



REPORT ON THE DISCLOSURE OF ADDITIONAL INFORMATION

(FORM 56 – 1)

Submitted to

OFFICE OF THE SECURITIES AND EXCHANGE COMMISSION

OF

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED OF DECEMBER 31, 2015

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Part 1

Business Performance

1. Policy and overall business performance

Chiangmai Frozen Foods Public Company Limited conducts business of producing and distributing frozen vegetables such as Frozen Soy Beans, Frozen Green Beans, Frozen Sweet Corns, Frozen Baby Corns chiefly, having overseas market distribution more than 98%.

1.1 Association philosophy, Visibility, Mission, Ideal and Business Target

Association philosophy

Maximum satisfaction of the customers is the maximum aspiration of us.

Visibility

We intend to develop for leadership sake in frozen agriculture products.

Mission

- The Company intends to develop and select vegetables of quality, clean, free from chemical and deliver the products quickly as required by the customers.
- The Company intends to make a good investment return by seizure the principle of good corporate governance.

Value

- Shall treat toward the shareholders and ever group of stakeholders with equally and fair.
- Shall always think of risk and manage the risk appropriately.
- Shall create leadership to occur in every level of personal, promote to incur good working atmosphere with happy and safety in working.
- Shall create good relationship with society, community and intend to maintain environment.
- Shall create organization of quality and intend to reach an organization of learning.
- Shall resist every form of misconduct and corruption.
- Shall not violate and not support any activities that violate human rights.

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 stakeholder.
- Fairly conduct business, not ruin an environment and promote of living together with good relationship between company and community.

1.2 Significant change and development

Nov. 1988	Established a company with register capital 50 million Baht with par value 10 Baht per share.
Apr. 1989	Built 1 st plant at Nongjom, Sansai, Chiangmai on area 15 rais 36.6 square wahs and finished in Oct. 1989
Dec. 1991	Increased register capital from 50 million Baht to be 125 million Baht.
Jan. 1993	Permitted from The Stock Exchange of Thailand to be as register securities.
Jan. 1993	Started buying-selling shares in The 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, then finished and started producing in Oct. 1995
Nov. 1998	Increased register capital from 125 million Baht to be 210 million Baht.
Apr. 2003	Joint investment with River Kway International Co., Ltd. in ratio 51:49 in Agrifood Processing Co., Ltd. with capital invested 120 million Baht, paid-up 30 million Baht.
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 Agrifood Processing Co., Ltd. from River Kway International Co., Ltd. increased from 51% to 100%.
May. 2005	Increased register capital from 210 million Baht to be 315 million Baht.
May. 2005	Changed par value from original par value 10 Baht per share to be 1 Baht per share.
May. 2007	Increased register capital from 315 million Baht to be 346 million Baht.
May. 2009	Increased register capital from 346 million Baht to be 381 million Baht.
Aug. 2014	Conduct Feasibility study in Land procurement and establish subsidiary company in The Republic of the Union of Myanmar.
Dec. 2014	From December 2014 onward, the company proceeded an exportation of Frozen Sweet Corns to over sea directly without passing Agrifood Processing Co., Ltd.
Nov. 2015	The Board of Director resolved to liquidate Agrifood Processing Co., Ltd. (subsidiary Company)

Change of Controlling in the previous year

From the tender offer for all securities from Northern Agricultural Co., Ltd., resulted, as of November 17, 2015, Northern Agricultural Co., Ltd., to be a major shareholder amount 162,458,988 shares or come to 42.62% by having Mr. Prayoon Pholpipattanaphong which holds the share in Northern Agricultural Co., Ltd., 30% and is a shareholder of the company amount 306,517 shares or 0.08%

On December 16, 2015, at the Board of Company Meeting no. 7/2015 resolved to change authorized director from original “Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Prapas Pholpipattanaphong, Managing Director or Mr. Suwat Phongphasura to give signature with company seal” to be “Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Ankoon Pholpipattanaphong, Managing Director or Mr. Prapas Pholpipattanaphong to give signature with company seal” with effective from January 1, 2016 onward.

Change of Business Character in previous year

The Company had canceled its export for Frozen Sweet Corns through Agrifood Processing Co., Ltd. (subsidiary company) and instead selling directly to customers.

Change of Shareholder's Structure, Management or Business performance in previous 3 years

As of December 26, 2013, Itochu Corporation held amount 50,440,665 shares and Itochu (Thailand) Ltd. held amount 25,789,335 shares total amount 76,230,000 shares, equivalent to 20%, had sold all holding shares to the followings:

Name of Purchasers	Shares held before acquisition		Shares acquired		Shares held after acquisition		Relationship
	Number of shares	%	Number of shares	%	Number of shares	%	
1.Northern Agricultural Co., Ltd.	66,755,700	17.51	16,770,400	4.40	83,526,100	21.91	None
2.Mrs.Pornthip Ratanaamornpin	-	-	12,000,000	3.15	12,000,000	3.15	None
3.Mr.Supuck Pataratirakul	-	-	11,434,500	3.00	11,434,500	3.00	None
4.Mr.Supoj Wongjirattikarn	912,649	0.24	8,328,500	2.18	9,241,149	2.42	None
5.Mr.Prasert Trichakraphop	100,000	0.03	7,623,000	2.00	7,723,000	2.03	None
6.Ms.Kornwika Vongsariyavanich	-	-	7,384,000	1.94	7,384,000	1.94	None
7.Mr.Chatree	-	-	7,353,600	1.93	7,353,600	1.93	None

Laowanichwith							
8.Mr.Thanit Vachareeyanukul	-	-	5,336,000	1.40	5,336,000	1.40	None
Total	67,768,349	17.78	76,230,000	20.00	143,998,349	37.78	

On September 30, 2015 Northern Agricultural Co., Ltd., declared an intention to do tender offer and on November 17, 2015 summed up the results of doing tender offer as follows:

Name of Purchasers	Shares held before acquisition		Shares acquired		Shares held after acquisition		Relationship
	Number of shares	%	Number of shares	%	Number of shares	%	
1.Northern Agricultural Co., Ltd.	129,989,850	34.11	32,469,138	8.51	162,458,988	42.62	None

Important incident in 2015

- On September 30, 2015 Northern Agricultural Co., Ltd., declared an intention in holding securities for tender offer.
- Received dividend from Agrifood Processing Co., Ltd., amount 16,799,993.00 Baht.
- At Board of Company Meeting No. 6/2015 dated November 13, 2015 resolved to register dissolve Agrifood Processing Co., Ltd., (subsidiary company).
- On December 16, 2015, at the Board of Company Meeting no. 7/2015 resolved to change authorized director from “Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Prapas Pholpipattanaphong, Managing Director or Mr. Suwat Phongphasura to give signature with company seal” to be “Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Ankoon Pholpipattanaphong, Managing Director or Mr. Prapas Pholpipattanaphong to signed with company seal” with effective from January 1, 2016 onward.

1.3 Shareholding structure of the company group

Division policy of company operation in group

1	Northern Agricultural Co., Ltd.	Is a company whose conducts business in agriculture which is not related with the main business of the company and no interrelated cross shareholding in which Mr. Prayoon Pholpipattanaphong is a major shareholder by 30% and is a shareholder in the company amount 306,517 shares come to 0.08% Northern Agricultural Co., Ltd., as at Jan. 1, 2015 holds the share in the company amount 83,526,100
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		shares come to 21.91% increased by buying during the year amount 46,463,750 shares total 129,989,850 shares come to 34.11%, Later, on September 30, 2015 Northern Agricultural Co., Ltd., bought securities for Tender Offer amount 32,469,138 shares come to 8.51% made at December 31, 2015 held total share in the company 162,458,988 shares come to 42.62%
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1.4 Relationship with business group of main shareholder

Northern Agricultural Co., Ltd. having Mr. Prayoon Pholpipattanaphong as a major shareholder by 30% and performs duty as Chairman of Chiangmai Frozen Foods Public Company Limited. Conducting business of the company with the business group of major shareholder has no conflict of interest and no interrelated cross shareholding.

2. Business performance character

Structure of Revenue (Consolidated)

(In Million Baht)

Products	2013	%	2014	%	2015	%
Frozen Vegetables	1,426.50	100.0	1,413.56	100.0	1,419.89	100.0
Others	-	-	-	-	-	-
Total sales	1,426.50	100.0	1,413.56	100.0	1,419.89	100.0
Profit (loss) from exchange rate	17.72		(29.63)		(26.78)	
Others income	19.12		19.79		12.30	
Total revenues	1,463.34		1,403.72		1,405.41	

Product markets	2013	%	2014	%	2015	%
Overseas	1,410.62	98.9	1,401.70	99.2	1,401.40	98.7
Domestic	15.88	1.1	11.86	0.8	18.49	1.3
Total sales	1,426.50	100.0	1,413.56	100.0	1,419.89	100.0
Profit (loss) from exchange rate	17.72		(29.63)		(26.78)	
Others income	19.12		19.79		12.30	
Total revenues	1,463.34		1,403.72		1,405.41	

Nature of Customers	Percentage		
	Oversea Market	Domestic Market	Total
Total sale value (Consolidated)	98.70	1.30	100.00

Performance cycle	Percentage		
	2013	2014	2015
1 st Quarter	22.00	23.00	22.00
2 nd Quarter	31.00	28.00	29.00
3 rd Quarter	26.00	28.00	28.00
4 th Quarter	21.00	21.00	21.00
Total	100.00	100.00	100.00

Subsidiary company

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

Structure of revenue

(Unit : Million Baht)

Particular	2013	%	2014	%	2015	%
Overseas	263,115	99.2	233,393	100.0	-	-
Domestic	2,189	0.8	55	-	-	-
Total sales	265,304	100.0	233,448	100.0	-	-
Profit (loss) from exchange rate	6,559		(6,712)		-	
Others income	596		955		0.42	
Total revenues	272,459		227,691		0.42	

2.1 Character of products

Products of the company are of frozen vegetables products which is brought an agricultural products such as Soy Beans, Green Beans, Sweet Corns, Carrots, Baby Corns chiefly to pass the processing method such as selecting, cutting, washing, boiling then bring to freeze and keep in cold storage to wait for grading, contain and export by having efficient producing steps according to the various standards such as ISO 22000, FSSC 22000, HACCP, GMP, GAP. The machines are up-to-date and the products are of quality, fresh, clean, tasty to correspond with the required customers.

Investment promotion

At present, the company has not received tax privilege from investment promotion certificate.

2.2 Market and competition

Marketing Strategy in previous year

In the year 2015, the company has a target at 23,300 metric tons, whereas the company sold total at 21,873 metric tons less than target 1,427 metric tons or come to 6.1%, having total sale value 1,419.9 million Baht increased from previous year amount 6.3 million

Baht or come to 0.5%. The Company has market share namely; is a major exporter products of Frozen Green Beans, Frozen Soy Beans and Frozen Sweet Corns by having total export portion 98.7%, sales Domestic 1.3 and having market share in Japan about 15% of above mentioned products. For satisfaction degree of the customers are good to very good.

Important of competitive tactics

1. Listen every group of customer opinion along with return the customer expectation and requirement very quickly.
2. Develop quality of the goods to be of standardize in international level, free from chemical residue and additive continuously.
3. Manage to deliver the goods efficiently and always in accordance with the customers requirement.
4. Develop personnel to be of knowledgeable with capable and proceeding the work with maximum effectively.

Advantages

1. The company has a good relationship with the customers and join conduct business for a long time.
2. High rank executives of the company are having experienced with knowledge of trading in agricultural products for a decade
3. Main products of the company are 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 capital higher.
2. Size of growing areas are mostly small and scatter in wide vicinity, oversee of growing areas is done harder when compare with the competitors in overseas.

Target customers

Main customers of the company are importer, big co-trader, representative and small customers which scatter the goods to the supermarket, various retail shops and producer in industrial foods and consumer groups of the company are mostly group of middle class up and business group that needs in the form of semi ready-made, clean, healthy and easy to 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:-

1. Distribute through an importer and the representative.
2. Distribute directly to the customers.

Distribution portion in domestic and overseas

The company distributes goods mainly to the overseas such as Japan, USA, Sweden, Denmark, Taiwan, China with about 98.7% and domestic sells to other small customers with about 1.3%.

Main market of the company is Japan which is a country that likes to consume frozen products due to better quality in product or equivalent to competitor products in oversea. Therefore, satisfaction degree of the consumers toward company products are good to very good.

Competition condition

Competition condition does not so violent owing Frozen Vegetable products are the products of having consumption demand in considerably volume and the main market of the company is Japan. Japanese customers are the customers of having consumption demand in the form of semi ready-made, fresh, clean, healthy and easy to eat. Also Thailand is a country of plentiful and rather scarce of natural peril problem which differ from competitor country like China which always suffer from national peril problem that make irregular delivery which differ from the company goods that able to deliver the goods regularly the whole year round.

Trade competitor of the company is a competitor in overseas that is China having business size adjacent with the company which the company has capable potential enough to be able to make competition both in quality, price and regularity in deliver.

2.3 Procurement

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 such as: Chiang Mai, Chiang Rai, Phare, Nan, Phayao etc, 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 produces could harvest, the company would buy at guarantee price and deduct the expenses of seeds, fertilizers and insecticides from buying price of the produces.

Production capacity, production volume and production value

Items	Unit	2013	2014	2015
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	22,132	28,216	21,105
Actual rate of usage capacity	%	52.70	67.18	50.25
Increase (decrease) rate of production volume	%	(15.57)	27.49	(25.20)
Increase (decrease) rate of production value	%	(2.71)	12.64	(12.05)

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 portion 97%

Oversea : The Company imports raw material at portion 3%

Impact on environment

Wasted water that passed the process of the company may impact on environment. So the company takes to pass the system of reforming wasted water in order to meet the requirement quality of Department of Industrial Works formulated 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 put effort to reduce environment impact to comply with laws carefully, thus the company has no any dispute or to be accused concerning environment impact.

2.4 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 unable to deliver.

3. Risk factors

Raw material

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 receive impact 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.

Market

The Company have presently exported Frozen Vegetables product to Japan market about 93% of the total sale which this dependence on Japan market at high portion would impact the company business from their economic slowdown and/or change on the trade policy of such country.

However, as the products of the company is food type that 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 impact from depending on Japan market as a main would not be so risk.

Exchange rate

As the company have its value export more than 98.7% of the total sale and the company sells the products in US Dollar currency, so the company may receive impact 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 for periods time 8 - 12 months make the company would be able to prevent risk in exchange rate approx. 10 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.

The measurement 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 6 directors that represented main shareholders 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 4 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 result 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 had total assets amount 1,488.62 million Baht, total liabilities 139.68 million Baht or come to 9.38% of total assets and shareholders' equity 1,348.94 million Baht or come to 90.62% of total assets, ratio of liabilities per shareholders' equity 0.10:1, liquidity ratio 11.61 and quick ratio 6.47 also the credit line from 4 financial institutes that the company using the service each is the credit line that must not have bonds surety altogether which show the financial status and reliably of the company that received from financial institutes is on the high level. Besides, the company has held the financial policy principle that stress on carefulness which make the risk of company financial is on the low level.

Investors

The Company has a good business result and profitable throughout. At December 31, 2015 the company had retained earnings altogether amount 899.8 million Baht or come to 60.4% of total assets and the company could pay dividend to the shareholder every year.

4. Assets for business performance

Type of assets	Type of possession	Value (Million Baht)	Burden
Land of office building, No.149/32-34 Soi Anglo Plaza, Surawongse Road, Khet Bangrak, Bangkok 54.4 Square wahs	Owner	25.6	None
Land 1 st Plant No.92 Moo 3 Chiangmai-Phrao Road, Nongjom, Sansai, Chiangmai 15 rais 36.6 Square wahs	Owner	3.1	None
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	None
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	None
Land at Maefagmai, Sansai,Chiangmai 16 rais 108.2 Square wahs	Owner	9.6	None
Land at Maefagmai, Sansai,Chiangmai 6 rais 54.3 Square wahs	Owner	3.2	None
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	None

Type of assets	Type of possession	Value (Million Baht)	Burden
Land at Amphur Bangragum, Phitsanulok Province 154 rais 30 square wahs	Owner	15.4	None
Office Building, 4 Floors, 3 Units No. 149/32-34 Soi Anglo Plaza, Surawongse Road, Bangrak, Bangkok	Owner	4.3	None
1 st Plant Building No. 92 Moo 3 Chiangmai-Phrao Road, Nongjom, Sansai, Chiangmai	Owner	20.8	None
2 nd Plant Building No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai, Chiangmai	Owner	24.7	None
New cold storage No. 299/1 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai, Chiangmai	Owner	44.2	None
Machinery & Equipment	Owner	102.5	None

5. Legal disputes

In the year of 2015, the company and subsidiary company had no dispute on laws that having important point toward conducting business of the company.

6. General information and other important information.

6.1 General information

Name	Chiangmai Frozen Foods Public Company Limited
Office Location	149/34 Soi Anglo Plaza, Surawongse Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand.
Registration	0107-537-000-513
Telephone	(662) 238-4091, (662) 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 Corns, Carrot, Baby Corns 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 share each with par value 1 Baht and in the aggregate value of 381,146,251 Baht.
Paid-up Capital	381,145,725 common share each with par value 1 Baht and in the aggregate value of 381,145,725 Baht.

