

(1) Character of products or service

Products of the company are Frozen Vegetables which produce by passing a quality standard production process and have obtained various standard certification such as ISO 22000, HACCP, GMP.

Privileges or limitation in conducting business

Number of promotion certificates;

1st Certificate No. 1727/Sor Or./1988

2nd Certificate No. 1063/Sor Or./1993

3rd Certificate No. 1397/1994

4th Certificate No. 1465/1999

5th Certificate No. 1545(3)/2004

Particular	1 st Certificate	2 nd Certificate	3 rd Certificate	4 th Certificate	5 th Certificate
Plant number	1	1	2	2	2
Promotion certificate date	12/12/1988	28/04/1993	7/07/1994	28/10/1999	6/07/2004
Business capacity (tons / year)	10,000	5,000	12,000	15,000	5,850
Validity of promotion certificate (years)	7	6	8	8	8
Effective dates of promotion certificate	1/02/1990	1/11/1994	3/03/1996	1/11/2001	-
Expiry dates of promotion certificate	1/02/1997	1/11/2000	3/03/2004	1/11/2009	-



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Granted investment promotion in the:- -Manufacture of Frozen Vegetables. -Cold storage service	yes	yes	yes	yes	yes
Type of business:- 1.3 Food manufacture or preservation 1.8 Food manufacture 1.17 Cold storage business	1.3	1.8	1.8	1.8	1.17
Exemption from company income tax	yes	yes	yes	yes	yes
Deduction of two times of transportation and electricity fee for 10 years as from income earning commencement	yes	yes	yes	yes	yes
After the expiry of promotion certificate, deduction of 50% income tax per year for 5 years	yes	yes	yes	yes	yes

As an investment promoted company, the company is required to comply with the conditions and regulations as stipulated in the Investment Promotion Certification.

(2) Marketing and competition condition

Previous year marketing

In the passed year, the company had total sale 1,268 million bahts decreased from previous 81 million bahts or come to 6.0%. The Company had export value 1,020 million bahts come to 80.4% and domestic sale 248 million bahts, come to 19.6%. The Company had sale volume 25,700 metric tons decreased from previous 800 metric tons or come to 3.0%. Export volume decreased due to economic problem of Japan still not recovered and indirect impact from Surnami peril. By overview, it regards that the company is still able to maintain customer base excellently though the company would receive impact from economic decline condition and few natural peril.

Marketing Tactics

The industrial of manufacturing frozen vegetables uses the modern technology. The products are able to retain for its color, nutrition value with taste like fresh one, no preservative added and also can keep for long, also comfortable and easy when to eat. This is a new line of industrial products which add a new choice for the consumers who are able to buy and eat all year.



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Important of competitive tactics

1. Quality of products is up to standard, to be accepted by oversea customers
2. Regular delivery at time of need.
3. Products are free from chemical residue and preservative added.
4. Closely and continuously communicate and exchange information with the customers in order to repay the customer required more better and better.

Advantages

1. The company has very strong market base.
2. High rank executives of the company are entirely experienced with knowledge of trading in agricultural products for a decade
3. Main products of the company is the produces from agriculture of good quality, fresh and safety
4. The growing areas are of plentiful and able to grow throughout the year and few affect from natural peril such as wind storm, heavy rain and flood when compare with the competitor country like China and Taiwan.

Disadvantages

1. The delivery distant both inland and sea are farther when compare to the competitor in overseas which make the delivery cost higher.
2. Size of growing areas is mostly small and scatter in wide vicinity, control of growing areas and chemical usage are done harder when compare with the competitors in overseas.

Target customers

Most of the company consumers are the middle class up group and business group who need the goods in form of half-cooked, clean, healthy and easy consume.

Pricing policy

The Company has a policy to distribute the products at the price of capable to compete with the competitors both from domestic and overseas.

Distribution and distribution channels

Most all the company's products exported to the overseas through the distribution channels of:-

Overseas There are three channels:

1. Distribute through an importer and the representative such as Itochu Corporation, Nichirei Corporation and Ing Shiang Co., Ltd., by having sale portion through this channel approximate 54.0% of the total sale.
2. Distribute directly to the customers by having distribution portion through this channel approximate 26.4% of the total sale.



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3. Distribute through Agri Foods Processing Co.,Ltd. (Subsidiary) which is an indirect export by having distribution portion through this channel approximate 18.5 of total sale.

Domestic There are two channels:

1. Distribute through the representative, that is P.P. Food Supply Co., Ltd., having distribution portion 0.3% of the total sale.
2. Direct distribution to the small customers approximate 0.8% of the total sale.

Nature of customers

Most customers of the company are importers, big traders, representative and small customers which are scatter the goods to Supermarkets, various retail shops and manufacturer in foods industry. Based on the good relationship maintained with the partners and customers, make the company will not lose any of its customers. On the contrary, the company has its progressive and continuously good performances since the commencement of its business in 1990. However, chance to lose an important customers of the company is still existing. Then the company has tried to penetrate more markets which presently, the company is able to export more products to other markets apart from Japan market that are U.S.A., Sweden, Denmark, Taiwan and China.

State of competition

Owing Thailand is a country of plentiful with available fresh vegetables eatable all year round, therefore, the main market of frozen vegetable business are oversea markets especially Japan market which is a market of high potential, need to consume frozen vegetables in large quantity because Japan customers prefer to consume in the form of half-cooked, fresh, clean, healthy and easy to eat. The Company is a main exporter of frozen vegetables of the country and many companies that are doing the same business but export portion are less than the company.

(3) Arrangement and services

Products of the company produce from raw materials bought from the farmers in project through the collector of raw materials, covering areas of 16 provinces of Northern region namely: Chiang Mai, Chiang Rai, Phare, Nan, Phayao, Lamphun, Mae Hong Son, Lampang, Phichit, Phetchabun, Kamphaeng Phet, Phitsanulok, Sukhothai, Tak Utaithani and Udtharadit, in which the company will arrange seeds, fertilizers and insecticides to the farmers for substitution and the company shall buy their produces under guarantee price. During growing period, there will be the officer which is our agricultural promotion employee to provide knowledge and advice to the farmers for nursing, fertilizing and governance for using chemical in order to obtain quality of produces, safe for consumer and highest yield per rai. When the



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produces could harvest, the company would buy at guarantee price and deduct the cost of seeds, fertilizers and insecticides from buying price of the produces.

