

(Translation)

**Minutes of the Annual General Meeting of Shareholder 2019**  
**of**  
**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED**

**Time and venue** The Meeting held on Wednesday, April 24, 2019 and started meeting at 10.00 a.m., at Tawana Hotel “Bon Vivant Room” No. 80 Surawongse Road, Bangrak, Bangkok.

**Quorum** Mr. Prayoon Pholpipattanaphong, Chairman of the Board of Company is a Chairman of a meeting.

Chairman in the meeting, informs that there are the shareholders whose attend meeting by themselves and whose assign to be present by proxy total 56 persons, countable share at 251,395,244 shares come to 65.96% of company register capital and already paid up share amount 381,145,725 shares and are amount not less than one third of total distributed amount shares or not less than 127,048,575 shares and there shall be shareholders and proxies attending at a shareholder meeting not less than twenty-five persons according to the Articles of Association No. 34, then complete as quorum. During meeting, there are additional 11 persons both shareholders and proxy countable 122,775 shares.

The Chairman says to open a meeting by assigning Mr. Kornkit Kongpaiboonpon to proceed the meeting as agendas:

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

**Today there are 8 out of 8 company directors (100% complete) to attend the meeting namely:**

Mr. Prayoon Pholpipattanaphong	Chairman of Board of Directors
Mr. Prapas Pholpipattanaphong	Chairman of Executive Committee and Chairman of Risk Management Committee
Mr. Ankoon Pholpipattanaphong	Managing Director and Marketing Manager
Mr. Lan, Mu-Chiou	Non-executive Director
Mr. Amnuay Yossuck	Independent Director, Chairman of Audit Committee and Chairman of Board of Nomination & Remuneration Committee
Mr. Ampon Ruayfupant	Independent Director
Dr. Phusit Wonglorsaichon	Independent Director, Chairman of Corporate Governance Committee
Miss Chutima Tangmatitham	Independent Director

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

Miss Nongram Laohaareedilok	AST Master Office, Auditor
Mrs. Sudsiri Boonnak Nakano	Representative of Thai Investors Association, Observer
Mr. Tewin Rungrattanapitak	Financial Controller & Company’s Secretary
Mr. Sakda Phimmuang	Accounting Manager
Mr. Vanchandr Sivaboonyawongs	Legal Advisor

### **Operation to anti-corruption policy**

The Company has an ideal in conducting business with virtue, act in accordance with laws of Thailand for Anti-Corruption, transparent, adhere to responsible toward society and every group of stakeholders according to the principle of good corporate governance and morality in conducting business, not support every form of misconduct and corruption.

On March 9, 2017, Thai Institute of Director as the secretary of Thailand's Private Sector Collective Action Coalition Against Corruption: CAC has approved the Company as the member of CAC for the period of 3 years.

In the year 2018, the internal auditor has performed the annual audit on the practices according to the anti-corruption policy and reported to the Audit Committee and the Board of Director's accordingly. There were absent of any activities related to the fraud and corruption.

**Casting and counting a vote:** After registered for a meeting, every shareholders and proxy shall receive voting ballot according to the number of agendas of a meeting. There shall be 3 spaces for casting a vote in each agenda that are: agree, not agree and abstain from voting. The meeting shall cast a vote one agenda at a time by not having alternated agenda of a meeting. In the part of agenda of casting a vote for electing directors, the company opens an opportunity to the shareholders to cast a vote for electing directors individually. When already casted a vote in each agenda, it would gather voting ballots only who are not agreed and abstain from voting for quick voting. For all agreed voting ballots, shall keep when already gathered voting ballots for not agreed and abstain from voting.

Program and bar-code system are used in this meeting to help in registration and voting. Voting result in each agenda shall appear in projector LCD monitor to allow the shareholders and proxy to learn of voting result. If the shareholders and proxy see that voting result is not correct, they can check at once. The Company has invited the shareholders to be volunteer for counting votes, in which, there were no any shareholder volunteer. The company herewith has invited Miss Chamaporn Rodloytuk, Auditor to represent and join the vote counting process in the meeting.

**Resolution:** One share has one vote. To resolve in agenda no. 1, 3, 4, 6 and 7, let regard the maximum vote of attended shareholders and have a right to vote. If equal vote, vote of the chairman in the meeting will be arbitrated and agenda 5, approval remuneration for director and Audit Committee, let regard the vote not less than two third of total vote of shareholders which attend meeting and have a right to vote.