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. Tel. (662) 634-2282-6
Business Type	Conduct business buying-selling, distributor (Export) Frozen Sweet Corns.
Registered Capital	Ordinary share 12,000,000 shares of each 10 Baht per share total 120,000,000.00 Baht.
Paid-up Capital	Ordinary share 12,000,000 shares of each 10 Baht per share paid up 30,000,000.00 Baht.
Percentage of Shareholding	100 % by the company.
Remark: In the year 2015, Agrifood Processing Co., Ltd., has gave up conducting activity and at the Board of Company Meeting No. 6/2015 resolved to liquidate Agrifood Processing Co., Ltd.	

6.2 Others important information.

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	Mr. Pradit Rodloytuk, C.P.A.(Thailand) No.218 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, (662)381-8016
Legal Advisor	Mr. Wanchandr Sivaboonyawongse No. 51 Trok Srirubsuk, Kwaeng Taradbangkhen, Khet Laksi, Bangkok 10210, Thailand Telephone & Fax. (662) 521-4501
Financial Institution	Siam Commercial Bank Public Co., Ltd. Mizuho Corporate Bank, Ltd. – Bangkok Office. Thanachart Bank Public Co., Ltd. Krungthai Bank Public Co., Ltd.

Part 2

Management and Corporate Governance

7. Securities and Shareholder information.

7.1 Register capital securities and paid-up capital securities

- The Company's registered capital is 381,146,251 Baht, paid up of 381,145,725 Baht, divided into 381,145,725 common shares and each with par value of 1 Baht.
- The company has no other securities such as preference share, warrant, debenture share chiefly.

7.2 Shareholders

- Names of main shareholders at the day of closing register book to suspend transferring shares for the right in attending Ordinary Shareholder Meeting are as follows:

Major Shareholder		30 December 2014		30 December 2015	
		No. of Share	%	No. of Share	%
1	Northern Agricultural Company Limited	83,526,100	21.91	162,458,988	42.62
	Mr. Prayoon Pholpipattanaphong	306,517	0.08	306,517	0.08
	Mr. Ekapong Pholpipattanaphong	874,090	0.23	874,090	0.23
	Mr Ankoon Pholpipattanaphong	3,702,600	0.97	3,702,600	0.97
	Mr. Nirand Pholpipattanaphong	3,702,600	0.97	3,702,600	0.97
	Mrs. Jarurat Pholpipattanaphong	181,500	0.05	181,500	0.05
	Ms. Phantira Pholpipattanaphong	181,500	0.05	181,500	0.05
	Ms. Atipa Pholpipattanaphong	181,500	0.05	181,500	0.05
	Total	92,656,407	24.31	171,589,295	45.02
2	Nomura Securities Co., Ltd.	19,057,313	5.00	19,057,313	5.00
3	Mr. Lan Mu Chiou and spouse	18,030,830	4.73	18,030,830	4.73
4	Mr.Prapas Pholpipattanaphong and spouse	15,346,200	4.03	14,441,170	3.79
5	Miss Chang, Min-Fang	8,837,730	2.32	8,837,730	2.32
6	Thai NVDR	19,782,066	5.18	8,662,642	2.28
7	Mr. Lan, Ming-Te	7,209,514	1.89	7,209,514	1.89
8	Mr. Lan, Ming-Shih	7,037,625	1.85	7,037,625	1.85
9	Mr. Liu, Chi-Rong	5,717,250	1.50	5,717,250	1.50

Major Shareholder		30 December 2014		30 December 2015	
		No. of Share	%	No. of Share	%
10	Mrs. Loppana Kongseri	4,545,002	1.19	4,545,002	1.19
Total		198,219,937	52.01	265,128,371	69.56

Items	At December 30, 2014			At December 30, 2015		
	No. of holders	Shares	%	No. of holders	Shares	%
Thai nationality	2,302	297,533,531	78.06	1,899	303,764,740	79.70
Foreign nationality	38	83,612,194	21.94	34	77,380,985	20.30
Total shareholders	2,340	381,145,725	100.00	1,933	381,145,725	100.00
- Taiwanese	13	60,103,878	15.77	12	53,998,569	14.17
- Japanese	10	22,758,595	5.97	10	22,758,595	5.97
- British	5	242,888	0.06	4	224,388	0.06
- USA	3	330,876	0.09	2	161,476	0.04
- Others	7	175,957	0.05	6	237,957	0.06

- The company holds the share in Agrifood Processing Co., Ltd., (subsidiary company) by holding the shares 100%.
- The company has no agreement between main shareholders that will impact toward issuance and selling propose of securities or work execution of the company.

Strategic Shareholder	At March 20, 2014			At March 13, 2015		
	No. of holders	Shares	%	No. of holders	Shares	%
Directors and Executive including related person and who have relationship	30	153,516,637	40.28	38	167,150,093	43.85
Shareholder more than 5% with counting include related person	2	43,087,008	11.30	1	19,057,313	5.00
Small shareholders	2,029	184,539,206	48.42	2,187	194,935,715	51.15

Holding lower 1 unit of buying-selling	155	2,874	-	167	2,604	-
Total	2,216	381,145,725	100.00	2,393	381,145,725	100.00

Strategic Shareholder	At March 20 2014			At March 13, 2015		
	No. of holders	Shares	%	No. of holders	Shares	%
Hold excess 0.5% of share	36	289,797,728	76.03	41	282,202,849	74.04
Hold not excess 0.5% of share but not lower 1 unit of buying-selling	2,025	91,345,123	23.97	2,185	98,940,272	25.96
Hold share lower 1 unit of buying-selling	155	2,874	-	167	2,604	-
Total	2,216	381,145,725	100.00	2,393	381,145,725	100.00

Names of Institution Shareholders of the company

Name		At March 20, 2014		At March 13, 2015	
		Shares	%	Shares	%
1	Nomura Securities Co., Ltd.	19,057,313	5.00	19,057,313	5.00
2	Kim Eng Securities (Hong Kong) Ltd.	620,000	0.16	-	-
3	Commerz Bank Aktiengesellschaft	29,040	0.01	29,040	0.01
4	Land and House Bank PCL.	18,150	0.01	18,150	0.01
5	The Securities Srimite PCL.	330	-	330	-
6	The Securities Seamico PCL.	88	-	88	-
Total		19,704,921	5.18	19,104,921	5.02

Rights and equality of shareholders

Board of Company has 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 it 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 independent 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 21 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 managed to have Shareholder Meeting and it is Annual Ordinary Meeting within 4 months from the date of cycle year of account and extraordinary shareholder meeting in case of asking special resolution from shareholders. The Company pays an important to every shareholder both institution shareholders and small shareholders, the company then invites and supports institution shareholders and small shareholders to join the meeting in order to inquire suspicion express one's thought and give various advise that will be useful toward conductive business in which the company is ready to give facilities to every shareholders equally and uses the rights to vote transparently, justice by providing to have the meeting set in agenda order that formulated in an invitation letter. For electing agenda of directors, the company has separated the matter to allow the shareholders use the rights to vote for electing directors individually along with arrange to have an representative of the shareholders in counting the vote for correction and make disclosure of the shareholder meeting resolution with voting result at time 09.00 a.m. of the next working day from the date of shareholder meeting and arrange completely of meeting report and diffuse meeting report toward the Securities and Stock Exchange of Thailand and report through the company website within 14 days from the 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't share the vote to anyone more or less.
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.

7.3 Other securities issuance

The company issues the securities as ordinary share only, not issues other securities such as preference share or warrant or debenture share chiefly.

7.4 Dividend payment policy

Normally, the company has a policy to pay dividend not less than 60% of net profit except in case there is a plan to expand investment, then will consider to paid dividend as financial appropriate.

Record of Dividend

Year	Rate (Baht/share)	Amount of shares (Shares)	Date of closing register book for the right of dividend	Dividend payment dates
2012	0.28	381,145,725	Mar.13-14,2013	May 10,2013
2013	0.31	381,145,725	Mar.19-20,1014	May 12,2014
2014	0.10	381,145,725	Mar.12-13,2015	May 14,2015
2015	0.20	381,145,725	March 14-15,2016	May 12, 2016

Items	Unit	2012	2013	2014	2015
Net profit Consolidated	Million Baht	174.06	135.82	60.43	119.56
Amount of shares	Million Share	381.14	381.14	381.14	381.14
Par value	Baht/share	1.00	1.00	1.00	1.00
Profit per shares	Baht/share	0.46	0.36	0.16	0.31
Book value	Baht/share	3.41	3.48	3.33	3.54
Annual dividend	Million Baht	106.72	118.16	38.12	76.23
Annual dividend	Baht/share	0.28	0.31	0.10	0.20
Payout ratio	%	61.31	87.00	63.08	63.76

Remark: Ratio of dividend payment and dividend payout date from an operation result of the year 2015 are still uncertain. It depends on the resolution of Ordinary Shareholder Meeting for annual 2016 which will be meeting on April 26, 2016.

8. Management structure

8.1 The Board of Company

The Board of 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. Ankoon Pholpipattanaphong	Director	Executive director
5. Mr. Prayuth Pholpipattanaphong	Director	Non-executive director
6. Mr. Lan, Mu - Chiou	Director	Non-executive director
7. Mr. Amnuay Yossuck	Director	Independent director
8. Mr. Ampon Ruayfupant	Director	Independent director
9. Dr. Phusit Wonglorsaichon	Director	Independent director
10. Miss Darunee Ruangtham	Director	Independent director
By having Mr. Ankoon Pholpipattanaphong as Secretary to the Board of Company		

Remark: Mr. Suwat Phongphasura passed away on October 18, 2015

Audit Committee

Names	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director
2. Mr. Ampon Ruayfupant	Director	Independent director
3. Miss Darunee Ruangtham	Director	Independent director
Mr. Ampon Ruayfupant - Master of Business-Finance, Cornell University, USA., has good knowledge and experience in the field of financials and accounting. By having Mr. Suphot Sutthiprapa, Assistant Internal Audit Manager as Secretary to the Board of Audit Committee		

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. Ankoon Pholpipattanaphong	Director & Secretary	Executive director

Nomination and Remuneration Committee

Names	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director
2. Mr. Ampon Ruayfupant	Director	Independent director
3. Mr. Prapas Pholpipattanaphong	Director	Executive director
4. Mr. Wanchandr Sivaboonyawongs	Director & Secretary	Legal Advisor

Corporate Governance Committee

Names	Position	Type of director
1. Mr. Prayuth Pholpipattanaphong	Chairman	Non-executive director
2. Mr. Ankoon Pholpipattanaphong	Director	Executive director
3. Mr. Ampon Ruayfupant	Director	Independent director
4. Dr. Phusit Wonglorsaichon	Director	Independent director
5. Mr. Sakda Phimmuang	Director & Secretary	Accounting Manager
6. Mr. Vanchandr Sivaboonyawongse	Consultant	Legal advisor

Board of Risk Management Committee

Names	Position	Type of director
1. Mr. Prapas Pholpipattanaphong	Chairman	Executive director
2. Mr. Suwat Phongphasra	Director	Executive director

3. Mr.Ankoon Pholpipattanaphong	Director	Executive director
4. Mr.Prayuth Pholpipatanaphong	Director	Non-executive director
5. Mr.Wanchandr Sivaboonyasongs	Director	Legal advisor
6. Mr.Sakda Phimmuang	Director & Secretary	Accounting manager

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

Name	Directorship ended
1. Mr. Prayoon Pholpipattanaphong	21 December 2015
2. Mr. Prapas Pholpipattanaphong	21 December 2015
3. Mr. Suwat Phongphasura	18 October 2015
4. Mr. Ankoon Pholpipattanaphong	21 December 2015
On December 21, 2015, Mr. Vanchandr Sivaboonyasongs has registered the liquidation of the company	

Biography of the Directors

1. Mr. Prayoon Pholpipattanaphong

Type of director	Executive director (Chairman of Board of Director)
Age	82 years
Education	Accounting profession
Other qualifications	Honorary Doctor, Agricultural, Maejoe University
Director training program/year	DAP-15/2004
Experience	Chairman of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present
Positions in other listed companies	None
Positions in non-listed companies	Chairman of Agrifood Processing Co., Ltd., from Jun. 6, 2003-Dec 21,2015
Positions in rival companies / related companies	None

Meeting attendance in 2015	Board of Company Meeting 7 / 7 times Board of Executive Director Meeting 4 / 4 times
Date and no. of years on the board	November 3, 1988, 28 years
CM Shareholding on Dec. 31'2015	306,517 shares or 0.08%

2. Mr. Prapas Pholpipattanaphong

Type of director	Executive director (Managing Director)
Age	67 years
Education	High school certificate
Director training program/year	DAP-8/2004
Experience	Managing Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-Dec 31, 2015 Chairman of Executive Committee of of Chiangmai Frozen Foods PCL., from Jan 1, 2016 - present
Positions in other listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd., from Jun. 6, 2003- December 21, 2015
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 7 / 7 times Executive Director Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Risk Management Meeting 2 / 2 times
Date and no. of years on the board	November 3, 1988, 28 years
CM Shareholding on Dec. 31'2015	Private 9,102,800 shares or 2.39% Spouse 5,338,370 shares or 1.40% Total 14,441,170 shares or 3.79%

3. Mr. Suwat Phongphasura

Type of director	Executive director
Age	74 years
Education	High school certificate
Director training program/year	DAP-12/2004
Experience	Executive director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-Oct 18, 2015 Authorized director of Chiangmai Frozen Foods PCL from Mar. 25, 1997 – Oct 18, 2015
Positions in listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd., from Jun. 24,2005-Oct 18,2015
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 4 / 5 times Board of Executive Director Meeting 3 / 3 times Board of Risk Management Meeting 2 / 2 times
Date and no. of years on the board	November 3, 1988, 28 years
CM Shareholding on Dec. 31'2015	None
Mr. Suwat Phongphasura, passed away on October 18, 2015	

4. Mr. Ankoon Pholpipattanaphong

Type of director	Executive director (Asst. Managing Director, Secretary)
Age	46 years
Education	Master of Business Administration-Colorado University, USA Bachelor of Communication, Bangkok University
Director training program/year	DAP-12/2004, UFS-10/2005

Experience	Executive director & Marketing Manager of Chiangmai Frozen Foods PCL., from Apr. 27, 2000-present Assis.Managing Director of Chiangmai Frozen Foods PCL., from Feb. 1, 2007-present Company's Secretary of Chiangmai Frozen Foods PCL., from Feb. 28, 2008-present
Positions in listed companies	None
Positions in non-listed companies	Authorized director of Agrifood Processing Co., Ltd., from Jun. 6, 2003-Dec 21, 2015
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 7 / 7 times Board of Executive Director Meeting 4 / 4 times Board of Corporate Governance Meeting 3 / 3 times Board of Risk Management Meeting 2 / 2 times
Date and no. of years on the board	April 27, 2000, 16 years
CM Shareholding on Dec. 31'2015	Private 3,702,600 shares or 0.96% Spouse 181,500 shares or 0.05% Child 363,000 shares or 0.10% Total 4,247,100 shares or 1.11%

5. Mr. Prayuth Pholpipatanaphong

Type of director	Non-executive director
Age	69 years
Education	Bachelor of Science, Chulalongkorn University
Director training program/year	None
Experience	Business Development Manager-Chiangmai Frozen Foods PCL., from Jan. 2, 2003-Dec 31,2014 Executive director-Chiangmai Frozen Foods PCL., from Apr. 30, 2010- Dec 31, 2014 Director- Esso Thailand(2000-2001)
Positions in listed	None

companies	
Positions in non-listed companies	Executive Director- Agrifood Processing Co., Ltd., from Jun. 6, 2003-Dec 21, 2014
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 7 / 7 times Board of Corporate Governance Meeting 3 / 3 times Board of Risk Management Meeting 2 / 2 times
Date and no. of years on the board	April 30, 2010, 6 years
CM Shareholding on Dec. 31'2015	None

6. Mr. Lan Mu Chiou

Type of director	Non-executive director
Age	68 years
Education	High school certificate
Director training program/year	None
Experience	Director of Chiangmai Frozen Foods PCL., from Nov. 3,1988-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 5 / 7 times
Date and no. of years on the board	November 3,1988, 28 years
CM Shareholding on Dec. 31'2015	Private 12,886,724 shares or 3.38% Spouse 5,144,106 shares or 1.35%

	Total 18,030,830 shares or 4.73%
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7. Mr. Amnuay Yossuck

Type of director	Independent director (Chairman of Audit Committee)
Age	79 years
Education	Master of Economic (Agriculture), Arisona University, USA. Bachelor of Economics, Thammasat University
Other qualification	Honorary Doctor, Cooperative Agricultural, Maejoe University
Director training program/year	DAP-15/2004
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) Independent Director-Chiangmai Frozen Foods PCL., from Mar. 12, 1993-present
Positions in listed companies	None
Positions in non-listed companies	Chairman of Piriyaopol International (1986-present) President of Mae Joe University Council (1999-present)
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 7 / 7 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 time
Date and no. of years on the board	March 12,1993, 23 years
CM Shareholding on Dec. 31'2015	667,920 shares or 0.18%