Production capacity, production volume and production value

Particular	Unit	2011	2010	2009
Full production capacity of machinery	Metric tons	42,000	42,000	42,000
Actual production volume depend on season and raw material volume	Metric tons	26,280	22,276	27,242
Actual rate of usage capacity	%	62.57	53.04	64.86
Increase (decrease) rate of production volume	%	17.97	(18.23)	12.06
Increase (decrease) rate of production value	%	13.42	(2.98)	7.88

Remark: There are three production shifts. Actual production, which depends on the volume of raw materials supplied to the factory, ranges from one to three shifts.

Buying portion of Raw Material :

Domestic: Approximate 200 collectors of raw material at 96%

Oversea : The Company imports raw material at 4%

Affects on environment

Wasted water that passed the process of the company may affect on environment. So the company takes to pass the system of reforming wasted water in order to meet the requirement of Department of Industrial Works before to let to the system of drain water. For the remainder of raw material from the process, the company will sell in the form of advantage to use as animal feed make no wasted things in this part to affect the environment.

In the past 3 years, the company efforted to reduce environment impact to comply with laws carefully, then the company has no any dispute or to be accused concerning environment impact.

(4) Undelivered goods

Since the company produces the goods for selling all year and manage to deliver according to order regularly, so no any order that enable to deliver.



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5. Assets for business operation

Type of assets	Type of possession	Value (Million baht)	Burden
Land of office building, No.149/32-34 Soi Anglo Plaza, Surawongse Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok 54.4 Square wahs	Owner	25.6	No encumbered with a charge
Land 1 st Plant No.92 Moo 3 Chiangmai-Phrao Road, Nongjom, Sansai, Chiangmai 15 rais 36.6 Square wahs	Owner	3.1	No encumbered with a charge
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 27 rais 3 ngan 98.9 Square wahs	Owner	34.7	No encumbered with a charge
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 15 rais 1 ngan 53.6 Square wahs	Owner	7.2	No encumbered with a charge
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 16 rais 108.2 Square wahs	Owner	9.6	No encumbered with a charge
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 6 rais 54.3 Square wahs	Owner	3.2	No encumbered with a charge
Land –New Cold storage No. 299/1 Moo 14 Chiangmai-Phrao Road, Maefagmai,Sansai,Chiangmai 8 rais 3 ngan 97 square wahs	Owner	5.4	No encumbered with a charge
Land at Amphur Bangragum,Phitsunulok Province 154 rais 30 square wahs	Owner	15.4	No encumbered with a charge
Office Building, 4 Floors, 3 Units No. 149/32-34 Soi Anglo Plaza, Surawongse Road, Bangrak,Bangkok	Owner	6.4	No encumbered with a charge
1 st Plant Building No. 92 Moo 3 Chiangmai-Phrao Road, Nongjom,Sansai, Chiangmai	Owner	32.1	No encumbered with a charge
2 nd Plant Building No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai,Sansai,Chiangmai	Owner	59.2	No encumbered with a charge
New cold storage No. 299/1 Moo 14 Chiangmai-Phrao Road, Maefagmai,Sansai,Chiangmai	Owner	67.4	No encumbered with a charge
Total machinery	Owner	98.7	No encumbered with a charge



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Future project

The Company always attempts to study various projects include the project that may be advantaged under an agreement frame of Asian Economic Cooperation (AEC).

6. Legal disputes

None

7. Capital structure

(1) Security of company

The Company's registered capital is 381,146,251 bahts, paid up of 381,145,725 bahts, divided into 381,145,725 common shares and each with par value of 1 baht.

(2) Shareholders as at March 15, 2011

The first ten major shareholders	Amount of shares	Percentages
1. Nortern Agricultural Co., Ltd.	66,755,700	17.51
2. Itochu Corporation	50,440,665	13.23
3. Itochu (Thailand) Ltd.	25,789,335	6.77
4. Nomura Securities Co., Ltd.	19,057,313	5.00
5. Mr. Lan Mu Chiou + spouse	18,030,830	4.73
6. Mr.Prapas Pholpipattanaphong + spouse	16,066,200	4.22
7. Thai and VDR Co., Ltd.	14,835,747	3.89
8. Mr. Suphat Pholpipattanaphong	14,826,839	3.89
9. Miss Chang, Min - Fang	8,572,730	2.25
10.Bank Julius Baer and Co., Ltd.	8,000,000	2.10
Total	242,375,359	63.59
Other Shareholders	138,770,366	36.41
Total	381,145,725	100.00
Thai Nationality Shareholders	221,412,163	58.09
Foreign Nationality Shareholders	159,733,562	41.91
Japanese	78,447,470	20.58
Taiwanese	51,480,878	13.51
English	19,452,801	5.11
Swiss	8,098,150	2.12



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American	1,988,756	0.52
German	229,090	0.06
Others	36,417	0.01

(3) Dividend payment policy

Normally, the company has a policy to pay dividend 60% of net profit except in case there is a plan to expand investment, then will consider to pay dividend as financial appropriate.

Record of Dividend and Stock Dividend payments

Year	Rate (Baht/share)	Amount of shares (in million)	Date of closing register book for the right of dividend	Dividend payment dates
2006	0.35	314,997,360	May 02,2007	May 23,2007
2007	0.30	346,496,592	May 13,2008	May 30,2008
2008	0.40	346,496,592	May 13-14,2009	May 29,2009
2009	0.25	381,145,725	Aug.28,31,2009	Sep.11,2009
2009	0.25	381,145,725	May 13-14,2010	May 27,2010
2010	0.35	381,145,725	May 12-13,2011	May 27,2011
2011	0.14	381,145,725	Mar.13-14,2012	May 11,2012

Items	Unit	2011	2010	2009	2008	2007	2006
Net profit-Consolidated	,000baht	55,796	158,188	211,167	142,306	99,920	105,737
Amount of shares	,000shares	381,146	381,146	381,146	346,497	346,497	314,997
Par value	Baht/share	1.00	1.00	1.00	1.00	1.00	1.00
Profit per shares	Baht/share	0.15	0.42	0.55	0.37	0.30	0.34
Book value	Baht/share	3.07	3.33	3.17	3.14	3.46	3.61
Annual dividend	,000baht	53,360	133,401	190,573	103,949	103,949	78,749
Stock dividend	,000baht	-	-	-	34,650	-	31,500
Annual dividend	Baht/share	0.14	0.35	0.50	0.30	0.30	0.25
Stock dividend	Baht/share	-	-	-	0.10	-	0.10
Payout ratio	%	95.63	84.33	90.25	97.39	104.03	104.27

Remark: Weighted average number of common shares for the year 2005 = 277,025,712 shares and year 2006 = 314,997,360 shares.