### **Agenda 1 To Consider and Approve the Minutes of the Annual General Meeting of Shareholder 2018**

The Chairman, requests the meeting to consider report of Ordinary Shareholder Meeting for Annual 2018 which held on April 27, 2018 as already sent copy to shareholders and requests the meeting to resolve.

#### **Resolution**

The Meeting has considered and no inquiry from any shareholder or ask for amending report of Ordinary Shareholder Meeting for Annual 2018 and resolved in an unanimously to certify report of Ordinary Shareholder Meeting for Annual 2018 with following votes:

This agenda, there are the shareholders and proxy total 63 persons, countable share at 251,439,119 shares

Approved	251,439,119	Votes	Consider	100	%
Disapproved	-	Votes		0	%
Abstained	-				
Invalid Ballots	-				

## **Agenda 2 Acknowledgement report the company operation result in the year 2018**

Mr. Ankoon Pholpipattanaphong, Managing Director, informs an operation result of the company and subsidiary in the year 2018 as follows:

### **The Economic of trading partner's country**

Japan, as the main trading partners of the Company, has slightly GDP growth of 1.1%. The private consumption considered improved. This is the result from the storm in last August and September which limited affected to the specific urban area such as Kyoto, Osaka, and Tokyo. Therefore, the agricultural area has been unaffected. Though in the 3<sup>rd</sup> Quarter of 2018, Japan has indicated negative GDP growth, it is only short-term. In addition, as Bank of Japan (BOJ) maintain its financial policy as relaxing stance, with the investment in the infrastructure for the Olympic 2020, GDP is expected to growth 1-2%. However, in the coming 3<sup>rd</sup> quarter of 2020, Japan will impose 10% consumption tax, increased from 8%, the result in decreasing of household consumption is likely to be short-term, as Japan has been increased consumption tax from 5% to 8% in the past, and the impact was only temporally.

### **The exchange rate fluctuation**

Sales revenue of the Company majorly 98% recognized as USD. In 2018, the exchange rate has tended to appreciate against THB which pressured the revenue in THB for the previous year and also this year.

### **Weather Condition**

Weather condition considered important factor to the agriculture. In 2018, the weather condition is normal and positive to the agriculture.

The weather condition in Japan is also considered normal, therefore, domestic agricultural produces is enough for domestic consumption and the reliance on the import of frozen vegetables is not much growth. Despite the heavy storm in Japan last year, the effect is limited only in urban area.

### **Quantity of Raw materials**

Quantity of raw materials is directly related with the weather condition. In the previous year, the agricultural produce is more than expected which could reduce the cost of goods sold per unit. However, the operating will confront the difficulties in managing the excess storage which result in the increasing external cold storage cost.

### **Operating Performance**

Sales revenue has decline to 1,266 Million Baht in 2018, comparing to 1,358 Million Baht, considered decreasing of 92 Million Baht or 6.8%. The main factor affected the decreasing of revenue is the appreciation of THB and the decrease of sales volume, considered 2.68%. However, the company has increase selling price for some of our products. The net profit has decrease to 97 Million Baht, comparing to 160 Million Baht in 2018, considered decreasing 63 Million Baht or 39.23%. The decreasing net profit derive from the appreciation of THB, the decrease sales volume, the increasing production cost from the increasing minimum labor cost, increasing oil price, and the increasing external cold storage charge.

Seasonal sales still maintain which majorly in 2<sup>nd</sup> Quarter and 3<sup>rd</sup> Quarter, considered 26-27%. Geographically, the Company has export 98% which mainly 94% export to Japan, while the rest 4% export to Europe, USA, and Middle East. The domestic sales considered 2%

Earning per share decrease from 0.42 Baht/share in 2018 to 0.26 Baht/share which stated in 2017. Total assets have insignificantly slight decreased. Cash and cash equivalent has reduce from 557

Million Baht to 312 Million Baht, due to the less revenue in THB while purchasing more raw material, and the interim dividend payment. Also, the company has spent cash on the investment in machine and equipment. The inventory has increase from 434 Million Baht in 2017 to 613 Million Baht in 2018, derive from the increasing production and less sales quantity. Further, shelf life for the company's product is 2 years, which the company can manage the inventory without damage the quality of products. The fix assets are not significantly change.