8. Mr. Ampon Ruayfupant

Type of director	Independent director (Audit Committee)
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Age	47 years
Education	Master of Business-Finance, Cornell University,USA. Bachelor of Business Administration, Assumption University
Director training program/year	None
Experience	Risk Management Manager of GE Capital(1994-1996) Independent Director-Chiangmai Frozen Foods PCL., from Apr. 26, 2006-present Director-Amarin Printing PCL., from 2013-present)
Positions in listed companies	Director-Amarin Printing PCL., from 2013-present)
Positions in non-listed companies	Executive director of Pilot Knit Sport Wear Co., Ltd. (2000-present)
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 6 / 7 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times. Board of Corporate Governance Meeting 2 / 3 times
Date and no. of years on the board	April 26,2006, 10 years
CM Shareholding on Dec. 31'2015	71,874 shares or 0.02%

9. Dr. Phusit Wonglorsaichon

Type of director	Independent director
Age	45 years
Education	Ph.D - Business Administration Nova Southeastern University,USA. Ph.D - Education Chulalongkorn University,USA. Master of Business Administration (Honor) Indianapolis University. Bachelor - Material Science, Ceramics Chulalongkorn University
Director training program/year	None

Experience	Thai Chamber of Commerce.-started Sep. 28, 2012-present Independent Director-Chiangmai Frozen Foods PCL., from Apr. 30, 2010-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 7 / 7 times Board of Corporate Governance 3 / 3 times
Date and no. of years on the board	April 30, 2010, 6 years
CM Shareholding on Dec. 31'2015	None

10. Miss Darunee Ruangtham

Type of director	Independent director (Audit Committee)
Age	58 years
Education	Master Degree-Business Management, Tampa Collage,USA. Bachelor Degree-Computer Science, Tampa Collage, USA, Bachelor Degree-Business Administration Major in Finance & Banking, Assumption University, USA Financial Thinking for Finance Manager - Sasin
Director training program/year	None
Experience	Independent Director-Chiangmai Frozen Foods PCL., from Apr.'2014-present Authorized Director, The Regent Cha-am from Oct.'2004- present, Manager, Assets & Finance Management, the Regent Group from May '1993-present Finance Manager, the Regent Group from Jul.'1988 – Jan.'1992 Finance Department, Fuji Xerox Co., Ltd., from 1980-1983
Positions in listed	None

companies	
Positions in non-listed companies	Authorized Director, The Regent Cha-am from Oct.'2004-present Manager, Assets & Finance Management, the Regent Group from May'1993-present
Positions in rival companies / related companies	None
Meeting attendance in 2015	Board of Company Meeting 7 / 7 times Board of Audit Committee Meeting 4 / 4 times
Date and no. of years on the board	Company Director on April 23,2014, 2 years
CM Shareholding on Dec. 31'2015	114,856 shares or 0.03%

Other important information of directors, independent directors and high rank executives

- Directors or high rank executives of the company have not ever been the officials or partners of outside public account company that the company was using the service in last 2 years.
- No independent directors of the company hold an office in registered company in the Securities and Stock Exchange more than 3 places.
- No executive of the company hold an office more than 3 places in registered company in the Stock Exchange of Thailand.
- The company has at least one none – executive having working experience in related with company business.

Change on holding securities of company director in the cycle year of 2015

(Unit: shares)

	Names - Surname	Position	Hold the share, beginning of the year	Hold the share, end of the year	Change
1	Mr.Prayoon Pholpipattanaohong	Chairman	306,517	306,517	-
	Nortern Agricultural Co., Ltd.		83,526,100	162,458,988	78,932,888
	Total		83,832,617	162,765,505	78,932,888

Names - Surname			Position	Hold the share, beginning of the year	Hold the share, end of the year	Change
2	Mr.Prapas Pholpipattanaphong	Private	Managing Director	10,007,830	9,102,800	(905,030)
		Spouse		5,338,370	5,338,370	-
		Total		15,346,200	14,441,170	(905,030)
3	Mr.Suwat Phongphasura		Executive Director	2,450,250	-	(2,450,250)
4	Mr.Ankoon Pholpipattanaphong	Private	Executive Director	3,702,600	3,702,600	-
		Spouse		181,500	181,500	-
		Child		363,000	363,000	-
		Total		4,247,100	4,247,100	-
5	Mr.Prayuth Pholpipatanaphong		Director	-	-	-
6	Mr.Lan, Mu-Chiou	Private	Director	12,886,724	12,886,724	-
		Spouse		5,144,106	5,144,106	-
		Total		18,030,830	18,030,830	-
7	Mr.Amnuay Yossuck		Independent Director	667,920	667,920	-
8	Mr.Ampon Yuayfupant		Independent Director	71,874	71,874	-
9	Dr.Phusit Wonglorsaichon		Independent Director	-	-	-
10	Miss Darunee Ruangtham		Independent Director	114,856	114,856	-
Total				124,761,647	200,339,255	75,577,608
% of paid capital of the company (381,145,725 shares)				32.73	52.56	%

Change on holding securities of Executive officers and Manager in the cycle year of 2015

(Unit: shares)

Names - Surname		Position	Hold the share, beginning of the year	Hold the share, end of the year	Change
1	Mr.Prayoon Pholpipattanaohong Nortern Agricultural Co., Ltd. Total	Chairman	306,517 83,526,100 83,832,617	306,517 162,458,988 162,765,505	- 78,932,888 78,932,888
2	Mr.Prapas Pholpipattanaphong Private Spouse Total	Managing Director	10,077,830 6,338,370 15,346,200	9,102,800 5,338,370 14,441,170	(905,030) - (905,030)
3	Mr.Suwat Phongphasura	Executive Director	2,450,250	-	(2,450,250)
4	Mr.Ankoon Pholpipattanaphong Private Spouse Child Total	Executive Director	3,702,600 181,500 363,000 4,247,100	3,702,600 181,500 363,000 4,247,100	- - - -
5	Mr. Sakda Phimmuang	Accounting Manager	-	-	-
6	Miss Piyalak Chuapoodee	Plant Manager 1	-	-	-
7	Mr. Tummarat Charoensanti	Plant Manager 2	-	-	-
8	Mr. Rangsit Ojaroen	Office Manager 1	-	-	-
9	Miss Warissara Kangkanda	Office Manager 2	-	-	-
10	Miss Thanarat Thepyothin	Vice Office Manager	-	-	-
11	Mr. Pryaraj Koonprayong	Vice Plant Manager	-	-	-
12	Mr. Boonmee Saman	Vice Plant Manager	-	-	-

Names - Surname		Position	Hold the share, beginning of the year	Hold the share, end of the year	Change
13	Mr. Thanom Chaiwong	Vice Quality Assurance & Development Manager	-	-	-
14	Mr. Chanwit Suwanrat	Vice Quality Assurance & Development Manager	-	-	-
15	Mr. Sairung Boontom	Assis. Office Manager	-	-	-
16	Mr. Wittaya Kumrangkeng	Assis. Office Manager	-	-	-
17	Mr. Suphot Sutthiprapa	Assis. Internal Audit Manager	-	-	-

Important qualifications and guideline of directors and executives

1. Be a director in registered company in the Securities and Stock Exchange not excess 3 companies.
2. Must not ever been the officials or partners of public account company that the company was appointed the service in last 2 years.
3. Must manage to make buying-selling securities report of the company in order to report toward Securities and Stock Exchange within 3 working days and report to the company secretary or person that Board of Company assigned for acknowledgement.
4. Prohibit to make buying-selling 14 days prior or after financial statements report.
5. Prohibit directors, executives to use internal information for buying-selling securities.
6. Must report of having common interest to the Board of Company for acknowledgement.
7. To make important subject among themselves must receive consideration and approval from Board of Company.

Holding an office as director in the subsidiary company (A), other registered companies (B), working experience in related business (C), accounting knowledge (D) and training as director in the previous year (E)

Name	Type of directors	A	B	C	D	E
Mr. Prayoon Pholpipattanaphong	Chairman	1	-	Yes	Yes	-
Mr. Prapas Pholpipattanaphong	Managing Director	1	-	Yes	Yes	-
Mr. Suwat Phongphasura	Executive Director	1	-	Yes	Yes	-
Mr. Ankoon Pholpipattanaphong	Executive Director	1	-	Yes	Yes	-
Mr. Prayuth Pholpipattanaphong	Non-executive Director	-	-	Yes	Yes	-
Mr. Lan, Mu - Chiou	Non-executive Director	-	-	Yes	-	-
Mr. Amnuay Yossuck	Independent Director	-	-	-	Yes	-
Mr. Ampon Ruayfupant	Independent Director	-	1	-	Yes	-
Dr. Phusit Wonglorsaichon	Independent Director	-	-	-	Yes	-
Miss Darunee Ruangtham	Independent Director	-	-	-	Yes	-

Independent Directors definition

1. Not holding a share excess 0.50% of paid capital of the company, subsidiary company, corporate company or related company, all this include a share hold by related person. Which stricter than requirement of the SEC stated not exceed 1.0%
2. Be a director in registered company in the Securities and Stock Exchange not excess 3 companies. Which stricter than requirement of the SEC stated not exceed 5 companies.
3. Not participate in administration, not be the officials, employee, advisor with regular salary or control authorize company, subsidiary company, corporate company, related company or company that major shareholder hold a share both direct and indirect or a person who has conflict of interest by must not having interest or having common interest in such character for not less than 2 years.
4. No relationship on business or service provider on profession public account to the company, subsidiary company, corporate company, related company or juristic person that having conflict of interest except would escape from such character not less than 2 years.
5. Is freely or not relate with executive section and major shareholder of the company.
6. Not be a director in others registered company in the group of the company, subsidiary company, corporate company, related company or the company that major shareholder hold a share both direct and indirect.

7. At least one independent director must have good knowledge and experience in the field of financials and accounting.
8. No prohibit character according to the policy of Corporate Governance of the company.
9. No prohibit character according to the formulated of Securities and Exchange Commission and the Stock Exchange of Thailand.

Limit of duty authority of Board of Company and Board of Executive Directors (Management Division)

Authority of Board of Company	Authority of Board of Executive Directors
<ol style="list-style-type: none"> 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 important policy including objective, financial target and company plan also follow up, supervise to have practice as planned. 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 of interest that may arise inclusive related subject. 6. To formulate line of risk management comprehensively 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 communication with each group of shareholder and stakeholder of the company. 9. Allow to have disclosure of correct information, clear, transparent, reliably and high standard. 10. To be a leader and good example in practice. 	<ol style="list-style-type: none"> 1. Formulate execution policy and operating direction to coordinate with the policy and objective of the company by intending to build up security and maximum advantage to the company. 2. Oversee the management to proceed work as formulated policy strictly. 3. Authorize in approving and making juristic act under the frame formulated by the Board of Company. 4. Any other acts as assigned by the Board of Company.

Balance of power for Non-executive Directors

Board of Company consist of 10 Directors as follows:

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

Chairman of the company though it may have blood relationship with Managing Director but viewpoint in operation are freely each other, also structure of Board of Company comprises executive directors and non-executive directors in which in number of non-executive directors are having number of Independent Directors one third of the whole Board or not less than 3 persons make capable to inspect an administration freely. So every group of stakeholder can convince that the Chairman and Managing Director have performed their duty fairly, equality in their capacity as representative of shareholders and having balance of power appropriately.

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. The Company have meeting plan in year 2016 details as follow:

Meeting No.	DD-MM-YY	
1	Friday	February 26, 2016
2	Thursday	May 12, 2016
3	Thursday	August 11, 2016
4	Friday	November 11, 2016

2. The Chairman and Managing Director joint in consideration for agenda meeting.
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 not less than two third of 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 impact to the company, expansion of investment project, formulate work level of executive power, formulate policy of financial management and risk management chiefly.
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.

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	3 / 3	7 / 7
2.Mr. Prapas Pholpipattanaphong	3 years	4 / 4	3 / 3	7 / 7
3.Mr. Suwat Phongphasura	3 years	3 / 3	1 / 2	4 / 5
4.Mr. Ankoon Pholpipattanaphong	3 years	4 / 4	3 / 3	7 / 7
5.Mr. Prayuth Pholpipattanaphong	3 years	4 / 4	3 / 3	7 / 7
6.Mr. Lan, Mu-Chiou	3 years	3 / 4	2 / 3	5 / 7
7.Mr. Amnuay Yossuck	3 years	4 / 4	3 / 3	7 / 7
8.Mr. Ampon Ruayfupant	3 years	4 / 4	2 / 3	6 / 7
9.Dr. Phusit Wonglorsaichon	3 years	4 / 4	3 / 3	7 / 7
10.Miss Darunee Ruangtham	3 years	4 / 4	3 / 3	7 / 7
Every director are having portion of attendance Board of Director Meeting, equivalent to 94% of whole year meeting in the year 2015.				

Meeting attendance of each sub-committee concludes as follows:

Remark: BED=Board of Executive Directors, BAC=Board of Audit Committee, BNR=Board of Nomination & Remuneration Committee, BCG=Board of Corporate Governance Committee, BRM=Board of Risk Management Committee

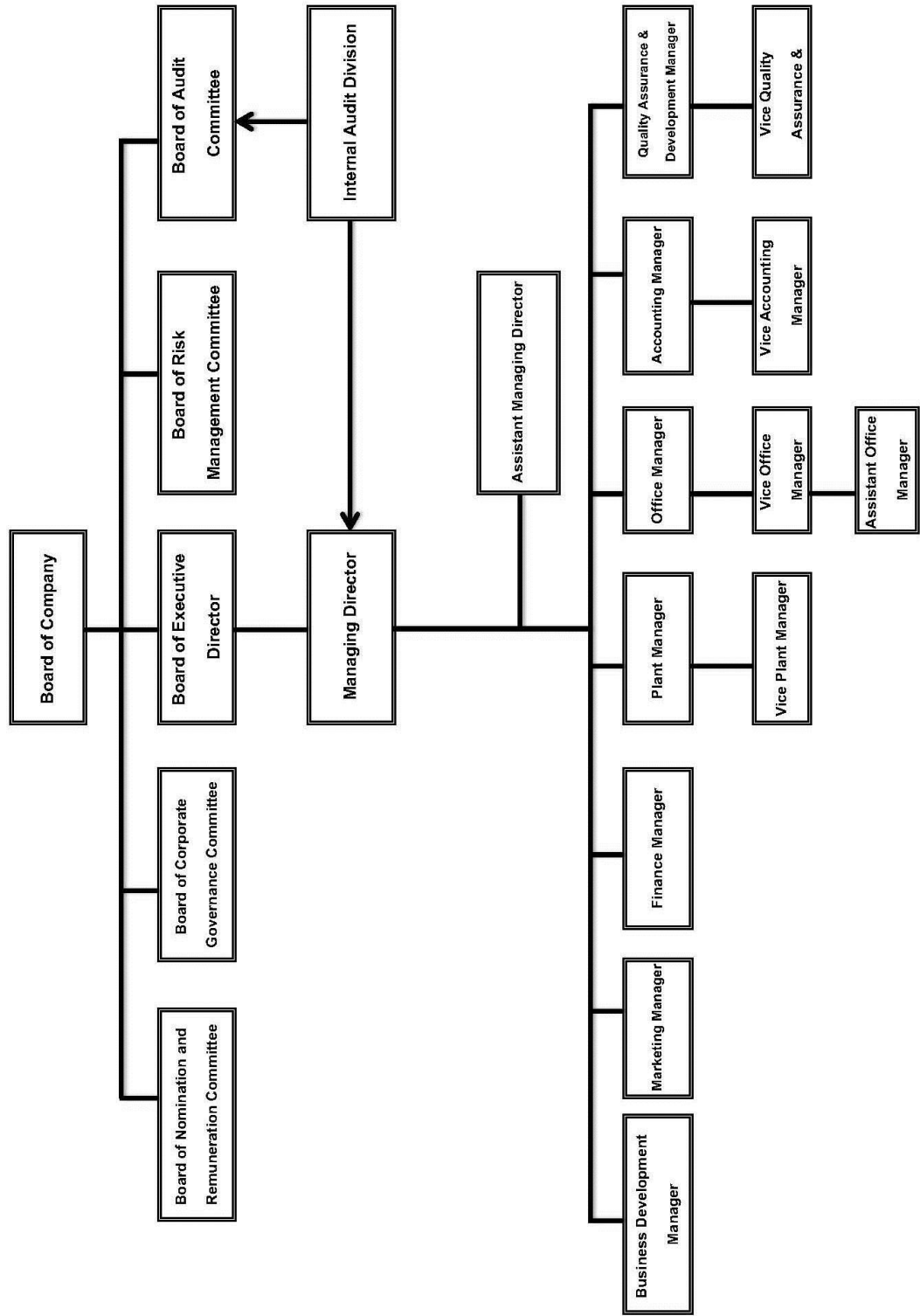
Name list	BED	BAC	BNR	BCG	BRM
1.Mr. Prayoon Pholpipattanaphong	4 / 4				
2.Mr. Prapas Pholpipattanaphong	4 / 4		2 / 2		2 / 2
3.Mr. Suwat Phongphasura	3 / 3				2 / 2
4.Mr. Ankoon Pholpipattanaphong	4 / 4			3 / 3	2 / 2
5.Mr. Prayuth Pholpipattanaphong	4 / 4			3 / 3	2 / 2
6.Mr. Amnuay Yossuck		4 / 4	2 / 2		
7.Mr. Ampon Ruayfupant		4 / 4	2 / 2	2 / 3	
8.Dr. Phusit Wonglorsaichon				3 / 3	
9.Miss Darunee Ruangtham		4 / 4			
10.Mr.Wanchandr Sibaboonyawongse			2 / 2		- / 2
11.Mr. Sakda Phimmuang				3 / 3	2 / 2