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Rights and equality of shareholders

Board of Company have fully realized an important of shareholders by intending the shareholders to be treated equally on the process of good corporate governance. The Company then opens a chance for the shareholders to participate by presenting the subject that think its important to put in the agenda of Ordinary Shareholder Meeting and presenting person name of knowledgeable, competent and appropriate qualified for receiving consideration of electing as company director and enable to send the question concerning agenda of meeting to the Board of Director in advanced before meeting day and the company is still aware of the right of shareholders in receiving the company information with correct, sufficient, in time and equal to make decision in Shareholder Meeting. Therefore, in every Shareholder Meeting, the company will send a letter of convening meeting with document information for meeting that contains full details and sufficient inclusive Board of Company comments in every agenda toward securities registrar of the company in order to reach in hand of the shareholders before meeting 14 days as fixed by law and the shareholders are still able to study an information for meeting in advanced through website of the company at least 30 days before Shareholder Meeting day to open a chance to the shareholders having time to study such information in details. Besides, the company has still given facilities to the shareholders in participating the Shareholders Meeting by fixing day, time and venue to reach convenient and having appropriate size for serving meeting attendant sufficiently and in case the shareholders are unable to attend the meeting by themselves then able to delegate other persons or Independent Director of either of their company to attend and cast a vote by proxy.

Shareholders' Meetings

Board of Company manage to have Shareholder Meeting as Annual Ordinary Meeting within 4 months from the date ended of accounting year of the company and have a policy to give facilities to every shareholder equally, open a chance for shareholders to inquire suspicion, propose an opinion and use the right to vote clearly and justice and manage minutes of a meeting completely and spread out minutes of a meeting toward the Securities and Stock Exchange of Thailand and report through website of the company within 14 days from date of Shareholder Meeting.

Basis and method of casting a vote in electing director are as follows:

1. One shareholder has a vote equal to one share/one vote.
2. Each shareholder must use all existing vote as 1 to elect one person or many persons as director but can not share the vote to anyone more or less.



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3. A person which receives maximum vote respectively shall be elected as director equal to number of available director as it must be and must elect in that time. In case a person which is elected respectively by having equal vote exceed number of director that must have or must elect in that time, let the Chairman vote for arbitrating.

8. Management

(1) Structure of Management

Board of Company

Names	Position	Type of director
1. Mr. Prayoon Pholpipattanaphong	Chairman	Executive director
2. Mr. Prapas Pholpipattanaphong	Managing Director	Executive director
3. Mr. Suwat Phongphasura	Director	Executive director
4. Mr. Prayuth Pholpipattanaphong	Director	Executive director
5. Mr. Ankoon Pholpipattanaphong	Director	Executive director
6. Mr. Lan Mu Chiou	Director	Non-executive director
7. Mr. Kenichi Tai	Director	Non-executive director
8. Mr. Santichai Suakanonth	Director	Independent director
9. Mr. Amnuay Yossuck	Director	Independent director
10 .Mr. Ampon Ruayfupant	Director	Independent director
11.Dr. Phusit Wonglorsaichon	Director	Independent director

By Mr.Ankoon Pholpipattanaphong as Secretary to the Board of Company

Board of Audit Committee

Names	Position	Type of director
1. Mr. Santichai Suakanonth	Chairman	Independent director
2. Mr. Amnuay Yossuck	Director	Independent director
3. Mr. Ampon Ruayfupant	Director	Independent director

Mr. Santichai Suakanonth – certified Public Account No. 422 is a person of knowledgeable in accounting and experience in auditing financial statements.

By Mr. Suphot Sutthiprapa as Secretary to the Board of Audit Committee



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Board of Executive Directors

Names	Position	Type of director
1. Mr. Prayoon Pholpipattanaphong	Chairman	Executive director
2. Mr. Prapas Pholpipattanaphong	Managing Director	Executive director
3. Mr. Suwat Phongphasura	Director	Executive director
4. Mr. Prayuth Pholpipattanaphong	Director	Executive director
5. Mr. Ankoon Pholpipattanaphong	Director	Executive director
By Mr. Ankoon Pholpipattanaphong as Secretary to the Board of Executive Director		

Board of Nomination and Remuneration Committee

Names	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director
2. Mr. Santichai Suakanonth	Director	Independent director
3. Mr. Ampon Ruayfupant	Director	Independent director
4. Mr. Prapas Pholpipattanaphong	Director	Executive director
5. Mr. Wanchandr Sivaboonyawongs	Director	Legal Advisor
By Mr. Wanchandr Sivaboonyawongs as Secretary to the Board of Nomination & Remuneration Committee		

Board of Risk Management Committee

Names	Position	Type of director
1.Mr.Prapas Pholpipattanaphong	Chairman	Executive director
2.Mr.Suwat Phongphasrra	Director	Executive director
3.Mr.Ankoon Pholpipattanaphong	Director	Executive director
4.Mr.Prayuth Pholpipattanaphong	Director	Executive director
5.Mr.Wanchandr Sivaboonyasongs	Director	Legal advisor
6.Mr.Sakda Phimmuang	Director	Accounting manager
By Mr.Sakda Phimmuang as Secretary to the Board of Risk Management Committee		



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Executives

Names	Position	Education
1.Mr.Sakda Phimmuang	Accounting Manager	Bachelor of Accounting, MBA
2.Miss Piyalak Chuapoodee	Plant Manager	Bachelor of Food Science
3.Mr. Rangsit Ojaroen	Office Manager	Bachelor of Art in Economic
4.Miss Warissara Kangkanka	Office Manager	Diploma
5.Miss Chanita Tiparadee	Vice Accounting Manager	Bachelor of Accounting
6.Miss Thanarat Theyothin	Vice Office Manager	M.S.-Art in Industrial Psychology
7.Mr. Piroj Charoensanti	Vice Plant Manager	Mechanical Engineer
8.Mr. Sairung Boontom	Assis.Office Manager	Agricultural Education Horticulture
9.Mr.Apidate Koonprayong	Assis.Plant Manager	Bachelor of Food Science
10.Mr. Boonmee Saman	Assis.Plant Manager	Bachelor of Plant Science (Agronomy)
11.Mr. Thanom Chaiwong	Assis.Quality Assurance & Development Manager	Master of Food Science
12.Mr. Chanwit Suwannarat	Assis.Quality Assurance & Development Manager	Bachelor of Food Science

Directors - Subsidiaries Company (Agrifood Processing Co., Ltd.)