8.2 Executive officers and Manager

Name	Position	Education
1. Mr.Prayoon Pholpipattangphong	Chairman Authorized Director	Accounting profession, Honorary Doctor, Agricultural, Maejoe University
2. Mr. Prapas Pholpipattanaphong	Managing Director Authorized Director	High school certificate
3. Mr. Suwat Phongphasura	Executive Director Authorized Director	High school certificate
4. Mr.Ankoon Pholpipattanaphong	Executive Director, Assistant Managing Director, Marketing Manager and Company Secretary	Master of Business Administration, Colorado University, USA. Bachelor of Communication, Bangkok University
5. Mr. Prayuth Pholpipatanaphong	Executive Director Business Development Manager	Bachelor of Science, Chulalongkorn University
6. Mr.Sakda Phimmuang	Accounting Manager	Bachelor of Accounting, MBA
7. Miss Piyalak Chuapoodee	Plant Manager 1	Bachelor of Food Science
8. Mr. Tummarat Charoensanti	Plant Manager 2	Mechanical Engineer
9. Mr. Rangsit Ojaroen	Office Manager	Bachelor of Art in Economic
10. Miss Warissara Kangkanka	Office Manager	Diploma
11. Miss Thanarat Thepyothin	Vice Office Manager	M.S.-Art in Industrial Psychology
12. Mr.Piyaraj Koonprayong	Vice Plant Manager	Bachelor of Food Science
13. Mr. Boonmee Saman	Vice Plant Manager	Bachelor of Plant Science (Agronomy)
14. Mr. Thanom Chaiwong	Vice Quality Assurance & Development Manager	Master of Food Science
15. Mr. Chanwit Suwannarat	Vice Quality Assurance & Development Manager	Bachelor of Food Science
16. Mr. Sairung Boontom	Assis.Office Manager	Agricultural Education Horticulture
17. Mr. Suphot Sutthiprapa	Assis. Internal Audit Manager	Bachelor of Accounting and Business, Financial Management
18. Mr. Wittaya Kumlungkeng	Assis. Office Manager	Master of Business Administration

Organization chart

Management Structure of the Company



8.3 Company's secretary

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

- 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.
- To manage shareholder meeting and Board of Director Meeting in accordance with laws, regulation of the company and various performance points.
- 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.
- 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.
- To contact and communicate with General Shareholders to learn about various right and information of the company.
- To governance activity of the Board of Company.

8.4 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.

Remuneration amount: In the year 2015, the company has paid various remuneration to the Directors and Executives as following details:

(Unit: Baht)

Names	Position	2014	2015
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	318,905
4.Mr. Ankoon Pholpipattanaphong	Executive Director	400,000	400,000
5.Mr. Prayuth Pholpipattanaphong	Director	400,000	400,000
6.Mr. Lan, Mu-Chiou	Director	400,000	400,000
7.Mr. Amnuay Yossuck	Independent Director	400,000	400,000
8.Mr. Ampon Ruayfupant	Independent Director	400,000	400,000
9.Dr. Phusit Wonglorsaichon	Independent Director	400,000	400,000
10.Miss Darunee Ruangtham	Independent Director	277,260	400,000

Names	Position	2014	2015
11.Mr. Kenichi Tai	Director	33,333	-
12.Mr. Santichai Suakanonth	Independent Director	125,556	-
Other remuneration such as meeting fee, bonus, insurance premium etc.	Directors 11 persons	None	None
Total		4,036,149	3,918,905
Mr. Kenichi Tai quitted from the director on February 1, 2014			
Mr. Santichai Suakanonth quitted from the Chairman of Audit Committee on April 23, 2014			

Remuneration for Audit Committee

(Unit: Baht)

Names	Position	2014	2015
1.Mr. Amnuay Yossuck	Chairman	390,968	480,000
2.Mr. Ampon Ruayfupant	Director	240,000	240,000
3.Miss Darunee Ruangtham	Director	150,968	240,000
4.Mr. Santichai Suakanonth	Chairman	150,666	-
Other remuneration such as meeting fee, bonus, insurance premium etc.		None	None
Total		932,602	960,000
Mr. Amnuay Yossuck acts as Chairman of Board of Audit Committee on May 15, 2014			
Miss Darunee Ruangtham holds as Audit Committee on May 15, 2014			
Mr. Santichai Suakanonth quitted from the Chairman of Audit Committee on April 23, 2014			

Remuneration for Executive Directors and Executives

Particular	Year 2014		Year 2015	
	No. of person	Total amount (Baht)	No. of person	Total amount (Baht)
Salary	7	18,603,280	7	18,814,344
Bonus, remuneration	7	3,659,494	7	4,694,438
Cost of living	7	54,600	7	53,040
Social security fund	7	63,000	7	61,500
Provident fund	7	554,498	7	554,117
Sub total	7	22,934,872	7	24,177,439
Grand total		27,903,623		29,056,344

Other remuneration benefit

- Director: none (such as meeting fee, bonus, insurance premium etc.)
- Executive Directors and Executives: Provident fund 3% of payroll, office car, bonus etc.

Remuneration structure of Non-executive directors details as follow:

- Director's Remuneration for 6 persons each 400,000.00 Baht per year.
- Remuneration for Chairman of Audit Committee amount 40,000.00 Baht per month.
- Remuneration for 2 member of Audit Committee amount 20,000.00 Baht per month.
- Other remuneration : None

Remuneration payment policy

Board of Nomination and Remuneration Committee perform duty in proposing remuneration of Board of Company, Board of Sub-Committee, Managing Director, Executives and High Rank Executives that suitable as increase work volume by compare with the same industrial information or remuneration information report of Thai Company Director Institution Promotion Co., Association or equal to remuneration in the previous year and are remuneration suitable with work volume, knowledge and ability that would last for directors and executives required by the company to propose the shareholders for considering approval every year in which the company has a policy to pay remuneration of Board of Company, Board of sub-committee, Managing Director, Executive Directors and High Rank of Executives in the suitable degree to coordinate with directors task that have to perform in accordance with the laws and related discipline.

8.5 Personnel

Particular	Male	Female	Total
Management/Administration Department	24	46	70
Manufacture/Technical Engineering Department	86	26	112
Daily employees	329	1,053	1,382
Total	439	1,125	1,564

- No change shall be made on number of employee or dispute in labor during the past three years.
- In the meeting of Board of Company No. 1/2015 on February 26, 2015 resolve to consent remuneration for Executive Directors and High rank Executives amount 1,810,000.00 Baht.
- Total remuneration of the employees amount 267,723,634.-Bahts comprises salary, wages, remuneration, bonus, overtime, diligent cowries, hospital charge, cost of insurance group, cost of living, provident fund 3% of salary, employee benefit when reach age limit of 60 years.
- Provide to have provident fund with name: Provident fund Thai Commercial Piensub which already registered under no. 77/1997 by having Thai Commercial Public Company Limited as fund manager at the date of December 31, 2015. Fund membership specific part of Chiangmai Frozen Foods Public Company Limited have 172 persons and having saving money, add money and interest total amount 50,566,415.70 Baht.
- 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. In the year 2015, the company had training and seminar hours for the officials with average 3.63 hours/person/year or come to amount 6,084 hours.

9. Corporate governance

9.1 Policy of Corporate Governance

Board of Company have realized the important of Good Corporate Governance for transparency 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 comprehend the following keystones:

- 1) The Company will treat the shareholders and stakeholders in equal manner with fair for everyone.

- 2) Board of Company are intended to build up sustainable growth of the company in long-run, to execute the company activity with carefulness 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 maximum efficient toward the shareholders, and other stakeholders, also take care of not having conflict of 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 officer practice.

Leadership and Vision

Board of Director have considered to review and approve vision, company mission, renovate business ethics, Corporate Governance Policy and other sides policy to have suitable, coordinate with rule, regulation that exist in present and to be occur regularly in future at least every 5 years.

Conflict of interest

Board of Company have executed carefully and cautiously to prevent conflict of interest when incur any matter that may cause conflict of interest. Board of Audit Committee will learn about the subject that get conflict of interest and related subject and have considered the suitability thoroughly every time by formulating to have practice according to the basis of Securities and 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 acknowledge and aware of the right of concerned stakeholders and have a policy to support in incurring a cooperation between the company with every group of stakeholders in creating advantage among themselves and take care firmly that all stakeholders have received well protected and served by the company pay important toward the right of every group of stakeholder such as officials, customers, co-partners, competitors, shareholders and think of safety and health, responsibility toward community and society, environment and national resources, human rights and misconduct and corruption resistant by formulating performance line for directors, executives and officials distinctly in business ethics and formulate as policy in the policy

of Corporate Governance, manage to have channel for every group of stakeholder enable to grievance toward the company in case of not receiving justice from company performance whatever by directors, executives or officials. All this, the company can convince that grievance of every group of stakeholder are likely to receive protection and keep for secret. The Company shall proceed for inspecting as formulate process and find a remedy way quickly.

Business Morality

Board of Company have permitted discipline of business morality to promote the directors, executives and every rank of officials 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. Business Morality 4th revise edition which has received permission to modify from the Board of Company Meeting no. 1/2016 dated February 26, 2016.

Corporate Governance

Board of Company Director have an intention to build up the process of Good Corporate Governance that standardizes and allow scatter the practice to every rank of the officials of the whole company to create real culture of Good Corporate Governance, so wish the directors, executives and every officer to strictly hold in practice according to the policy of Good Corporate Governance 4th revise edition which has received permission to modify from the Board of Company Meeting no. 1/2016 dated February 26, 2016.

Anti-Corruption

The Company pays an important concerning misconduct and corruption and regards as a part of policy in conducting business which the company formulates in the business ethics, heading: misconduct and corruption resistant and formulates in the policy of Corporate Governance – heading: “policy of misconduct and corruption resistant” so as directors, executives and every official to hold practice. In the meeting of Board of Company no. 4/2013 dated November 11, 2013 Board of Company have resolved to agree the company to show intentional in order to join cooperation of Thai private sector in resisting misconduct and in the meeting of Board of Company no. 1/2015 on February 26, 2015 have resolved to consent in managing policy of misconduct and corruption resistant in writing in order to be an performance line distinctly in conducting business and intends to develop to an organization sustainable, and on April 21, 2015 the company applied for a member of net-work partnership on misconduct for Thailand in order to fight for every organization to aware of misconduct and corruption impact. The Board of Directors’ Meeting No.1/2015 held on February 26, 2016, resolved to approve the anti-corruption policy edition 1

9.2 Sub Committees

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

Executive Committee

Established on January 4, 2000 consist of 4 Executive Directors, 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 the credit line as formulated by Board of Company.
4. To act others as assigned by Board of Company.

On December 16, 2015, at the Board of Company Meeting no. 7/2015 resolved to change authorized director from original “Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Prapas Pholpipattanaphong, Managing Director or Mr. Suwat Phongphasura to give signature with company seal” to be “Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Ankoon Pholpipattanaphong, Managing Director or Mr. Prapas Pholpipattanaphong to give signature with company seal” with effective from January 1, 2016 onward.

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. Ampon Ruayfupant is knowledgeable in accounting and financial which names are as follows:

- | | |
|---------------------------|-----------------|
| 1. Mr. Amnuay Yossuck | Chairman |
| 2. Mr. Ampon Ruayfupant | Audit Committee |
| 3. Miss Darunee Ruangtham | Audit Committee |

By having Mr. Suphot Sutthiprapa, Assistant Internal Audit Manager as Secretary to the Board of Audit Committee

Audit Committee authority

1. Have an authority in proposing to appoint and quit employ external auditor.
2. Have an authority in proposing to appoint, transfer and quit employ Internal Audit.
3. To verify financial statements of the company to be in accordance with generally accepted auditing standards.
4. Inspect sufficiency of internal control system.
5. Inspect sufficiency of risk protection and misconduct and corruption resistant.

6. Review the anti-corruption guideline and practice for director, executive, and employee and ensure the compliance.
7. Manage to report performance work of Board of Audit Committee.
8. Other performance works concerning with inspect activity as assigned by Board of Company.

Nomination & Remuneration Committee

Established on August 13, 2009 with holding term each time 3 years. There are 5 Directors, consist of 2 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 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.

Report of Nomination and Remuneration Committee

In the previous cycle year, Board of Nomination and Remuneration Committee had gathered 2 times meeting. Board of Nomination and Remuneration made a meeting and selected the director to substitute 3 completed term directors comprised: 1. Mr. Prapas Pholpipattanaphong, executive director 2. Mr. Prayuth Pholpipatanaphong, non-executive director and 3. Dr. Phusit Wonglorsaichon, independent director in which Mr. Prayuth Pholpipatanaphong wished to take a rest by not asking renew of bring director after completed term. Therefore, Board of Nomination and Remuneration were of opinion that those 2 completed term directors were of knowledgeable with competent and experience in the field of agriculture industry business and financial administration excellently also had devoted in performing duty as company director continuously which were much advantage toward the company, then were of opinion that it should propose those 2 completed term directors namely: Mr. Prapas Pholpipattanaphong and Dr. Phusit Wonglorsaichon to turn to be company director once again, herewith had considered remuneration with a view that remuneration that directors received at present was suitable with the duty in the capacity as company director.

The Company opens an opportunity for shareholders to propose name list of person having suitable property to be Independent Director of the company to replace complete term Independent Director. This year, the company opens an opportunity to propose name list from October 29, 2015 till December 30, 2015. When due time, it appears that no any shareholder propose name list for such purpose.

Nomination and Remuneration Committee had performed the duty with always thinking of company benefits, to make reviewing the Charter to be up-to-date and review performance by using data bases in the same industry level and Board of Nomination and Remuneration Committee had made self-assessment which were annual assessment result. For the result of assessment in the year 2015 which sum up

overall that Board of Nomination and Remuneration Committee performed duty with attainable as target.

Corporate Governance Committee

Appointed on November 12, 2012, having holding period of each 3 years. There are five directors consisting of Board of Company, executives and/or other qualified persons. At least one director of corporate governance must come from Independent Director which Mr. Vanchandr Sivabonyawongse as advisor to the Committee. The Corporate Governance Committee have an authority in arranging policy of corporate governance under the frame of laws, basis, discipline and regulations that are current issue of organization that perform duty on corporate governance such as The Stock Exchange of Thailand, Securities and Exchange Commission and related units through the guide line in good corporate governance that are international standard and provide advice to the directors, executives, officials of the company in performance duty as frame and basis of corporate governance policy so as to allow performance duty of directors and management of executive section to be in good manner, good resulting in performance and having appropriate continuation to be in accordance with expectancy of the shareholders and every group of stakeholders.

Report of Board of Corporate Governance Committee

In the previous cycle year, the Corporate Governance Committee had gathered 3 times meeting in order to modify the policy of Corporate Governance, Business ethics through the Charter of Board of Director and small board for appropriate and always up-to-date and perform duty with corporate governance to the directors, executives and officials to acknowledge the policy of Corporate Governance and business ethics for holding practice and found from assessment that the directors, executives and officials all well-acknowledge and held practice with satisfactory.

Corporate Governance Committee had modified the policy of Corporate Governance, Business ethics and the Charter of Corporate Governance Committee through oversee the directors, executives, officials to hold practice according to the policy of corporate governance and business ethics that company formulated and the Corporate Governance Committee had made self-assessment which were assessment annual result. For the result of assessment in the year 2015 with sum up overall that the Corporate Governance Committee had performed duty with attainable as target.

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.

Report of Risk Management Committee

In the previous cycle year, Board of Risk Management Committee had gathered two time meeting in arrange to make policy of risk management in writing for being a guide line in risk management suitably and order to make assessment of risk management in each side, that were: producing side, business performance field, exchange rate field, goods quality field, management field, financial field and investor field. From assessment result found that the company could manage the risk in each field with very satisfactory made the company was still in good performance and acceptable of risk level.

Board of Risk Management had managed the risk of the company in order the company to have the least as possible on business risk and Board of Risk Management Committee had made self-assessment which were annual result assessment. For the result of assessment in the year 2015 with sum up overall that Board of Risk Management Committee had performed duty with attainable satisfactory.

9.3 Selection of directors and executives

Basis and process on select and appoint new director

The Company opens an opportunity for shareholders enable to propose person name which is non-prohibit person according to the Royal Act of Securities and Securities and Stock Exchange and provision of Securities and Exchange Commission and get along with company provision and person who is proposed the name must allow to propose the name for electing as Independent Director of the company in which this year the company formulates to propose the name since October 29, 2015 till December 30, 2015 which the company has proposed details, basis and performance method on website of the company – www.cmfrozen.com under group “Investor Relations” heading: Rights of shareholder and notify through website of The Stock Exchange of Thailand – www.set.or.th.

Nomination and Remuneration shall consider name list of person from recommending of shareholders (if any) , name list from director information base and complete term director to select property of above said person to be in accordance with the laws and various basis through it must be a person to have profession skill, business talented in related with company business and/or having skill on accounting and financial inclusive necessary skill of Board of Director which still lacking by not restrict sex, age, race, religion and propose toward Board of Company for consideration and give approval and propose to the shareholder for consideration to select for appointing individually.

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 theirs vote to elect one person or many persons as director but can't 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.

Self – Assessment

The Company arranges to have performance result assessment of Board of Director every year which company secretary shall send form of such assessment to each director and collect to propose Chairman of Board of Nomination and Remuneration for assessing performance result and bring performance result to consult in the Board of Company Meeting. All this, various recommend that receive from performance result assessment of Board of Director, the company shall bring to use in revision working efficient of Board of Director so as to produce maximum advantage in corporate governance of the company.

Descendent plan

The Company executes a plan concerning development for recompensing the position with object in making preparation on manpower both in quality and volume to create continuation in appropriate administration for selecting and make preparation of suitable person in holding an office that is the main position of the company, for instance: company supreme executive inclusive important position in management structure or company conducting business or a position with specific skill, sharp talented or hard to recompense. So the company has formulated arrangement basis for descending plan such as important position, consideration basis and select through arrangement procedure of descend plan chiefly.

Training and knowledge development

The Company has a policy to support new director in director curriculum training to enhance knowledge, understanding, role and duty of director through for acknowledging various regulations, rules, discipline and related laws.

9.4 Operation on corporate governance of subsidiary company

The Company is a shareholder of Agrifood Processing Co., Ltd. (subsidiary company) at portion 100%, then having management policy in the subsidiary company as follows:

- The subsidiary company manages work under the same policy of Corporate Governance and business ethics with the company.
- The directors and executives are all represented from the company.
- Practical discipline and any provision of the subsidiary company have received resolution for approval from the company.
- To disclose financial status and operation result, related subject between the subsidiary company with related person, procurement or distribution of assets use the same basis of the company.
- The subsidiary company has appropriate and enough tightened of internal control system.

- Corporate Governance, approval on capital increase, reduce capital or dissolve activity must receive approval from the company.

Remark: In 2015, Agrifood Processing Co., Ltd., has gave up conducting activity and at the Board of Company Meeting No. 6/2015 dated November 13, 2015 resolved to register for dissolving Agrifood Processing Co., Ltd.

9.5 Usage control of internal information

The Company has a policy and method to look after directors, executives and officials of the company in bringing internal information which does not yet disclose toward public to use for own sake and other persons and punishment, communicate for providing knowledge to the directors, executives and officials for acknowledgement and hold practice as follows:

- Provide knowledge to the directors including executives concerning the duty that must report of self-holding securities, married couple and child of unattained 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.
- Prohibit the directors, executives and officials whose acknowledge important essence of internal information which effects toward change of par value of company securities to disclose information or use internal information or make buying-selling securities or persuade other persons buying-selling securities of the company both direct or indirect way. Whatever, such act would do for own interest or others, 14 days before financial statements or internal information would disclose toward public, persons whose concern with internal information must not disclose that information to other persons to know until it has informed that information to the Stock Exchange of Thailand.

Penalty measurement, if violate such discipline, the company regards as guilty in discipline according to the company working regulation by considering punish according to circumstances for instance: warning by speech, warning in writing, condone a fault through quit employ out-of-status from officials with the cause of expel, dismiss or quit as the case may be.

9.6 Audit fee

According to the resolution at Ordinary Shareholder Meeting for annual year 2015 approved to select AST Master Office Co., Ltd., by having 1) Mr. Pradit Rodloytuk, register no. 218 and 2) Miss Nongram Laohaareedilok, register no. 4334 are doing inspect financial statements of the company for annual year 2015 which are an Auditor of having independence, reliably and are an Auditor whose receive approval from Securities and Exchange Commission.

- The Company and Subsidiaries paid audit fees for 2015 amount 800,000 Baht.
- Other service: none

9.7 To act in accordance with the Code of best practices of SET.

The Company has acted in accordance with the Code of best practices very well in which the company has made self-assessment of the Board of Director every year and has tried to improve to allow administration to be according to the practical of Securities and Stock Exchange of Thailand, business ethics and Corporate Governance policy and the company has still received better points from CG and AGM assessment as follows:

Subjects	Year				
	2011	2012	2013	2014	2015
Average point by adding up of CG assessment	82	81	87	79	88
AGM assessment point result	-	93.75	100	96.50	100
Anti-Corruption Progress Indicator	-	-	1	2	3

10. Social responsibility

Board of Company pays an important toward the development of community, society and environment to have strong and live together with sustainable and happy. The company then formulates the role, duty and responsibility of the directors, executives and officials of the company that have to treat toward community, society and environment in the business ethics principle of the company in order to allow the directors, executives and offices of the company to hold for practice.

In the year 2015, the company arranges to make report of responsibility toward society and environment separately from annual report, can see information from website: www.cmfrozen.com heading: Investor Relations.

Various policies for development on community, society and environment comprise:

a. Shareholder treatment policy

The Company holds the principle of equality treatment toward shareholders by having guide line as follows:

- The Company intends to create growth with quality and security in order the shareholders receive good return sustainable from efficient working and good business result of the company.
- The Company shall respect rights of shareholders in receiving equality necessary information and disclose business result, financial status along with support information that correct as the truth according to the Securities and Stock Exchange of Thailand and Securities and Exchange Commission formulated.
- The Company shall perform duty with honest, upright, transparent, fair in order to create conviction that any decision and act always think of maximum interest of every shareholder and every related group.
- The company shall control to have operation, act in accordance with company policy and develop performance to have better quality continuously.

b. Customer treatment policy

The Company has a policy to create satisfaction to customers then formulate a guide line as follows:

- The Company manages to have service system to create satisfaction to the customers by treating every customer with equality by equitable treatment.
- The Company shall provide information concerning services completely, correct and not distort the facts with thinking of customer interest as main.
- The Company shall manage the system for the customers capable to grievance concerning services or conducting business of the company by rush proceed and return reply the customers at the best.
- The Company shall oversee an environment, internal areas and vicinity of the factory and office to have safety toward life and customer possessions and one who contact business with the company.
- The Company has an intention to create impression and satisfaction with the customers in order the customers receive best services.

c. Co-trader treatment policy

The Company wish to see goods procurement and services in accordance with standard measure and aim to develop and maintain sustainable relationship with co-traders and co-partners which have clear objective in the matter of goods quality and services that suits with money value, technique quality and reliable with each other, the company then has a guide line concerning goods procure and services procedure as follows:

- The Company manages to have competition on received information equality.
- The Company manages to have basis in assessment and select co-traders and co-partners with just.
- The Company manages to make contract form with appropriate co-traders and fair.
- The Company manages to have management and pursuit system to ensure that it having follow the condition of contract completely and protect misconduct and corruption in every step of procure procedure.
- The Company pays money to the co-traders and co-partners with on time according to the agreed payment condition.

d. Trade competitor treatment policy

The Company conducts business under rule frame of fair competition by holding the principle as follows:

- The Company shall not seek the secret information of trade competitors by the way of bad faith or not suitable.

- The Company shall conduct business under rule frame of good competition, not ruin fame of competitors by find fault with competitors.

e. Creditor treatment policy

The Company has a policy to treat with creditor with fair by having guide line as follows:

- The Company shall maintain and follow the conditions toward creditors strictly.
- The Company shall control to return back loans and interest to every type of loan creditors completely with on time and follow the conditions of loan as agreed by not using loan in the way that contrary to the objective of loan.
- The Company shall administer the work to make creditors assure in financial status and ability in paying debt of the company.
- The Company shall report and provide correct information of the company and complete to the creditors.

f. Officials treatment policy

The Company is fully aware of human resources value and wish the personnel proud of organization by having working atmosphere like participate and progress in profession equality. The personnel shall receive potential promotion development to have knowledge talent throughout and continuously for creating value and uphold excellence in business. The Company then has a policy on remuneration and welfare, policy on knowledge development and officials potential, policy on safety and health and others policy by having guide line as follows:

- The Company selects a person for hiring to hold various offices with fair by thinking of property of each position, study qualification, experience and other provisions which necessary to work without obstruct in the matter of sex, age, race, religion.
- The Company formulates remuneration and welfare to the officials fairly, having suitability with knowledge and talent, condition and character of work, performance result and coordinate with operation result of the company both in shot-run and long-run by considering from business result of the company, administration and assessment result of whole organization.
- The Company supports the officials to receive training, knowledge development, talent, develop working potential to be higher in order to add working efficient and open opportunity for officials to progress in duty.
- The Company supports the officials to always receive related news as opportunity and as far as it can be done for adding efficient and good relationship in collaboration.

g. Treatment policy on safety and health

The Company is fully aware that safety and health are the basis responsibility of the company and is an important factor toward sustainable growth of organization, the

company then formulate the policy that would give the officials and co-partners work safety and in accordance with provision of related law by:

- The Company shall find a way to protect accident, wounded and illness due to work performance with earnestly cooperation of every official inclusive to seek a way to get rid and control risk in un-safety work performance.
- The Company shall give cooperation with government unit and other organizations in suppressing emergency trouble or accident which happen from work performance quickly, efficient and cautious.
- The Company shall act in accordance with law and various regulations in the matter of safety strictly and shall bring management standard measure concerning reliable safety to be effective in case not yet available of laws and regulation formulated.
- The Company managed to have designing on equipment, making performance discipline, operation planning and officials training to have knowledge and understanding and receive sufficient information in the matter of working safety to protect danger which may happen from machines, working method or various diseases.
- The Officials whose join working by having illegal narcotics essence in the body system or having liquor power or other narcotics essence in a level that able to cause damage on performance would receive punishment by discipline as company regulation.
- In the year 2015, Statistics on accident to the stage of ceasing work excess 3 days come to 2.38 persons / 1,000 persons.

h. Participation development on community and society policy

In order to maintain for good community and society, the company then formulates the following guide lines:

- The Company shall behave as own rights in their capacity as a good population by law and/or discipline issued by corporate governance section strictly and give cooperation with public sector regularly.
- The Company supports the officials and related person to acknowledge, understand guide line in operation in order to participate in community and society development.
- The Company shall proceed the project or do activity for society continuously in order to create affection, union, to be unanimous with community and society.
- The Company shall take good care and protect not to allow company operation to incur damage toward life quality of community and society.
- The Company shall create mind conscious in responsibility toward community and society in every level of official group continuously and earnestly.

- The Company shall cooperate to support and create community and society, support any activities which related with community development both in the part of life quality development and exchange experience from operation with community and society for bringing to improve working regularly.

i. Environment and Natural Resources policy

The Company has an intention to attend business with responsibility, friendly toward environment and natural resources as below principles:

- The Company shall administer by having target in protection not to incur impact toward environment and natural resources and better than provision of laws.
- The Company intends to develop operation process to be in accordance with international standard measure through revise and operation assess regularly.
- The Company shall establish firmly and promote officials including related person to have responsibility toward environment and natural resources.
- The Company shall fully aware of maintenance environment and natural resources for nice living and is a source of river and brook manage to have a process for providing knowledge to the officials by training in order to allow every official fully aware of its important, incur guarding jealously, maintain and use most worthwhile on natural resources.
- The Company shall maintain environment condition and biodiversity in operation areas to incur balance of residence system sustainable.
- The Company shall participate in reducing incurred greenhouse gas that shall impact toward change of climate.
- The Company shall seek an opportunity to exchange, learning and share experience from operation with other units for renovating operation continuously.

j. Human rights policy

The Company has a policy to conduct business by holding principle of respect toward human rights as international principle below:

- The Company shall treat every official with respect in honor and dignity.
- The Company supports the officials to use their legal rights as population according to edit of constitution and to be prescribed by the laws.
- The Company shall maintain personal information of the officials such as autobiography, health record, working resume, disclosure or personal information transfer of the officials to the public would be able to do when receive consent from those official. All this, violation regards as fault by discipline except has done according to the company discipline or as laws.
- The Company does not violate and not support activities that violate human rights.

- Every official must not do anything that violate or threaten either by speech or act toward other persons on basis of race, sex, religion, age cripple on body.

k. Misconduct and corruption resistant policy

The Company has an ideal in conducting business with virtue, act in accordance with law, transparent, adhere to responsible toward society and every group of stakeholder according to the principle of good Corporate Governance (private) and ethics in conducting business, not supporting every form of misconduct and corruption. Therefore, in the year 2013 the company has joint the operation of Thai private sector in misconduct and corruption resistant and in 2015, the company applied for a member of net-work partnership on misconduct for Thailand in order to fight for every organization to aware of misconduct and corruption impact and formulate following guide lines:

- The Company formulate the written policy of Anti-Corruption and misconduct that is: the directors, executives and officials of the company are prohibited to do whatever that are related with every form of misconduct and corruption both for own benefit, family, friend and acquainted persons, both direct or indirect, not even in the status as recipient, provider or proposer, even its money or not to the government service units or private units that the company has conducted business or contacted and must perform strictly according the company policy. If not, shall be punished by discipline as company formulated rule and may be punished by law if that doing is illegal.
- The Company pays an important in human resources administration, can bring the policy of misconduct and corruption resistant to use practicing to incur form and appearance of things, communicating, provide knowledge and train officials concerning protection for seeking improper interest in duty and guide line to promote the personnel to understand and perform as organization culture.
- For the officials whose refuse to misconduct and corruption, the company has a policy not to reduce rank, punish or give result in a bad way to those officials, though refusal on misconduct and corruption would make the company lose an opportunity in business.
- The Company has available internal inspection section that having independence and upright by report direct to the Board of Audit Committee in inspecting risk assess on misconduct, possibility assess in the matter of misconduct and consider on protection and control measurement to have maximum efficiency in order to assure that the company shall be able to protect and control misconduct and corruption efficiently.
- The Company has a guide line to oversee and consult for protecting and follow performance assess as the policy of misconduct and corruption resistant by formulate Board of Audit Committee perform duty on governance to act in accordance with policy of misconduct and corruption resistant at least once a year through revise, practical line and provision in operation to coordinate with change on business, discipline, regulation and provision by law.
- The Company makes risk assessment on misconduct and corruption by managing risk management policy that may happen from normal operation and risk that may happen

from misconduct and corruption, to look for risk measurement and protection guide line.

- The Company will disseminate policy of misconduct and corruption resistant both in giving or receiving present, donation for merit, support money, political assistance, purchasing, personal administration through expenditure for business entertainment to the customers, co-traders, creditors, related units, company officials through subsidiary company, corporate company, other companies that has authorize to control, business representative, the people to acknowledge through communication channel of the company such as website of the company, e-mail, fax, annual report of disclosure information (type 56-1 and 56-2), fold sheet, responsibility toward environment report, first explanation, training, seminar and post letter.

1. Clue notification policy

The Company manages to have measurement in clue notification or grievance from offending or morality or behavior that may reveal for misconduct and corruption or behave improper of the person in organization both from directors, executives, officials and other stakeholders which grievance or clue by every group of stakeholder are likely to receive protection, its regarded as secret and not regarded as fault in discipline in case one who grievance or notify clue is an official of the company and the company shall rush inspection and remedy problem quickly.

Safety channel in approaching information advice acceptance, clue notification or complaints channels

- Safety channel that the officials or stakeholders can approach to the information firmly when require an advice concerning performance in accordance with anti-measurement of misconduct and corruption by company website: www.cmfrozen.com click Investor Relations click required various heading such as anti-corruption policy or Business Morality or Corporate Governance Policy or other headings.
- Safety channel that the officials or stakeholders can approach firmly when requires to file complaint, notify information or clue that concerns with misconduct and corruption without risk to the informant afterwards by sending complaint, clue or information by post letter to:-

Chairman of Board of Audit Committee /

Chairman of Board of Corporate Governance /

Company Secretary / Human Resources Section

Chiangmai Frozen Foods Public Company Limited

No. 149/34 Soi Anklo Plaza, Surawongse Road,

Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand

or send by E-mail address: cg@cmfrozen.com

or by phone: 662-238-4091, 662-634-0061-4

or Complaint box.

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 or Mr. Sakda Phimmuang - Accounting Manager to contact and communicate with institution investors, shareholders, analyst and state concerned which the investors can see the company information at Website : www.cmfrozen.com or contact at phone : (662) 238-4091 or at E-mail address : cg@cmfrozen.com.

11. Internal control

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 level 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.

12. Connected transactions

Conflict of interests

Board of company have executed carefully and cautiously to prevent conflict of interest when any matter that may cause conflict of interest. Board of Audit Committee will learn about the

subject that get conflict of interest 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.

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 Manufactured 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.

Agrifood Processing Co., Ltd. (Subsidiary)

In 2015, Agrifood Processing Co., Ltd., has gave up conducting activity and the Board of Company Meeting No. 6/2015 dated November 13, 2015 resolved to liquidate Agrifood Processing Co., Ltd.

C.T. Prosper Group Co., Ltd., is a company to conduct business of buying – selling, having joint shareholder and director, hire office building from the company with 30 square metres areas for rent rate 7,500.00 Baht per month.

Part 3

Financial status and operation result

13. Financial data

1) Financial Statements information

A. Report of the Independent Auditor

To: The Board of Directors and Shareholders of

Chiangmai Frozen Foods Public Company Limited

I have audited the accompanying consolidated financial statements of Chiangmai Frozen Foods Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Chiangmai Frozen Foods Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chiangmai Frozen Foods Public Company Limited and its subsidiary and of Chiangmai Frozen Foods Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

PREDIT RODLOYTUK

Certified Public Accountant

Registration No. 218

AST Master Co., Ltd.