1. Mr. Prayoon Pholpipattanaphong
2. Mr. Prapas Pholpipattanaphong
3. Mr. Prayuth Pholpipattanaphong
4. Mr. Ankoon Pholpipattanaphong
5. Mr. Suwat Phongphasura

Biography of the Directors

1.Mr. Prayoon Pholpipattanaphong

Type of director	Executive director
Age	78 years
Education	Accounting profession
Other qualifications	Honorary Doctor, Maejoe University
Director training program	DAP-15
Experience	Chairman of Chiangmai Frozen Foods PCL.(1988-present)
Positions in other listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd.(2003-present)
Positions in rival companies / related companies	None



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Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Executive Director Meeting 2 / 2 time
No. of years on the board	24 years
CM Shareholding on Mar. 15'2011	306,517 shares or 0.08%

2.Mr. Prapas Pholpipattanaphong

Type of director	Executive director
Age	63 years
Education	High school certificate
Director training program	DAP-8
Experience	Managing Director of Chiangmai Frozen Foods PCL.(1988-present)
Positions in other listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd.(2003-present)
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Executive Director Meeting 2 / 2 time Nomination & Remuneration Committee Meeting 1 / 1 times Risk Management Committee Meeting 1 / 1 time
No. of years on the board	24 years
CM Shareholding + spouse on Mar. 15'2011	16,066,200 shares or 4.22%

3.Mr. Suwat Phongphasura

Type of director	Executive director
Age	70 years
Education	High school certificate
Director training program	DAP-12
Experience	Executive director of Chiangmai Frozen Foods PCL.(1988-present)
Positions in listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd.(2004-present)
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Executive Director Meeting 2 / 2 time Risk Management Committee Meeting 1 / 1 time
No. of years on the board	24 years
CM Shareholding on Mar. 15'2011	2,450,250 shares or 0.64%



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4.Mr. Prayuth Pholpipatanaphong

Type of director	Executive director
Age	64 years
Education	Bachelor of Science, Chulalongkorn University
Director training program	None
Experience	Business Development Manager – Chiangmai Frozen Foods PCL.(2003-present) Director- Esso Thailand(2000-2001) Laboratory Chemist – Good Year Thailand (1973-1975)
Positions in listed companies	None
Positions in non-listed companies	Executive Director- Agrifood Processing Co., Ltd. (2003-present)
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Executive Director Meeting 2 / 2 time Risk Management Committee Meeting 1 / 1 time
No. of years on the board	2 year
CM Shareholding on Mar. 15'2011	1,052 shares or -%

5. Mr. Ankoon Pholpipattanaphong

Type of director	Executive director
Age	42 years
Education	Master of Business Administration- Colorado University Bachelor of Communication, Bangkok University
Director training program	DAP-12, UFS-10
Experience	Director & Marketing Manager of Chiangmai Frozen Foods PCL.(2000-present) Assis.Managing Director of Chiangmai Frozen Foods PCL.(2007-present) Company's Secretary of Chiangmai Frozen Foods PCL.(2008-present)
Positions in listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd.(2003-present)
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Executive Director Meeting 2 / 2 time Risk Management Committee Meeting 1 / 1 time
No. of years on the board	11 years
CM Shareholding + spouse + minor child on Mar. 15'2011	4,247,100 shares or 1.11%



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6.Mr. Lan Mu Chiou

Type of director	Non-executive director
Age	64 years
Education	High school certificate
Director training program	None
Experience	Director of Chiangmai Frozen Foods PCL.(1988-present)
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 3 / 4 times
No. of years on the board	24 years
CM Shareholding + spouse on Mar. 16'2011	18,030,830 shares or 4.73%

7.Mr. Kenichi Tai

Type of director	Non-executive director
Age	46 years
Education	Bachelor – Economy, Keio University
Director training program	None
Experience	Executive – Itochu Corporation (1989-2010) Executive – Itochu (Thailand) Ltd. (2010-present)
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 3 / 4 times
No. of years on the board	2 year
CM Shareholding + spouse on Mar. 15'2011	None

8.Mr. Santichai Suakanonth

Type of director	Independent director
Age	78 years
Education	Bachelor of Commercial, Thammasat University Bachelor of Accounting, Thammasat University
Other qualification	Certified Public Accountant Registration No. 422
Director training program	DAP-15, ACP13/2549
Experience	Manager of Krungsriyudhya Bank, Pernchit Office (1993-1995)
Positions in listed companies	None



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Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Audit Committee Meeting 4 / 4 times Nomination & Remuneration Committee Meeting 1 / 1 time
No. of years on the board	20 years
CM Shareholding on Mar. 15'2011	45,738 shares or 0.01%

9.Mr. Amnuay Yossuck

Type of director	Independent director
Age	75 years
Education	Master of Economic (Agriculture), Arisona University Bachelor of Economics, Thammasat University
Other qualification	Honorary Doctor, Maejoe University
Director training program	DAP-15
Experience	Deputy Minister, Ministry of Public Health(1981-1983) Deputy Minister, Ministry of Finance (1983-1985) Deputy Minister, Ministry of Commerce (1985-1986) Prime Minister Adviser (1988-1990) Deputy Minister, Ministry of Foreign Affairs (1985-1986)
Positions in listed companies	None
Positions in non-listed companies	Chairman of Board of Director of Piriyaopol International (1986-present) President of Mae Joe University Council (1999-present)
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Audit Committee Meeting 4 / 4 times Nomination & Remuneration Committee Meeting 1 / 1 times
No. of years on the board	19 years
CM Shareholding on Mar. 15'2011	667,920 shares or 0.18%

10.Mr. Ampon Ruayfupant

Type of director	Independent director
Age	43 years
Education	Master of Business-Finance, Cornell University Bachelor-Business Administration, Assumption University
Director training program	None
Experience	Risk Management Manager of GE Capital(1994-1996)
Positions in listed companies	None
Positions in non-listed companies	Executive director of Pilot Knit Sport Wear Co., Ltd.(2000-present)
Positions in rival companies / related companies	None



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Meeting attendance in 2011	Board of Director Meeting 4 / 4 times Audit Committee Meeting 4 / 4 times Nomination & Remuneration Committee Meeting 1 / 1 times
No. of years on the board	6 years
CM Shareholding on Mar. 15'2011	71,874 shares or 0.02%

11.Dr. Phusit Wonglorsaichon

Type of director	Independent director
Age	41 years
Education	Ph.D - Business Administration Nova Southeastern University. Master of Business Administration (Honor) Indianapolis University. Bachelor - Material Science, Ceramics Chulalongkorn University
Director training program	None
Experience	University of the Thai Chamber of Commerce Lecturer (2008-present) Director of CEO MBA (Chinese Business) Program (2008-present) Director of D.B.A. (Management) (2008-present) Director of Family Business & SMEs Study Center (2007)
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2011	Board of Director Meeting 4 / 4 times
No. of years on the board	2 year
CM Shareholding on Mar. 15'2011	None

Limit of duty authority of Board of Company

1. Board of Company have an authority according to the regulation of the company which include supervision and management the company in accordance with laws, objective, regulation and resolution at the shareholder meeting.
2. To formulate visibility, direction and tactics of the company.
3. To give approval for important tactics and policy including objective, financial target and company plan also follow up, supervise to have practice as planned.