26 February 2015

**Remark: -Opinion in the Auditor's report of the past three years
is unconditional**

Important Accounting Policies

Basic for financial statements preparation

The consolidated and the separate financial statements have been prepared in accordance with Thai Financial Reporting Standard (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

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

The consolidated financial statements include the financial statements of Chiangmai Frozen Foods Public Company Limited and its subsidiary, Agrifood Processing Company Limited, with the holding of 100% of authorized share.

“The Company” represents “Chiangmai Frozen Foods Public Company Limited”, while “The Group” represents “Chiangmai Frozen Foods Public Company Limited” and its subsidiary which is “Agrifood Processing Company Limited”.

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

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Deposits at financial institutions that are restricted in use are presented as “Fixed deposits pledged as collateral” as part of non-current assets in the statements of financial position.

Accounts receivable

Accounts receivable are carried at original invoice amount less allowance for doubtful accounts.

Allowance for doubtful accounts

The Group provide allowance for doubtful accounts equal to the estimated losses that may be incurred in the collection of receivables and receivables-planters. The estimated losses are based on the collection experiences and the review of the current status of the existing receivables. Bad debts are written off during the year in which they are identified.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

At the end of year, the Company considers the physical of finished goods in the estimation of adequately allowance for obsolete.

Investments in subsidiary

Subsidiary, which is those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations are consolidated. Subsidiary is consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiary has been changed to ensure consistency with the policies adopted by the Group.

Investment in subsidiary is reported by using the cost method of accounting in the separate financial statements.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets except for land are stated at historical cost less accumulated depreciation.

Depreciation of plant and equipment are calculated on the straight line method over their estimated useful lives are as follows:

	<u>No. of Years</u>
Buildings	20 years
Machineries and equipment	5-10 years
Vehicles	5 years
Office equipment and fixtures	5 years

When assets are sold or retired, the Group will eliminated their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

Building-in-progress and machinery under installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

Intangible asset and amortization

Intangible asset is computer software which is stated at historical cost and amortized using the straight line method over

its useful life (3-5 years).

Impairment of assets

The Group reviewed the impairment of assets whenever events or charges in circumstances indicate that the recoverable amount of assets is below the carrying amount (the higher of an assets selling price or value in use). The review is made for individual assets or the cash generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognize the impairment losses in the statements of income. The reversal of impairment losses recognized in prior years is recorded as other income when there is an indication that the impairment losses recognized for the assets no longer exists or are decreased.

Foreign currency transactions

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statements of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the transaction of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of income.

Accounting for leases – where a company is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is

allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership to the lease are classified as operating leases. Payments made under operating leases (net of any incentives received from the less or) are charged to the profit or loss on a straight-line basis over the period of the lease.

Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognized as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognized immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognized past service cost and unrecognized actuarial gains or losses.

Provisions

Provisions are recognized when the Group have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company and subsidiary expect a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Revenue recognition

The Group recognized sales as income when goods are delivered and the risks and rewards are transferred to customers.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Basic earnings per share

Basic earnings per share is calculated by dividing the net income by weighted average number of paid-up common shares during the years.

Financial instruments

Financial assets carried on the statements of financial position include cash and cash equivalents, fixed deposit, trade and other receivable and loan to. Financial liabilities carried on the statements of financial position include trade accounts payable, accrued income tax and accrued expenses. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for net realizable value

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Related person and companies

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiary and fellow subsidiary are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

B. Summary of Financial Statements

Statements of Financial Position

(Unit: Thousand baht)

ASSETS	Separate Financial Statements					
	2013	%	2014	%	2015	%
Current Assets						
Cash and cash equivalents	150,493	10.5	129,142	9.5	259,786	17.4
Short-term investments	400,000	28.0	290,000	21.3	300,000	20.2
Trade and other receivables	94,744	6.6	91,561	6.8	78,777	5.3
Accounts receivable-planters-net	39,645	2.8	24,831	1.8	24,390	1.6
Receivable from the liquidation of a subsidiary	-	-	-	-	31,181	2.1
Inventories-net	339,472	23.8	436,666	32.1	451,873	30.4
Total Current Assets	1,024,354	71.7	972,200	71.5	1,146,007	77.0
Investments in subsidiary	23,354	1.6	23,354	1.7	-	-
Property, plant and equipment-net	367,506	25.7	347,151	25.5	328,028	22.0
Computer software-net	4,038	0.3	6,751	0.5	7,497	0.5
Deferred tax assets	7,895	0.6	9,094	0.7	7,046	0.5
Other non-current assets	1,759	0.1	1,760	0.1	44	-
Total non-current assets	404,552	28.3	388,110	28.5	342,615	23.0
TOTAL ASSETS	1,428,906	100.0	1,360,310	100.0	1,488,622	100.0

(Unit: Thousand baht)

LIABILITIES AND SHAREHOLDERS' EQUITY	Separate Financial Statements					
	2013	%	2014	%	2015	%
Current Liabilities						
Trade and other payables	79,896	5.6	72,769	5.4	82,161	5.5
Accrued income tax	6,879	0.5	957	0.1	13,000	0.9
Other current liabilities	3,029	0.2	3,346	0.2	3,584	0.2
Total Current Liabilities	89,804	6.3	77,072	5.7	98,745	6.6
Employee benefit obligations	34,182	2.4	40,304	2.9	40,935	2.8
Total Liabilities	123,986	8.7	117,376	8.6	139,680	9.4
Shareholders' Equity						
Share capital - Baht 1 par value						
Authorized shares						
381,146,251 common shares						
in 2015- 2015						
Issued and paid-up Shares						
381,146,251 in 2013-2015						
	381,146	26.7	381,146	28.0	381,146	25.6
Premium on share capital	68,000	4.8	68,000	5.0	68,000	4.6
Retained earnings						
-Appropriated for legal						
reserve	38,115	2.7	38,115	2.8	38,115	2.5
-Un appropriated	817,659	57.1	755,673	55.6	861,681	57.9
Total Shareholders' Equity	1,304,920	91.3	1,242,934	91.4	1,348,942	90.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,428,906	100.0	1,360,310	100.0	1,488,622	100.0

Statements of Financial Position

(Unit: Thousand baht)

ASSETS	Consolidated Financial Statements					
	2013	%	2014	%	2015	%
Current Assets						
Cash and cash equivalents	175,934	12.1	172,884	12.5	-	-
Short-term investments	406,000	27.9	296,000	21.3	-	-
Trade and other receivables	95,991	6.6	91,582	6.6	-	-
Accounts receivable-planters-net	39,645	2.7	24,831	1.8	-	-
Inventories-net	339,472	23.4	436,666	31.5	-	-
Total Current Assets	1,057,042	72.7	1,021,963	73.7	-	-
Fixed deposit pledged as collateral	15,197	1.0	-	-	-	-
Property, plant and equipment-net	367,991	25.3	347,231	25.0	-	-
Computer software-net	4,038	0.3	6,752	0.5	-	-
Deferred tax assets	8,119	0.6	9,323	0.7	-	-
Other non-current assets	1,760	0.1	1,761	0.1	-	-
Total non-current assets	397,105	27.3	365,067	26.3	-	-
TOTAL ASSETS	1,454,147	100.0	1,387,030	100.0	-	-

(Unit: Thousand baht)

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated Financial Statements					
	2013	%	2014	%	2015	%
Current Liabilities						
Trade and other payables	81,671	5.6	74,187	5.4	-	-
Accrued income tax	7,165	0.5	1,664	0.1	-	-
Other current liabilities	3,180	0.2	3,377	0.2	-	-
Total Current Liabilities	92,016	6.3	79,228	5.7	-	-
Employee benefit obligations	35,302	2.5	40,304	2.9	-	-
Total Liabilities	127,318	8.8	119,532	8.6	-	-
Shareholders' Equity						
Share capital - Baht 1 par value						
Authorized shares						
381,146,251 common shares						
in 2013- 2015						
Issued and paid-up Shares						
381,146,251 in 2013-2015	381,146	26.2	381,146	27.5	-	-
Premium on share capital	68,000	4.7	68,000	4.9	-	-
Retained earnings						
-Appropriated for legal						
reserve	38,115	2.6	38,115	2.7	-	-
-Un appropriated	839,568	57.7	780,237	56.3	-	-
Total Shareholders' Equity	1,326,829	91.2	1,267,498	91.4	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,454,147	100.0	1,387,030	100.0	-	-

Statement of Comprehensive Income

(Unit: Thousand baht)

Particular	Separate Financial Statements					
	2013	%	2014	%	2015	%
Revenues from sales	1,407,756	100.0	1,386,116	100.0	1,419,895	100.0
Cost of sales	(1,112,922)	(79.1)	(1,140,891)	(82.3)	(1,075,742)	(75.8)
Gross profit	294,834	20.9	245,225	17.7	344,153	24.2
Dividend income from subsidiary	-	-	-	-	16,800	1.2
Gain on the liquidation of a subsidiary	-	-	-	-	7,827	0.6
Gain on exchange rate	11,157	0.8	(22,921)	(1.7)	(26,779)	(1.9)
Other income	19,196	1.4	19,476	1.4	11,889	0.8
Profit before expenses	325,187	23.1	241,780	17.4	353,890	24.9
Selling expenses	(89,282)	(6.3)	(87,222)	(6.3)	(93,737)	(6.6)
Administrative expenses	(83,914)	(6.0)	(87,426)	(6.3)	(84,187)	(5.9)
Total expenses	(173,196)	(12.3)	(174,648)	(12.6)	(177,924)	(12.5)
Profit before income tax	151,991	10.8	67,132	4.8	175,966	12.4
Income tax	(19,918)	(1.4)	(9,360)	(0.7)	(31,844)	(2.2)
Profit for the year	132,073	9.4	57,772	4.1	144,122	10.2
Earnings per share	0.35		0.15		0.38	
Actuarial losses-net of tax	(1,427)		(1,604)		-	
Total comprehensive income for the year	130,646		56,168		144,122	
Equity holders of the parent	130,646		56,168		144,122	
Un-appropriated retained earnings						

Beginning balance	793,729		817,659		755,673	
Appropriated for -Dividend paid	(106,716)		(118,154)		(38,114)	
Ending balance	817,659		755,673		861,681	

Statement of Comprehensive Income

(Unit: Thousand baht)

Particular	Consolidated Financial Statements					
	2013	%	2014	%	2015	%
Revenues from sales	1,426,502	100.0	1,413,564	100.0	1,419,895	100.0
Cost of sales	(1,112,921)	(78.0)	(1,140,891)	(80.7)	(1,075,742)	(75.8)
Gross profit	313,581	22.0	272,673	19.3	344,153	24.2
Gain on exchange rate	17,717	1.3	(29,633)	(2.1)	(26,779)	(1.9)
Other income	19,116	1.3	19,786	1.4	12,305	0.9
Profit before expenses	350,414	24.6	262,826	18.6	329,679	23.2
Selling expenses	(104,589)	(7.3)	(100,516)	(7.1)	(93,737)	(6.6)
Administrative expenses	(89,109)	(6.3)	(91,817)	(6.5)	(84,311)	(5.9)
Total expenses	(193,698)	(13.6)	(192,333)	(13.6)	(178,048)	(12.5)
Profit before income tax	156,716	11.0	70,493	5.0	151,631	10.7
Income tax	(20,898)	(1.5)	(10,067)	(0.7)	(32,073)	(2.3)
Profit for the year	135,818	9.5	60,426	4.3	119,558	8.4
Earnings per share	0.36		0.16		0.31	
Actuarial losses–net of tax	(936)		(1,604)		-	
Total comprehensive income for the year	134,882		58,822		119,558	
Equity holders of the parent						

	134,882		58,822		119,558	
Un-appropriated retained earnings Beginning balance	811,403		839,568		780,237	
Appropriated for -Dividend paid	(106,717)		(118,153)		(38,114)	
Ending balance	839,568		780,237		861,681	

STATEMENT OF CASH FLOWS

(Unit: Thousand baht)

Particular	Separate F/S.		
	2013	2014	2015
Cash flows from operating activities:			
Profit before income tax	151,991	67,132	175,966
Adjustments to reconcile net profit to net cash provided by operating activities			
Unrealized gain on exchange rate	(846)	(78)	(39)
Reversal of doubtful accounts	-	41	(41)
Reversal of loss on diminution of inventories	(2,823)	115	1,261
Loss(gain) on disposal of equipment and written off	44	(1,763)	(437)
Dividend income from subsidiary	-	-	(16,800)
Gain on the liquidation of a subsidiary	-	-	(7,827)
Depreciation	59,304	59,892	50,839
Impairment of assets	2,635	-	-
Provisions for employee benefit obligations	4,686	6,095	4,614

Profit from operating activities before change			
in operational assets and liabilities	214,991	131,434	207,536
Decrease (increase) in operational assets			
Trade accounts receivables	(26,570)	3,302	11,508
Accounts receivable-planters	10,088	14,773	482
Inventories	20,169	(97,309)	(16,468)
Other non-current assets	2,445	(1)	1,717
Increase (decrease) in operational liabilities			
Trade accounts payable	(8,316)	(7,659)	3,529
Employee benefit obligations	90	189	205
Other current liabilities	(458)	(1,299)	(3,983)
Cash received from operation	212,439	43,430	204,526
Income tax refund	-	-	1,331
Income tax paid	(30,464)	(16,080)	(17,752)
Net cash provided by operating activities	181,975	27,350	188,105
Cash flows from Investing Activities			
Decrease (increase) in short-term investments	(200,000)	110,000	(10,000)
Dividend income from subsidiary	-	-	16,800
Proceeds from disposal of vehicle and equipment	152	1,892	460
Cash paid for acquisition of plant and equipment	(49,913)	(39,812)	(25,724)
Cash paid for acquisition of computer software	(2,258)	(2,756)	(915)
Net cash provided by (use in) Investing Activities	(252,019)	69,324	(19,379)
Cash flows from financial activities			
Cash paid for dividends	(106,545)	(118,025)	(38,082)
Net cash used in financing activities	(106,545)	(118,025)	(38,082)
Net increase (decrease) in cash and cash equivalents	(176,589)	(21,351)	130,644

Cash and cash equivalents, Beginning of year	327,082	150,493	129,142
Cash and cash equivalents, End of year	150,493	129,142	259,786
<u>Supplement disclosure of cash flows information</u>			
1.Property, Plant and Equipment:-			
Acquisition of plant and equipment			
during the year	(46,377)	(39,624)	(31,570)
Increase (decrease) in payable from			
acquisition of assets	(3,536)	(188)	5,846
Cash paid for acquisition of plant and			
equipment	(49,913)	(39,812)	(25,724)
2.Cash paid for Dividends			
Dividends paid	(106,716)	(118,154)	(38,114)
Increase in accrued dividends	171	129	32
Cash paid for dividends	(106,545)	(118,025)	(38,082)

STATEMENT OF CASH FLOWS

(Unit: Thousand baht)

Particular	Consolidated F/S.		
	2013	2014	2015
Cash flows from operating activities:			
Profit before income tax	156,716	70,493	151,631
Adjustments to reconcile net profit to net cash			
provided by operating activities			
Unrealized gain on exchange rate	(940)	(78)	(39)
Reversal of doubtful accounts	-	41	(41)
Reversal of loss on diminution of inventories	(2,823)	115	1,261
Loss(gain) on disposal of equipment and written off	24	(2,245)	(584)

Depreciation	59,698	60,279	50,861
Impairment of assets	2,635	-	-
Provisions for employee benefit obligations	5,001	6,120	4,614
Profit from operating activities before change in Operational assets and liabilities	220,311	134,725	207,703
Decrease (increase) in operational assets			
Trade accounts receivables	(31,561)	4,527	11,506
Accounts receivable-planters	10,089	14,773	482
Inventories	20,169	(97,309)	(16,468)
Other non-current assets	2,445	(1)	1,717
Increase (decrease) in operational liabilities			
Trade accounts payable	(8,389)	(9,161)	2,196
Employee benefit obligations	181	69	174
Other current liabilities	(458)	(1,299)	(3,983)
Cash received from operation	212,787	46,324	203,327
Income tax refund	-	-	1,332
Income tax paid	(31,841)	(16,371)	(18,459)
Net cash provided by operating activities	180,946	29,953	186,200
Cash flows from Investing Activities			
Decrease (increase) in short-term investments	(200,400)	110,000	(4,000)
Increase in fixed deposits pledged as collateral	(255)	15,197	-
Cash and cash equivalent in subsidiary at liquidation date	-	-	(31,242)
Proceeds from disposal of vehicle and equipment	172	2,406	665
Cash paid for acquisition of plant and equipment	(49,976)	(39,825)	(25,724)
Cash paid for acquisition of computer software	(2,258)	(2,756)	(915)
Net cash provided by (used in) Investing Activities	(252,717)	85,022	(61,216)
Cash flows from financing activities			

Cash paid for dividends	(106,545)	(118,025)	(38,082)
Net cash used in financing activities	(106,545)	(118,025)	(38,082)
Net increase (decrease) in cash and cash equivalents	(178,316)	(3,050)	86,902)
Cash and cash equivalents, Beginning of year	354,250	175,934	172,884
Cash and cash equivalents, End of year	175,934	172,884	259,786
<u>Supplement disclosure of cash flows information</u>			
1. Property, Plant and Equipment			
Acquisition of plant and equipment			
during the year	(46,440)	(39,637)	(31,570)
Increase (decrease) in payable from			
acquisition of assets	(3,536)	(188)	5,846
Cash paid for acquisition of plant and			
equipment	(49,976)	(39,825)	(25,724)
2. Cash paid for dividends			
Dividends paid	(106,716)	(118,154)	(38,114)
Increase in accrued dividends	171	129	32
Cash paid for dividends	(106,545)	(118,025)	(38,082)

13. Financial Data

Ratio	Unit	Consolidated F/S.			Separate F/S.		
		(Mil. Baht)			(Mil. Baht)		
		2013	2014	2015	2013	2014	2015
Liquidity Ratios							
Current ratio	Time	11.49	12.90	11.61	11.41	12.61	11.61
Quick ratio	Time	7.37	7.07	6.47	7.18	6.63	6.47
Cash flow ratio	Time	1.76	0.35	2.09	1.81	0.33	2.14
Account receivable turnover	Time	17.91	15.07	16.67	17.39	14.88	16.67

Ratio	Unit	Consolidated F/S. (Mil. Baht)			Separate F/S. (Mil. Baht)		
		2013	2014	2015	2013	2014	2015
Debt collection period	Days	20.38	24.22	21.90	20.99	24.53	21.89
Inventory turnover	Time	3.20	2.94	2.42	3.20	2.94	2.42
Good distribution ratio period	Days	114.18	124.15	150.74	114.18	124.15	150.74
Account payable turnover	Time	12.71	14.64	13.76	12.92	14.58	14.73
Debt payment period	Days	28.71	24.93	26.52	28.24	25.03	24.78
Cash cycle	Days	105.85	123.44	146.11	106.93	123.65	147.85
Profitability Ratios							
Gross profit margin	%	21.98	19.29	24.24	20.94	17.69	24.24
Operation profit margin	%	10.99	4.99	10.68	10.80	4.84	12.39
Cash ratio against making profit	%	150.94	37.28	112.00	149.60	38.75	113.16
Net profit margin	%	9.52	4.27	8.42	9.38	4.17	10.15
Return on equity	%	10.35	4.66	9.14	10.21	4.53	11.12
Efficiency Ratios							
Return on total assets	%	9.38	4.25	8.32	9.27	4.14	10.12
Return on fixed assets	%	3.88	4.07	4.33	3.83	3.99	4.33
Total assets turnover	Time	0.99	1.00	0.99	0.99	0.99	1.00
Financial Policy Ratios							
Ratio debt against equity part	Time	0.10	0.09	0.10	0.10	0.09	0.10
Dividends paid rate	%	87.0	63.08	63.76	-	-	-

14. Explanation and analysis financial situation and operation result

Financial Performance Analysis

Performance Overview

The overall of Thailand's economy in 2015 considered sluggish recovery according to the slowdown of global economy. Though there are increasing forecasted GDP in Japan, the key business trading partner to the company, but the overall Japan's economy also considered fragile and sensitive, supported by the shrinkage of the domestic consumption from retail in Japan and the consecutively negative inflation. However, the volatile of exchange rate during

2015 especially the continuously depreciation of Thai Baht (THB) against U.S. Dollar (USD) have positively affected to all the exporter, include the company. According to the financial statements of the company, sales revenue has slightly increased from THB 1,413.56 Million which presented in 2014 to THB 1,419.89 Million, equivalent to the increase of 0.45% On the other hand, the depreciation of THB against USD might also deteriorate the competitiveness of the company as the import price perceived as increasing. The evidence of such cause has affected the sales volume which decrease from 22,778.44 Ton presented in 2014 to 21,873.14 Ton in 2015, equivalent to the decrease sales volume of 3.97%. Nonetheless, due to the effective management for costing to reflect the realistic production activities and the globally oversupply of fossil fuel which continuously drive the oil price down during the year, the company's consolidated financial statement has indicate the net profit THB 119.56 Million in the year 2015, equivalent to the significant increase of 97.86% considering previous year performance of THB 60.43 Million, while the gross profit margin and net profit margin in 2015 displayed 24.24% and 8.42% respectively which increase from 19.29% and 4.27% previously shown in 2014.

The financial performance has significantly change more than 20%, whereby the net profit has increased 97.86% comparing to the previous year. The major contribution for such change is the continuous depreciation of THB against USD during 2015 comparing to 2014 which the average exchange rate for THB/USD is 34.46 and 32.48 respectively. Therefore, the sales revenue has increase despite the quantity sold has been decreased. In addition, the quantity of product produced has been decreased, the effective production cost management, and the slump of global oil price in the year 2015, and these factors greatly contribute to reduce cost of goods sold and selling and administration expenses for 5.71% and 7.43% respectively. Finally, the net profit has greatly increased.

The company has restructure its business structure and subsidiary for the purpose of reducing cost and increase the effectiveness in management. The resolution of the Board of Director's meeting No. 6/2015 held on 13 November 2015 has resolve to terminate the subsidiary which is Agrifood Processing Company Limited ("AFP") which the company held 100% shares, the registered capital of THB 120 Million and the paid up capital of THB 30 Million. In this regards, AFP has stop its business operation since 1 January 2015 due to the company has stop trading activities with AFP. Currently AFP is under the process of liquidation with the Department of Business Development, the Ministry of Commerce.

The Company has non-recurrent transaction indicated in the financial statements for the year 2014 and 2015 as follows

2014

- The company has selling and administration expenses of THB 9.4 Million Baht recorded in the consolidated financial statement and separate financial statement which are the payment for input tax that unable to claim, penalty fee, and interest.

2015

- The company has dividend from the subsidiary of THB 16.80 Million indicated in the separate financial statement which derive from the AFP which currently on the liquidation process.
- The company has profit from the liquidation of subsidiary which is AFP of THB 7.83 Million indicated in the separate financial statement.

During the year, the company has not change the accounting policy, but only the application of accounting standard which is mandatory applied. The mentioned change has not material to the financial statement.

For the year 2016, the persisting slowdown of global economy and the sluggish recovery of Japan, as an important trading partner, might still remain effect which would cause the stagnant investment, slowdown of trading, and the decrease of commodity pricing. Moreover, the serious draught would negatively affected to agricultural sector in terms of shortage of produces and the inferior quality of produces. However, the management has aware of theses factor and best attempt to reduce such negative effects. Also, the management has best attempt to determine the policies and strategies to cope with the situations such as the continuous improvement for the production costing by improving cultivating yield and production yield, the study of the demand for the products in other country rather than existing trade partner, the study for the feasibility in the investment in neighborhood country purposely to increase the agriculture area and quantity produces, and the closely monitor for the exchange rate to determine the appropriate use of financial instrument and increase the effectiveness of the hedge against the risk of exchange rate fluctuation.

Summary of Financial Performance

Revenue Structure

1. Sales Revenue

The Company has sales revenue majorly from the sales of frozen vegetables such as frozen soy beans, frozen green beans, frozen sweet corns and frozen mixed vegetables. The details of sales revenue, according to the consolidated financial statement categorized by the geographic is as follows,

Sales Revenue	Value (THB Million)			Increase (decrease) %		
	2013	2014	2015	2013	2014	2015
Export Sales Revenue	1,401.61	1,401.70	1,401.40	(0.04)	0.09	(0.02)
Domestic Sales Revenue	15.89	11.86	18.49	(28.84)	(25.36)	55.90
Total Sales Revenue	1,426.50	1,413.56	1,419.89	(4.36)	(0.91)	0.45

In 2015, sales revenue indicated totaling THB 1,419.89 Million, of which domestic sales proportion is 1.32% of total sales revenue, increasing from proportion 0.85% comparing to 2014. During this year, the company has cease the operation of subsidiary, AFP, and directly sell its products to subsidiary customers which mostly located oversea instead. In this regards, the proportion of export sales for the year 2015 is to 98.69%, slightly decreased from 99.16% in 2014.

Total sales revenue in 2015 totaling THB 1,419.89 Million increasing from THB 1,413.56 Million in 2014, equivalent to the slightly increase of 0.45%. This due to the continuously depreciation of THB against USD which the average exchange rate in 2015 is 34.26 THB/USD comparing to average exchange rate of 32.48 THB/USD, equivalent to the depreciation of 1.78%. However, the sales volume has been decrease due to the shrinkage of demand from retails and the sluggish recovery in Japan, which is the major trade partner to the company.

2. Other Revenue

In 2015, the company and subsidiary has indicated other revenue of THB 12.30 Million which decreased from THB 19.79 Million in 2014, equivalent to the decrease of 37.81%,

majorly from the decrease of revenue from interest as the interest rate for saving is decrease.

Cost of Goods Sold

Cost of goods sold in 2015 presented THB 1,075.89 Million, equivalent to the decrease of 5.71%, comparing to THB 1,140 Million in 2014. The major reasons for the decrease is as follows,

- The decrease of cost of raw material in 2015 comparing to 2014 due to the decrease of sales volume and the effective management for the quality controlling for the raw material purchased which derive from the change of cultivation process which generally increase the production yield. Also, the adjusting for the costing policy to better reflect the production and inventory costing.
- The decrease overhead production cost as the oil price is sharply decrease throughout 2015 according to the global oversupply situation. The average fuel oil price in 2014 is THB 27.61 per liter while reveal THB 20.91 per liter in 2015. Besides, the overtime labor cost and electricity cost is also reduce due to the decrease of production activities.

Selling and Administration Expenses

In 2015, the Company and subsidiary has reported the selling and administration expenses of THB 177.90 Million which reduce from THB 192.33 Million as reported in 2014, equivalent to the decrease of 7.43% which derive from the following factors,

- The domestic transportation expenses is reduce due to the drop of fuel price and the production activities.
- The export expenses which is the cost for the transportation of finished goods to be delivered at domestic sea port and the custom fee, is reduce due to less volume export.
- The decrease of penalty fee from the claim of input tax which the company is prohibited. The transaction is occurred in 2014 and considered non-recurrent transaction.

Gross Profit Margin and Net Profit Margin

The Gross Profit Margin for the Company and subsidiary presented in the consolidated financial statement for the year ended 31 December 2015 is 24.24% increase from 19.29% indicated in previous year, while the Net Profit Margin reveal 10.68% significantly increase from 4.99% comparing to 2014. This is majorly contribute to the depreciation of exchange rate which favor the sales revenue of the company, at the same time cost of goods has been decrease due to less production activities, the effective management of production and inventory costing, the reduction of selling and administration, and the sharp decrease of oil price which reduce transportation cost. However, the depreciation of THB against USD also post the effect to the company where there is loss from exchange rate THB 26.78 Million which slightly decrease from 2014 as presented THB 29.63 Million.

Income Tax Expenses

According to the consolidated financial statement for the year 2015, the company and subsidiary has income tax expenses totaling THB 32.07 Million, significantly increase from tax expenses in 2014 which shown THB 10.07 Million. The major reason for this increase is due to the expiration of Investment Promotion from the Board of Investment (BOI) which its tax incentive is the exemption of corporate income tax for eight years from the granted date and 50%

reduction of corporate income tax for five years after the first eight year is ended. The tax incentive for the company from the investment promotion has ended on 31 December 2014, in which the company is subject to the normal corporate income tax rate of 20%.

Net Profit

The Company and its subsidiary has indicated net profit in the consolidated financial statements in 2015 of THB 119.56 Million Baht, significantly increase from THB 60.43 Million presented in 2014, equivalent to the increase of 97.86%. The major contribution to the significant increase of net profit derive from the favorable exchange rate as THB is continuously depreciated against USD, with the exchange rate range fluctuated between 32.51-36.01 THB/USD. Meanwhile, the cost of goods and selling and administration expenses is reduce from less quantity produce and sold, the effective management of production costing and inventory costing, and the drop of price for fuel due to oversupply globally.

Summary Table for the Financial Performance

Financial Highlight	Value (THB Million)			Increase (decrease) %		
	2013	2014	2013	2014	2013	2014
Sales Revenue	1,426.50	1,413.56	1,419.89	(4.36)	(0.91)	0.45
Cost of Goods Sold	1,112.92	1,140.89	1,075.74	0.19	2.51	(5.71)
Gross Profit	313.58	272.67	344.15	(17.64)	(13.05)	26.16
Selling and administration Expenses	193.70	192.34	178.05	(3.93)	(0.70)	(7.50)
Earnings Before Interest and Tax	156.72	70.49	151.63	(24.81)	(55.02)	115.10
Net Profit	135.82	60.43	119.56	(22.27)	(55.51)	97.86
Earnings Before Interest, Tax, Depreciation and Amortization	216.41	130.77	202.47	(19.90)	(39.75)	54.83
Cash Flow From Operation	180.95	29.95	186.19	(21.73)	(83.45)	521.67
Earnings per share (Baht)	0.36	0.16	0.31			
Book Value per share (Baht)	3.48	3.33	3.54			

Key Financial Ratios

Key Financial Ratios	2013	2014	2015
Current Ratio (Times)	11.68	12.90	11.61
Quick Ratio (Times)	7.37	7.07	6.47
Gross Profit Margin (%)	21.98	19.29	24.24
Operating Profit Margin (%)	10.99	4.99	10.68
Net Profit Margin (%)	9.52	4.27	8.42
Return on Equity (%)	10.35	4.66	9.14
Return on Assets (%)	9.38	4.25	8.32
Debt To Equity Ratio (Times)	0.10	0.09	0.10

Company's Financial Position

Assets

The Company and subsidiary has total assets according to the consolidated financial statements as of 31 December 2015 of THB 1,488.60 Million comparing to THB 1,387.03 Million in the previous year, equivalent to the increase of 7.32%. The major increase are from the increase of cash and cash equivalent and short term investment in the forms of cash in fix saving account altogether presented THB 559.79 Million in 2015 comparing to THB 468.88

Million in 2014, equivalent to the increase of 19.39%. The increase net cash flow from operation derive from increase sales revenue and decrease of expenses has contributed to such increase of cash.

Trade Receivables in 2015 indicated THB 78.78 Million, decrease from THB 91.58 Million presented in 2014, of which THB 72.06 Million is receivable that not yet due for payment, equivalent to 98.82% of total receivables in 2015. The Company has policy to reserve for allowance for bad debt for the whole amount on any doubtful receivable, considering financial position of client and their historical payment. In 2015, most of the client able to made payment within due.

Liabilities

The Company and subsidiary has total liabilities according to the consolidated financial statements as of 31 December 2015 of THB 139.68 Million which increasing from THB 119.53 Million Baht in 2014, equivalent to the increase of 16.85%. The major contribution for such increase derived from the deferred tax liabilities which increase from THB 1.66 Million in 2014 to THB 13.00 Million in 2015, as the tax incentive from the investment promotion (BOI) has been expired since 31 December 2014. Since then, the company is subjected to the normal corporate tax rate of 20%

As of 31 December 2015, the Company and subsidiary has liabilities obligation other than employee benefit which are

- Licensing agreement and consulting agreement for the usage of computer program and system for the amount of THB 0.5 Million
- Consulting agreement for financial advisor regarding the investment in Myanmar. The obligation amount according to the contract is THB 1.2 Million
- The Company might expose to the occurrence of obligation from the issuance of guarantee letter from bank against the government authorities for the amount of THB 10.1 Million
- The Company has hire the contractor for the repair and maintenance of building and freezing machine for the amount of THB 35.82 Million

The Company has appropriate and sufficient liquidity for the payment of liabilities and obligation. In 2015, the Current Ratio indicated 11.61 times and the Quick Ratio of 6.47 times, while most of the current assets are in the form of cash and cash equivalent.

Currently, there is no file or active case of lawsuit against the Company and subsidiary.

Shareholder's Equity

Shareholder's equity for the company presented in the consolidated financial statement for the year ended 31 December 2015 of THB 1,348.94 Million, increase from THB 1,267.50 Million comparing to 2014, equivalent to the increase of 6.43%. The major contribution to the increase is the inappropriate retained earnings from better financial performance and net cash flow from operation which indicated THB 861.68 Million in 2015, comparing to THB 780.24 Million in 2014, equivalent to the increase of 10.44%.

Cash flow and Capital Structure

The Company and subsidiary has net cash flow from operation in 2015 at THB 186.19 Million, comparing to THB 29.95 Million. The increase majorly from the increase of net profit from the favorable of exchange rate. The company spent totaling THB 25.71 Million on the repair and maintenance of building and machine, also THB 0.92 Million spending on the computer program. The company also paid dividend for the las year totaling THB 38.08 Million.

In 2015, the Company has sufficient liquidity which evidence from the current ratio of 11.61 times, though slightly decrease from 12.90 times in 2014. The major assets is current assets equivalent to 76.98% of total assets. On the other hand, the Company has only 6.63% of current liabilities which mostly consists of trade payable. There is no outstanding borrowing from the financial institution.