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4. To manage having account system, financial report and auditing inclusive supervise for having an internal control system and internal audit to be efficiently and effective.
5. To investigate supervising and manage to amend problem of conflicts on benefits that may arise inclusive related subject.
6. To formulate risk management line and supervise executive for having system or efficiently process in risk management.
7. To supervise in having system or mechanism of paying suitable remuneration to the high rank of executive to create inducement power both in short-run and long-run.
8. To supervise for having appropriately channel of communicate with each group of shareholder and stakeholder of the company appropriately.
9. Allow to have disclosure of correct information, clear, transparent, reliably and high standard.
10. To be a leader and good example in practice.

Balance of power for Non-executive Directors

Board of Company consist of 11 Directors as follows:

- 5 Executive Directors
- 2 Non-executive Directors
- 4 Independent Directors

The Chairman of the company though is having blood relations with Managing Director but having a view in freely operation. Also Board of Company structure consist of directors represented from two main shareholders group which would incur balance of power and 4 Independent Directors can freely verify and upright. Therefore it convinces that the Chairman and Managing Director have served their duty extremely in the capacity as representative of shareholders and having appropriate balance of power.

Aggregation or segregation of positions

The Chairman and Managing Director are not the same person so as to make the role separated clearly.

Board of Directors' Meeting

1. The Company formulates advance table of the Board of Director Meeting yearly by formulating to have a regular meeting at least one time/quarter and each director acknowledges of it.
2. The Chairman and Managing Director joint in consideration for agenda meeting.



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3. To manage in sending invitation letter for meeting, agenda of a meeting and document for meeting to the directors in advanced at least 7 days before meeting enable to have time for considering information sufficiently.
4. To formulate in having the directors attend the meeting with quorum when having considered to resolve in important matters such as list of obtained or distributed assets of the company and subsidiary company that affect to the company, expansion of investment project, formulate work level of executive power, formulate financial management policy and risk management above all.
5. In the meeting, if any director who is a stakeholder in the considering agenda, must depart from the meeting before begin considering in that agenda.
6. Every director has a right to present the subject to the agenda of a meeting, examine document for meeting and other important documents. If any doubt, other directors and management must operate for answering that doubt.
7. Company Secretary or one who has assigned must manage minutes of the Board of Director Meeting completely within time formulated by the laws.

Board of Sub-Committees

The Board of Company have appointed Board of Sub-committee to help in governing the activity of the company as follows:

Board of Executive Directors

Established on January 4, 2000 consist of 3 Executive Directors, appointed more 1 person on March 22, 2005 and more 1 person on August 13, 2010 total 5 persons by formulating authority as follows:

1. To formulate an executive policy and operation direction to coordinate with policy and company objectives with intends to create security and maximum advantage to the company.
2. To governance the management to proceed as policy that formulate with efficiently and effectively.
3. To have authority to consent in buying assets investment, other expenditures and or borrow money in amount not exceed 30 million bahts per time. In case amount exceed 30 million bahts, let ask approval from the Board of Company meeting first, except in necessity urgent case, let give consent prior payment and inform Board of Director later.
4. To act others as assigned by Board of Company.



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“Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Prapas Pholpipattanaphong, Managing Director or Mr. Suwat Phongphasura gives signature and stamp of the company”

Board of Audit Committee

Established on August 28, 1998 with holding term each time 3 years, consist of 3 directors which are all Independent Directors and one Independent Director namely: Mr. Santichai Suakanonth is knowledgeable in accounting and financial which names are as follows:

1. Mr. Santichai Suakanonth Chairman
2. Mr. Amnuay Yossuck Audit Committee
3. Mr. Ampon Ruayfupant Audit Committee

By Mr. Suphot Sutthiprapa as Secretary to the Board of Audit Committee

Audit Committee hold regular meeting. In the year 2011, they held total 4 times meeting and reported to the Board of Company. Audit Committees have a duty to consider and proceed as follows:

1. To verify report of company financial before propose to the Board of Director.
2. To provide advice concerning appointing and fixing remuneration of company auditor to join together with auditor concerning objectives, limit, guide line and inspection plan including problem find during inspection and the point that auditor thinks it has important essence.
3. To join together with company interior audit concerning objectives and inspection planning, an assessment effective of internal control system of the company and adequacy of resources that use in internal inspection include report of inspection result and problem find during inspection.
4. To provide consultation and consider reviewing inspection result and proposal both independent auditor and internal audit section include follow up the operation of management to such proposal in order to propose to the Board of Company for acknowledgement.
5. To governance in having acted according to the law and provision of the section that governance the company.
6. To governance in having important risk management of the company.

Board of Nomination & Remuneration Committee

Established on August 13, 2009 with holding term each time 3 years. There are 5 Directors, consist of 3 Independent Directors, 1 Executive Director and 1 Legal Advisor in which Independent Director performs duty as Chairman, having an authority to select appropriate qualified person to be director as provision of the company and qualified as the provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission to present toward Board of Company to consider for



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approval and present to the Shareholder Meeting for appointing and have an authority to consider the style and basis of paying remuneration of directors to recommend an opinion toward Board of Company and Board of Company will present in the Shareholder Meeting for approval.

Board of Risk Management Committee

The company manages to have Board of Risk Management Committee comprise 4 Executive Directors, 1 Executive and 1 Legal Adviser to consider formulating the policy and system of risk management, follow up result in risk management from the process of pointing out, analyze, management assess, follow up and report in system inclusive to provide supporting by managing to have advisory of risk management process to various internal sections through follow up to have continuously and regularly practice to the whole company.