The Company and subsidiary has not engage in any long term borrowing during 2015, whereas the debt to equity ratio is insignificant slightly change from 0.09 to 0.10

Summary Table for Company's Financial Position

	Value (THB Million)			Increase (Decrease) %			% of Total Assets		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
Current Assets									
Cash and short term investment	581.93	468.88	559.79	3.94	(19.43)	19.39	40.02	33.80	37.60
Inventory	339.47	436.67	451.87	(4.86)	28.63	3.48	23.35	31.48	30.36
Other current assets	135.64	116.41	134.35	19.97	(14.17)	15.41	9.33	8.39	9.02
Total Current Assets	1,057.04	1,021.96	1,146.01	2.65	(3.32)	12.14	72.69	73.68	76.98
Non-Current Assets									
Property Land and Equipment	367.99	347.23	328.03	(3.49)	(5.64)	(5.53)	25.31	25.03	22.04
Other Non-Current Assets	29.11	17.84	14.59	(5.29)	(38.74)	(18.22)	2.00	1.29	0.98
Total Non-Current Assets	397.11	365.07	342.62	(3.62)	(8.07)	(6.15)	27.31	26.32	23.02
Total Assets	1,454.15	1,387.03	1,488.62	0.86	(4.62)	7.32	100.00	100.00	100.00
Current Liabilities									
	92.02	79.23	98.74	(18.93)	(13.90)	24.63	6.33	5.71	6.63
Non-Current Liabilities									
	35.30	40.30	40.93	19.31	14.17	1.57	2.43	2.91	2.75
Total Liabilities	127.32	119.53	139.68	(11.02)	(6.11)	16.85	8.76	8.62	9.38
Shareholder's Equity	1,326.83	1,267.50	1,348.94	2.17	(4.47)	6.43	91.24	91.38	90.62

Certification of correct information

I have reviewed the data in the list of annual data from of this copy and with caution in the capacity as an executive director of the company or person to hold highest executive rank in accounting field. I hereby certify that such data is perfectly correct, untrue, not make others misunderstanding or not lack of data that should inform in significant substance. Besides, I hereby certify that;

1. Financial Statements and financial data that concluded in the list of annual data form have shown perfectly correctness of data in the significant substance related with financial status, operation result and cash flow of the company and subsidiary company.
2. I am responsible toward an arrangement for the company to have a good data disclosure system to assure that the company has disclosed data in the part that is significant substance both the company and subsidiary company with perfectly correctness including supervise to have performed according to such system.
3. I am responsible toward an arrangement for the company to have a good internal control system and supervise to have performed according to such system and I have informed an assessment data of internal control system on December 31, 2015 to Independent Auditor and Audit Committee of the company which covers defect and significant changes of internal control system including misconduct that may affect toward managing financial report of the company and subsidiary company.

In this case, as an evidence that all documents are the same set document accepted by myself for the correctness. I have assigned Mr. Vanchandr Sivaboonyawongse to give signature enclose in every pages of this document. If any document has no signature of Mr. Vanchandr Sivaboonyawongse enclosed, than I will consider that it is not the data I accepted correctness.

Names	Position	Signature
1.Mr.Prayoon Pholpipattanaphong	Chairman of Board of Company	
2.Mr.Prapas Pholpipattanaphong	Chairman of Executive Committee	
3.Mr. Ankoon Pholpipattanaphong	Managing Director	

Name	Position	Signature
<p>The attorney-in-fact:</p> <p>Mr.Vanchandr Sivaboonyawongse</p>	<p>Legal advisor</p>	

Attachment 1 Details of Directors, Management, Authorized Control and Company Secretary

Remark: Others details of Directors, Management, Authorized Control and Company Secretary can see data from clause 8. Management Structure

Name - Surname	Position	Family relations between executive
Mr. Prayoon Pholpipattanaphong	Position before December 31, 2015 Chairman of Board of Company, Chairman of Executive Committee Authorized Director Position after December 31, 2015 Chairman of Board of Company, Authorized Director	Brother of Mr. Prayuth & Mr. Prapas Farther of Mr. Ankoon
Mr. Prapas Pholpipattanaphong	Position before December 31, 2015 Managing Director, Authorized Director, Board of Nomination & Remuneration Committee, Chairman of Risk Management Position after December 31, 2015 Chairman of Executive Committee, Authorized Director, Board of Nomination & Remuneration Committee, Chairman of Risk Management Committee	Younger brother of Mr. Prayoon and Mr. Prayuth
Mr. Suwat	Position before October 18, 2015 Executive Director, Authorized	None

Name - Surname	Position	Family relations between executive
Phongphasura	Director, Board of Risk Management Committee, Approved of Information of Company	
Mr. Ankoon Pholpipattanaphong	<p>Position before December 1, 2015</p> <p>Assistant Managing Director, Company's Secretary, Marketing Manager, Board of Corporate Governance Committee, Board of Risk Management Committee</p> <p>Position after December 31, 2015</p> <p>Managing Director, Authorized Director, Marketing Manager, Board of Nomination & Remuneration Committee, Board of Corporate Governance Committee, Board of Risk Management Committee, Approved of Information of Company</p>	Son of Mr. Prayoon
Mr. Prayuth Pholpipatanaphong	Non-executive Director, Chairman of Corporate Governance Committee, Board of Risk Management Committee	Younger brother of Mr. Prayoon Brother of Mr. Prapas
Mr. Lan, Mu-Chiou	Non-executive Director	None

Name - Surname	Position	Family relations between executive
Mr. Amnuay Yossuck	Independent Director, Chairman of Board of Audit Committee, Chairman of Nomination & Remuneration Committee	None
Mr. Ampon Ruayfupant	Independent Director, Board of Audit Committee, Board of Nomination & Remuneration Committee, Board of Corporate Governance Committee	None
Dr. Phusit Wonglorsaichon	Independent Director, Board of Corporate Governance Committee	None
Mr. Sakda Phimmuang	Accounting Manager, Issued Information, Board of Corporate Governance Committee, Board of Risk Management Committee	Age 57 Years, Education: Bachelor of Accounting, MBA, Holding: None, Relations: None, Experience: Accounting Manager, Chiangmai Frozen Foods PCL. (Jan.1993-present)
Miss Piyaluk Chuaphudee	Plant Manager	Age 47 Years, Education: Bachelor of Agriculture, Holding: None, Relations: None, Experience: Plant Manager, Chiangmai Frozen Foods PCL. (Feb.2004-present)

Name - Surname	Position	Family relations between executive
Miss Warissara Kangkanka	Office Manager	Age 49 Years, Diploma, Holding: None, Relations: None, Experience: Office Manager, Chiangmai Frozen Foods PCL., (Feb. 2005-present)

Attachment 2 Details of Directors of Subsidiary Company

Chiangmai Frozen Foods Public Company Limited is a shareholder in Agrifood Processing Co., Ltd. (subsidiary company) holds the share amount 100% and five directors of subsidiary company are all entirely representative directors from the company which comprise:

No.	Name - Surname	Agrifood Processing Company Limited	Chiangmai Frozen Foods Public Company Limited
1	Mr. Prayoon Pholpipattanaphong	Chairman , ended as of December 21, 2015	Position after December 31, 2015 Chairman of Board of Company, Authorized Director
2	Mr. Ankoon Pholpipattanaphong	Managing Director, Authorized Director, ended as of December 21, 2015	Position after December 31, 2015 Managing Director, Authorized Director, Marketing Manager, Approved of Information of Company
3	Mr. Prapas Pholpipattanaphong	Director, ended as of December 21, 2015	Position after December 31, 2015 Chairman of Executive Committee, Authorized Director
4	Mr. Suwat Phongphasura	Director, ended as of October 18, 2015	Position ended as of October 18, 2015 Executive Director, Authorized Director

Information summary of subsidiary company

The Financial status and operation results of the subsidiary company are as follow:

AGRIFOOD PROCESSING CO., LTD.

(Unit: Baht)

Particular	2013	2014	2015
Total assets	64,920,191	49,875,030	-
Total liabilities	19,880,406	2,186,459	-
Shareholders' equity	45,039,785	47,688,571	-
Sales	265,303,759	233,447,951	-
Total revenues	272,459,496	227,691,156	415
Gross profit	18,789,913	27,447,899	415
Net income (loss)	4,295,830	2,648,786	415

Attachment 3

Details on Chief of work Internal Audit and Chief of work performance of the company

Chief of work performance of the company	Chief of work Internal Audit
Name-Surname: Mr. Sakda Phimmuang	Name-Surname: Mr. Suphot Sutthiprapa
Position: Accounting Manager	Position: Assistant Internal Audit Manager
Age: 57 years	Age: 41 years
<p>Education:</p> <p>-Bachelor Degree, Accounting</p> <p>-MBA</p> <p>-Anti-Corruption : The Practical Guide (ACPG 13/2014)</p>	<p>Education:</p> <p>-Bachelor Degree, accounting of Sukhothai Thammathiraj University</p> <p>-Bachelor Degree, Business-Financial Management of Ramkhamhaeng University</p> <p>-Syllabus Evaluating : A COSO Based Approach by Internal Inspector Association of Thailand</p> <p>-Syllabus Consulting : Activities Skills, Attitudes by Internal Inspector Association of Thailand</p>
<p>Experience:</p> <p>-Accounting Manger-Chiangmai Frozen Foods PCL. (Aug.1993-present)</p> <p>-Director & Secretary of Board of Risk Management Committee (Feb.2004-present)</p> <p>-Director & Secretary of Board of Corporate</p>	<p>Experience:</p> <p>-Assistant Manager of Internal Audit of Chiangmai Frozen Foods Public Company Limited (2008 till present)</p> <p>-Assistant Manager Operation Audit Division of Total Asset Communication Public Co., Ltd. (2005-2008)</p> <p>-Chief of Branch Inspection Team of United Oversea</p>

Governance Committee (Nov.2012-present)	Bank Public Co., Ltd. (2003-2005)
Investor Relations (Jan.1993-present)	-Branch Inspection Officer of Siam City Bank Public Co., Ltd. (1996-2002)

Attachment 4 Details on assets evaluation subject

Source: Appraisal reports of Year Appraisal Company Limited dated 14 October 2015 (Unit: Mill baht)

Appraised items	Valuation Approach	Book value June 30, 2015	Fair Market value	Surplus
Head Office in Bangkok- 2 plots of land with a total area of 54.4 sq.w. and 3 four-storey commercial buildings with rooftop component	Land – Market comparable Building – Depreciated replacement cost	27	37	10
Cultivated Land in Phisanulok – 7 plots of farm land with a total area of 154 rai 0 ngan, 30 sq.w.	Market - comparable	13	49	36
Factory 1 in Chiangmai (CM1) – 2 plots of land with a total area of 15 rai 0 nagn 36.6 sq.w. and a manufacturing	Land – Market comparable Building – Depreciated replacement cost	10	187	177
Factory 2 in Chiangami (CM2) – 28 plots of land with a total area of 74 rai, 2 ngan, 56.9 sq.w. and a manufacturing plant		127	259	132
Machinery and equipment – CM1	Depreciated replacement cost	55	144	89
Machinery and equipment – CM2		8	46	38
Total Appraised Assets		240	722	482
Non-appraised assets		86	86	-
Total		326	808	482



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บริษัท เชียงใหม่ฟรอสเฟนฟู๊ดส์ จำกัด (มหาชน)

149/34 ซอยแองโกลพลาซ่า ถนนสุรวงศ์ แขวงสุริยวงค์ เขตบางรัก กรุงเทพฯ 10500

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED.

149/34 Soi Anglo Plaza Surawongse Rd., Suriyawongse, Bangrak, Bangkok 10500 Thailand

Tel : (662) 634-0061-4, 238-4091 Fax : (662) 238-4090

Report from the Company's Board of Directors

Dear Shareholders,

The Company's Board of Directors is responsible to the preparation of separate financial statements and consolidated financial statements of the company and its subsidiary, also the financial information that appeared in the form of annual data (type 56-1) and/or 2015 annual report. Such financial statements have been prepared according to the generally accepted auditing standards in Thailand by selecting the appropriate accounting policy and holds practice regularly. The Company used carefully discretion and reasonably estimated in management of financial statements inclusive having disclosed important data sufficiently in notes to financial statements.

The Company's Board of Directors are fully aware an important of managing the business operations under business ethics principle and good corporate governance, the company then appoints Committees, consists of Executives Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee purposely to allow these Committees to perform duty of corporate governance, advise management section to execute work under the laws frame, basis, discipline and practical point that are present of an organization that perform duty of corporate governance and arrange to have internal inspection section and efficient internal control system to ensure that accounting data is correct, having usage the company resources efficiently and capable to know its weak point in order to protect not to raise corruption and damage toward the business with important essence, having efficient management system under appropriate risk on business for sustainable growth.

The Company's Board of Directors fully recognized an important of misconduct protection in organization. Therefore, the resolution in the Board of Directors' Meeting No. 4/2013 on 11 November 2014, had resolved the company to declare intention to join an operation in misconduct resistant, and in the Board of Directors Meeting no. 1/2015 on 26 February 2015 resolved to consent the policy of misconduct and corruption resistant in writing in order to allow directors, executives and officials to hold practice of misconduct and corruption resistant to incur form and appearance earnestly, and later on 21 April 2015, the company has applied for a member of misconduct resistant partnership network for Thailand in order to create the awareness on the misconduct and corruption impact.

In addition, the Company's Board of Directors has played an important role toward good practical on society, community, environment and stakeholders equally. Therefore, the Board of Directors then established the role, duty burden and responsibility of directors, executives and company officials that have to treat the shareholders, customers, co-trader, debtors, creditors, officials, competitors, society, community and environments in the business ethics principle of the company in order to allow the directors, executives and officials of the company to hold for practice to incur equality, transparent, justice and help together to promote development of society, community and environments to have strong, live together in sustainable and happy.



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บริษัท เชียงใหม่ฟรอสเซนฟู้ดส์ จำกัด (มหาชน)

149/34 ซอยแองโกลพลาซ่า ถนนสุรวงศ์ แขวงสุริยวงศ์ เขตบางรัก กรุงเทพฯ 10500

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED.

149/34 Soi Anglo Plaza Surawongse Rd., Suriyawongse, Bangrak, Bangkok 10500 Thailand

Tel : (662) 634-0061-4, 238-4091 Fax ; (662) 238-4090

In the year 2015, the Board of Company's had gather 7 meetings and had completely fulfilled the duty as director, also committed to the continuous improvement for the performance. Further, the Board of Directors had made self-assessment. For result of assessment for the year 2015, the overall results indicated the effective and good performance for the duty of Board of Company.

(Mr. Prayoon Pholpipattanaphong)

Chairman of the Board of Directors

26 February 2016

Clarification of Chairman of the Audit Committee

To : The Shareholders ;

As the Board of Company has resolved to nominate the Board of Audit Committee which comprise three independent non-executives directors, namely Mr. Amnuay Yossuck as Chairman of the Board of Audit Committee, Mr. Ampon Ruayfupant and Miss Darunee Ruangtham as Audit Committee to perform the duties assigned from the Board of Company which is according to the provision of The Stock Exchange of Thailand.

During the year 2015, the Board of Audit Committee conducted 4 meetings by inviting Auditors, Management and Internal Auditor. The significant tasks could be summarized as follows :

1. Reviewed the Financial Statements quarterly and Annual Financial Statements of 2015 and adequately listen the clear explanations and report from the Management and Auditor in related subject, therefore, the Audit Committee were of a same opinion with the External Auditors that said quarterly annual financial statements were correct in essence in conformity with the generally accepted accounting principles.
2. Reviewed the disclosure of connected and related information between the company, subsidiary company and concerned company and it was of opinion that such related information were adequately and correctly disclosed.
3. Reviewed 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. Promoted the independence of internal audit operation, agreeing with annual internal audit plan and reviewing to have the adequacy and effective internal control system and risk management, evaluate to have the adequacy of internal control system accordance with guideline of The Securities and Exchange Commission (SEC) that are factor of Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities. In summary, The Board of Audit Committee reviewed and determined that to have the adequacy and effective internal control system and risk management and found no significant weakness of control that may have adverse impact.
5. Considered to propose the Board of Company for asking approval to appoint Auditor and audit fee for annual 2016 by proposing Auditor of AST Master Office who is independence and approved by the office of SEC.

6. Verified and governance work performance of the director executives and officials to perform in accordance with anti-policy of misconduct and corruption strictly. From reviewed of internal audit operation with anti – corruption policy were not found misconduct and corruption.
7. From self-assessment of the Board of Audit Committee which was an assessment of yearly result. For result assessment of annual 2015, sum up the results overall that effective in performing duty of the Board of Audit Committee and accordance with plan.



(Mr. Amnuay Yossuck)

Chairman of Audit Committee

February 23, 2016

4 March 2016

The Board of Directors
Chiangmai Frozen Foods Public Company Limited

Subject : Internal Control Report

Dear Sirs:

We have audited the financial statements of Chiangmai Frozen Foods Public Company Limited as of 31 December 2015 in accordance with generally accepted auditing standards as indicated in the audit report dated 26 February 2016. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. During the auditing process, we have studied and appraised the efficiency of the company's accounting internal audit deemed necessary to set the well-conceived and appropriate auditing procedure. We do not find any material weakness in the accounting internal control which will significantly affect the opinion on the financial statement as at 31 December 2015.

We also would like to notify that the audit was not done for all accounts, but only by testing. Furthermore, the study and appraisal of the efficiency of the accounting internal control was done on the purposes specified prior. We, therefore, may not specify absolute assurance that there are no misstatements weakness in the internal auditing control.

We would like to thank all officers of the company for their sincere cooperation during the operation.

Yours sincerely,



(Mr. Pradit Rodloytuek)
Certified Public Accountant
Registration No.218