Meeting attendance of each director concludes as follows:

Name list	Period of rank hold	Attending meeting / total meeting (times)		
		Normal meeting	Special meeting	Total
1.Mr. Prayoon Pholpipattanaphong	3 years	4 / 4	-	4 / 4
2.Mr. Prapas Pholpipattanaphong	3 years	4 / 4	-	4 / 4
3.Mr. Suwat Phongphasura	3 years	4 / 4	-	4 / 4
4.Mr. Prayuth Pholpipatanaphong	3 years	4 / 4	-	4 / 4
5.Mr. Ankoon Pholpipattanaphong	3 years	4 / 4	-	4 / 4
6.Mr. Lan Mu Chiou	3 years	3 / 4	-	3 / 4
7.Mr. Kenichi Tai	3 years	3 / 4	-	3 / 4
8.Mr. Santichai Suakanonth	3 years	4 / 4	-	4 / 4
9.Mr. Amnuay Yossuck	3 years	4 / 4	-	4 / 4
10.Mr. Ampon Ruayfupant	3 years	4 / 4	-	4 / 4
11.Dr. Phusit Wonglorsaichon	3 years	4 / 4	-	4 / 4



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Meeting attendance of each sub-committee concludes as follows:

Name list	Board of Executive Directors	Board of Audit Committee	Board of Nomination & Remuneration Committee	Board of Risk Management Committee
1.Mr. Prayoon Pholpipattanaphong	2 / 2			
2.Mr. Prapas Pholpipattanaphong	2 / 2		1 / 1	1 / 1
3.Mr. Suwat Phongphasura	2 / 2			1 / 1
4.Mr. Prayuth Pholpipattanaphong	2 / 2			1 / 1
5.Mr. Ankoon Pholpipattanaphong	2 / 2			1 / 1
6.Mr. Santichai Suakanonth		4 / 4	1 / 1	
7.Mr. Amnuay Yossuck		4 / 4	1 / 1	
8.Mr. Ampon Ruayfupant		4 / 4	1 / 1	
9.Mr. Wanchandr Sibaboonyawongse			1 / 1	1 / 1
10.Mr. Sakda Phimmuang				1 / 1

Board of Company's Report

Board of Company are responsible for Financial Statements and Consolidated Financial Statements of the Company and Subsidiary Company and financial news that appears in Annual Report. Such Financial Statements have managed as per general certified standard account in Thailand by choosing to use an appropriate account policy and keep practiced regularly. The Company has used discretion carefully and best estimate in managing Financial Statements including disclose important information sufficiently in note to Financial Statements.

Board of Company have managed to maintain Internal Control System with effective to incur conviction reasonably that information in accounting is correct, having usage of company assets with efficiently and able to know the weak point to prevent from dishonest or abnormal proceeding.

In this circumstances, Board of Company have appointed Board of Audit Committee which consist of Independent Directors whose responsible concerning quality of Financial Statements subject and to review an adequacy of internal inspection system. Report of the Board of Audit Committee have already shown in Annual Report.



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(2) Selection of Directors and Executives

Board of Nomination and Remuneration Committee perform duty in selecting appropriate qualified person to be director as provision of the company to present toward Board of Company to consider giving approval and present to the Shareholder Meeting to resolve in electing.

Portion of the directors representing the shareholder of each group 5 Thais : 2 Foreigners (except Independent Directors) due to group of Pholpipattanaphong family, Taiwan group and Japan group held the shares total exceed 60%, so nomination of company directors can not be done if without receive consent from such shareholder group.

In the Shareholder Meeting must have shareholders and proxy from shareholders (if any) to attend meeting not less than 25 persons and must hold the shares total not less than one third of 381,145,725 shares to be as quorum.

Each shareholder has to use all their vote to elect one person or many persons as director but can not share the vote to either of them more or less.

To nominate director must receive approval from the Shareholder Meeting. The person who gets highest vote respectively will be elected as director according to the number of available directors or election that time. In case of the elected respective person who has equal vote exceed quota, final vote will be made by Chairman for arbitration.

The Company formulates to have the descent plan of high rank executives to maintain conviction with the investors and officers that the operation of the company would receive continuation in proper time.

Self-assessment of Board of Company

Board of Company have performed its duty completely and have realized fully to the effective improvement on more and more performance continuously by having self-assessment of Board of Company which is an assessment yearly and for an annual assessment of 2011 which concludes that performance effective of Board of Company are in good basis.

(3) Remuneration for Directors and Executives

The Company has fixed clearly and transparently the remuneration for Directors and Executives in the appropriate basis to uphold as Directors and Executives with required qualification. The Directors that assigned as Audit Committee will receive additional remuneration according to the volume of work.



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Remuneration amount: In the year 2011, the company has paid various remuneration to the Directors and Executives as following details:

Remuneration in value

Directors

(Unit : Baht)

Names	Position	2011	2010
1.Mr. Prayoon Pholpipattanaphong	Chairman	400,000	400,000
2.Mr. Prapas Pholpipattanaphong	Managing Director	400,000	400,000
3.Mr. Suwat Phongphasura	Executive Director	400,000	400,000
4.Mr. Prayuth Pholpipattanaphong	Executive Director	400,000	269,590
5.Mr. Ankoon Pholpipattanaphong	Executive Director	400,000	400,000
6.Mr. Lan Mu Chiou	Director	400,000	400,000
7.Mr. Shigeto Tamaoki	Director	-	143,562
8.Mr. Kenichi Tai	Director	400,000	154,520
9.Mr. Santichai Suakanonth	Independent Director	400,000	400,000
10.Mr. Amnuay Yossuck	Independent Director	400,000	400,000
11.Mr. Ampon Ruayfupant	Independent Director	400,000	400,000
12.Dr. Phusit Wonglorsaichon	Independent Director	400,000	269,590
Total		4,400,000	4,037,262

Remark 1. Mr. Shigeto Tamaoki resigned from Director on May 4, 2010.

2. Mr. Prayuth Pholpipattanaphong was a company director on April 30, 2010

3. Dr. Phusit Wonglorsaichon was a company director on April 30, 2010.

4. Mr. Kenichi Tai was a company director on August 13, 2010.

Audit Committee

(Unit : Baht)

Names	Position	2011	2010
1.Mr. Santichai Suakanonth	Chairman	480,000	480,000
2.Mr. Amnuay Yossuck	Director	240,000	240,000
3.Mr. Ampon Ruayfupant	Director	240,000	240,000
Total		960,000	960,000



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Executive Directors and Executives

Particular	Year 2011		Year 2010	
	No. of person	Total amount (baht)	No. of person	Total amount (baht)
Salary	7	17,890,080	7	20,963,380
Bonus, remuneration	7	4,162,751	7	8,911,976
Retirement age	-	-	1	3,349,800
Cost of living	7	52,850	7	32,800
House rental	-	-	1	45,000
Uniform	1	1,950	-	-
Social security fund	7	63,000	7	61,500
Provident fund	7	531,303	7	628,901
Sub total	7	22,701,934	7	33,993,357
Grand total		28,061,934		38,990,619

Other remuneration not in value

- Director: none
- Executive Directors and Executives: Provident fund 3% of payroll, office car.

Audit fees

- The Company and Subsidiaries paid audit fees for 2011 amount 680,000 baht.
- Other service: none

(4) Policy on Corporate Governance

Board of Company have realized the important of Good Corporate Governance for clearness, to add limit of ability in work racing and add confident to the Shareholders, investors and every concerned, then have formulated the operation policy for cooperating governance by covering the following keystones:

1. The Company will serve the shareholders and stakeholders in equal manner with justice for everyone.
2. Board of Company are intended to build up lasting growth of the company in long-run, to execute the company activity with careful and caution under regulation frame of law and business morality. All this Board of Company will perform duty with full capability in order to produce



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maximum advantage toward the shareholders, and other stakeholders, also take care of not having conflict on interest arises and responsible toward decision and self-performance.

3. The Company will operate with transparency, able to check and disclose sufficiently information to every party concern.
4. The Company will conduct the business with always thinking of risk and will execute risk appropriately.
5. The Company has formulated an important policy that will be the operation direction of the company in advance every year. Board of Company will pay an important toward internal control and inspection system by governance executive section to proceed as efficiency policy.
6. The Company has managed business morality to let directors, executives and every officers practice.

Leadership and Vision

Board of Company have participated in formulating visibility, mission, tactics, objective and business plan of the company, also governance the management to operate as per formulated business plan efficiently and effectively as to add maximum value in economic to the business and maximum security to the Shareholders.

Conflict on interest

Board of Company have executed carefully and cautiously to prevent conflict on interest when incur any matter that may cause conflict on interest. Board of Audit Committee will learn about the subject that get conflict on interest and related subject and have considered the suitability thoroughly every time by formulating to have practice according to the basis of Securities of Stock Exchange in which prices and conditions as if doing subject with outsiders and disclose details, subject value, partnership, reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading, general information and account with related person.

Various groups of stakeholders

Board of Company acknowledged and aware of the right of concerned stakeholders and have a policy to support in incurring a cooperation between the company with stakeholders in creating advantage among themselves and take care firmly that all stakeholders have received well protected and served by paying important toward the right of every group of stakeholder such as officers, customers, co-partners, competitors, shareholders and whole society with formulate a practical line for directors, executives and



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officers clearly in business morality inclusive provide a channel that stakeholders will claim to the company in case not receive justice from the performance of the company whether by directors, executives or officers of the company.

Business Morality

Board of Company have permitted discipline of business morality to promote the directors, executives and every rank of officers to hold in practice regularly as usual which the directors, executives and every officers have signed for document concerning such discipline and confirmed in practice which regards as practical standard frame of the company, also all Board of Company have assigned one who responsible to follow up result of practice continuously and always revise such discipline appropriately.

Board of Company Director have an intently to build up the process of Good Corporate Governance that standardizes and allow scatter the practice to every rank of the officers of the whole company to create real culture of Good Corporate Governance, so wish the directors, executives and every officer to hold in practice according to the policy of Good Corporate Governance 1st revise edition which has received permission to modify from the Board of Company Meeting no. 1/2008 dated February 28, 2008 (policy of Good Corporate Governance obtained first permission from the Board of Company Meeting no. 1/2004 Dated March 25, 2004).

Company secretary

The Company manages to have company secretary to perform duty of governance activity of the Board of Company inclusive to cooperate in the following various matters:

1. To give primary advice to the directors concerning provision, rule, discipline and various regulations of the company and follow up to act properly and regularly inclusive alteration report of important point to the directors.
2. To manage shareholder meeting and Board of Director Meeting in accordance with laws, regulation of the company and various practices.
3. To record the proceedings of Shareholder Meeting and Board of Company Meeting inclusive follow up to act as resolution at the Shareholder Meeting and resolution at the Board of Company.
4. To governance in having disclose information and report news in responsible part in accordance with discipline and provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission.
5. To contact and communicate with General Shareholders to learn about various right and information of the company.



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6. To governance activity of the Board of Company.

Society and Environments

The Company is fully aware of the responsibility toward society and environment by holding the principle of “use human to create work and use work to create human”.

In the year 2011, the company proceeded various projects for society and environments as follows:

- 5 office steps activity
- Muanjai New Year activity
- Sports relationship activity
- Giving food alms to bonzes every on 9th activity
- Paetong activity in honour to Royalty
- National Father Day activity
- National Mother Day activity
- Scholarship support activity
- Safety week activity
- Friend help friend of flood suffering activity
- National Children’s day
- The Buddhist Lenten Candles procession activity
- National Labour Day activity

Relations with investors

Board of Company realize that company information both concern and not concern with financial are entirely effected to the decision of investor and stakeholders of the company. Board of Company then have a policy to let the executives section disclosing complete information to correspond with truth, reliable, regular and in time which the company has paid an important and kept throughout practicing. With regard to work in investment relation, the company has not set up this section owing such activity is not much but has assigned Mr. Ankoon Pholpipattanaphong - Company Secretary to contact and communicate with institution investors, shareholders, analyst and state concerned which the investors can see the company information at Website : <http://www.cmfrozen.com> or contact at phone : (662) 238-4091 or at E-mail address : info@cmfrozen.com



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(5) Usage control of inner information

The Company has a policy and method of governing the executives in taking the company information to use for personal interest as follows:

1. Provide knowledge to the directors including executives concerning the duty that must report of self-holding securities, married couple and child of un-attain majority and lesson of penalty formulation according to Royal Act of Securities and Stock Exchange of 1992 and according to the provision of Securities and Stock Exchange of Thailand.
2. Formulate the executives to report changing of holding securities toward Securities and Exchange Commission as clause 59 of Royal Act of Securities and Stock Exchange of 1992 and manage to dispatch this copy report to the company in the same day of dispatching report toward Securities and Exchange Commission.
3. The executives are prohibited to use internal information that not yet disclosed for making buying-selling of company securities before that information would disclose to the public and are prohibited to disclose the information that are important essence to the outsider with is regarded as one of the rule concerning with the working of the company as well.

(6) Personnel

Particular	Meal	Female	Total
Management/Administration Department	24	44	68
Manufacture/Technical Engineering Department	88	22	110
Daily employees	381	1,118	1,499
Total	493	1,184	1,677

- No change shall be made on number of employee or an dispute in labor during the passed three years.

- The remuneration of the employees amount 226,456,251.- bahts comprises salary, wages, remuneration, bonus, overtime, diligent cowries, hospital charge, cost of insurance group, cost of living, provident fund 3% of salary.

- The development on employee has made every year by inviting outside scholar to train and provide knowledge both in practical, safety on working and to cooperate in developing association. Besides, the company has sent them for training in various training institute regularly.



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9. Controlling system and Internal Audit

The Company pays an important on internal control system with efficiently both in executive level and practical level, then has formulated duty, operation power of proceeding and executives in writing, having control usage of company assets to incur advantage and available development of good internal control system in regard to financial and accounting include effective report system.

The Company has an internal inspection section which are appointed by Board of Executive Director with an approval of Board of Audit Committee to perform inspection duty to ensure that the main practical and important financial activity of the company have proceeded as estimated way with efficiently inclusive inspection practice as laws and provision of the company as per work chains.

Risk Management

Board of Company are aware of the important risk management and see that such process is one of the most important component of good corporate governance. So it manages to have risk management process which is standard system and more efficiently by assigning the Board of Risk Management Committee to formulate the policy, objectives, tactics in risk management and risk level that the company acceptable inclusive notify these matters to everyone in association to acknowledge for aware an important and is to make culture in risk management to incur in every rank of the company enabling to bring for continuously practice to overtake changed situation for being as practice on background of risk management inclusive take care of having formulate to follow up method of risk management result appropriately owing it is an important final step that effect toward success of risk management and formulate for reporting to the Board of Company.

10. Interrelated transactions

Conflict of interests

Board of Company have executed carefully and cautiously to prevent conflict on benefit when any matter that may cause conflict on benefit. Board of Audit Committee will learn about the subject that get conflict on benefit and related subject and have considered the suitability cautiously every time by formulating to have practiced according to the basis of Securities and Stock Exchange of Thailand in which prices and conditions are as if doing subject with outsider and have already disclosed details, subject value, partnership, reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading : general information and account with related person.



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The Company has a policy to fix the selling price of the products to the related company as trade agreement in the same manner with sages should do with general partners under same circumstances.

The necessity of listing among themselves, owing the company established from business cooperation between investor Thai, Taiwan and Japan to Manufacture and Export Frozen Vegetables to Japan. Also Japan and Taiwan investors have their own customer bases make the company has an advantage that able to produce goods by having their market served. There the company uses their customer bases as good export base. Meanwhile, the company has tried to look for further new customers. For domestic sale, the company has sold through P.P. Foods Supply Co., Ltd., which the executive has a good relationship with main shareholder of the company. With reason that Thailand is the land with plenty of fresh vegetables in season, able to buy throughout the year with cheap price cause popularity of frozen vegetables in domestic declined and the important is that price is expensive, also very few customers in Thailand, so the company is necessary to distribute through such company to have more channels of distributing and to release the products that cannot export. However, the company is in position to accept every new customer which intends to sell our product by fixing the sale price as per market same with everyone.

For the step of making list among themselves will be in accordance with the business mechanic in all respects both in fixing the price, provide discount and credit by the authorized officer who responsible directly with an approval of the executives. For the shareholders who have common interest, take no part in such approval. However, to fix the price, provide discount and credit shall be in accordance with the market mechanic which the company has treated in the same way with every customer of the company.

In future this making list among themselves shall have to continue further with thinking of the company maximum advantage that the company would receive as main.

P.P. Foods Supply Co., Ltd.

P.P. Foods Supply Co., Ltd., which the executive has relationship with the main shareholder of the company acts as representative for domestic distribution, having its distribution value in 2011 amount 4.0 million bahts or 0.3% of the total sale.

Itochu Corporation

Itochu Corporation does a buying and selling business in Japan. Itochu is a major shareholder of the company which holds 13.23% of the company's shares. It is represented by Mr. Kenichi Tai as a director of the company. Itochu's sales value in 2011 was 116.1 million bahts or 9.2% of the total sale.



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Ing Shiang Co.,Ltd.

Ing Shiang Co., Ltd., is a company that conducts buying-selling business in Taiwan, managed by Mr. Lu Yu Chin who is a major shareholder of the company which holds 1.6% of the company's shares. In 2011 had a sale value through Ing Shiang Co., Ltd., amount 9.4 million baht or 0.7% of the total sale.

Agrifood Processing Co., Ltd. (Subsidiary)

In 2011, AFP is having total buying value 235.0 million bahts or 18.5% of the total sale and has rented an office building from Chiangmai Frozen Foods Public Company Limited, 4th floor No. 149/32-33 Soi Anglo Plaza, Surawongse Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok with number of area 102 square meters, monthly rental 25,500.- bahts by making year by year contract.

11. Explanation and analysis financial situation

and operation result:

a) Practical result in business proceeding

In the year 2011, the company had sale volume amount 25,700 metric tons, decreased from last year amount 800 metric tons or 3.0% and lower than sale plan that put down at 1,300 metric tons or 4.8%.

b) Operation result

The Company obtained net profit-consolidated in 2011 amount 55.8 million bahts, decreased from 2010 amount 102.4 million bahts or 64.7% with following details:

(Unit: Million baht)

Sales	
Sale decreased from decreased of average exchange rate	(49.1)
Sale increased from increased of average sales price	15.3
Sale decreased from decreased of sale volume	(47.3)
Total Sales decreased	(81.1)
Cost of sales increased	20.9
Gross profit decreased	(102.0)
Gain on exchange rate decreased	(18.5)
Other income increased	2.0
Profit before expenses decreased	(118.5)
Selling expenses decreased	(7.4)
Administrative expenses increased	4.4
Managements' remuneration decreased	(10.9)



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Income tax increased	2.6
Total Expenses decreased	(11.3)
Net Profit Decreased - Separate	(107.2)
Net Profit from Subsidiary (Agrifood) increased	4.8
Net Profit Decreased - Consolidated	(102.4)

c) Financial situation

At December 31, 2011, the company had the assets amount 1,256 million bahts, decreased from last year 89 million bahts by having decreased of cash, deposit and short term investment amount 67 million bahts, account receivable-trade decreased amount 4 million bahts, inventories increased amount 26 million bahts, net fixed assets decreased amount 42 million bahts and other assets decreased amount 2 million bahts.

The ratio of liquidity of the company is at level 11.0 and ratio of quick liquidity is at level 6.0 which is very good whereas the company has ratio of debt against shareholders equity at level 0.09:1 only.

The Company has its expense for investment in fixed assets amount 26 million baht by using from financial source that derived from the company operation.

For subsidiary company, in 2011, Agrifood Processing Co., Ltd., had the total assets amount 55.8 million bahts, total liabilities amount 18.2 million bahts and shareholders' equity amount 37.6 million bahts.

d) Factor and main influence that may affect on
operation or financial situation in future

In the year 2012, the company believes that it would exportable approx. 27,000 metric tons and expects that the operation result would neighboring with the year 2011.

12. OTHER CONCERN INFORMATIONS

None