The major change in financial ratio is the Gross Profit Margin which stated 19.5% decrease from 23.8% presented in previous year. The net Profit Margin also reduce from 11.8% to 7.7% in 2018.

The Company has participated in several major food exhibition in foreign countries, the result is satisfied as the company has gain more exposure to potential customers.

The summary of financial statements are as follows;

<b>Items</b>	<b>Financial Statement</b>	<b>Units</b>
Total Assets	1,558,998,474	Baht
Total Liabilities	134,286,825	Baht
Total Shareholders' Equity	1,424,711,649	Baht
Debt to Equity Ratio	0.09 : 1	Time
Revenue from Sales	1,265,508,640	Baht
Profit for the year	97,481,607	Baht
Net profit margin	7.70	%
Earnings per share	0.26	Baht per Share

**Agenda 3**      **Consider approve Financial Statements of the company for the year ended December 31, 2018**

The Chairman requests the meeting to consider the Financial Statements of the company for the year ended December 31, 2018 which audited by certified public accountant, then requests the meeting to consider and resolve.

Before vote, there are questions from shareholders as follows;

Mr. Hangchai Ackawassakul, proxy shareholder from Mr. Kittiwat Sujaritpong, who held 48 shares and Mr. Supot Euchailertkul, who held 210 shares, has raise the question

Question: What is the plan for the company to manage the excess inventory? For example, using service of external cold storage, increasing sales.

Answer: Agricultural produces can be plant 2-3 crops a year, the Company therefore adjust the planting quantities to balance the demand from the customers. With the current plan, the balance of inventory should be present in April – May. In terms of managing external cold storage, the Company has manage using the internal cold storage for 2 plants interchangeably and put priority to utilize the internal capacity than external cold storage to reduce the external cold storage charge. For increasing sales volume, the company currently increase domestic sales volume to the food service industry. For export volume, the company is in negotiation with new potential customer acquired in the food exhibition.

Mr. Nirand Jitprakob, the shareholders of 1,000 shares, has raise the question.

Question: What are the details of trade payables and other payable, revenue from investment, and other revenue?

Answer: Revenue from investment derived from the investment of excess cash in fixed account and low risk funds. Other revenues derived from tax refund from import-export and the sales of salvage of raw materials. Trade payables derived from normal business transaction, while deferred expense are the expenses incurred in the month but will be paid in the next month. For example, electricity bill and labor expense.

Question: Besides Japan, are there other countries that considered the export target?

Answer: Main products of the Company consists of 3 items which are Edamame, Green Beans, and Sweet Corn, majorly export to Japan. The consumption for these products is very less in other countries. In Europe, the consumption is mostly domestically produced as the price is cheaper due to the use of machine harvesting. The company's product considered high quality and only acceptable by Japanese customer. For sweet corn, the major market is Japan while the main competitor is USA. Europe has domestically produced and consumed. For Edamame, the Company has export to Japan, Europe, USA, and partially domestically sold.

Ms. Kanyapak Surapansakul, the shareholders of 9,800 shares, has made suggestion.

Question: I would like to suggest the Company to increase product line, such as organic products, frozen fruits.

Answer: In the past, Japan customers has asked the company to produce organic products. However, the selling price is capped at 20% from normal products. The Company has considered the offer not feasible unless the increasing price is capped at 60%. For the new products, the Company has cooperated with the innovation department to create new product with current raw materials, convert in to innovate processing product. However, the development process considered time consuming.

#### **Resolution**

The Meeting has considered and no shareholder inquire further, then resolved in an unanimously to approve the financial statements of the company for the year ended December 31, 2018 with following votes:

This agenda, there are the shareholders and proxy total 67 persons, countable share at 251,518,019 shares

Approved	251,506,771	Votes	Consider	100	%
Disapproved	-	Votes		0	%
Abstained	11,248				
Invalid Ballots	-				

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

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

1. Mr. Prapas Pholpipattanaphong      Executive Director
2. Dr. Phusit Wonglorsaichon      Independent Director
3. Miss Chutima Tangmatitham      Independent Director

The Company opens a chance to the shareholders enable to propose other person names apart from said 3 directors, by a person who is proposed the name must not be the forbidden person according to the Royal Act of Public Company Limited, Royal Act of Securities and Securities of Stock Exchange, provision of Securities of Stock Exchange of Thailand, provision of Securities and Exchange Commission and Article of Association of the company and a person who is proposed must consent to propose the name and if it is proposed the name, the company will examine the property before register as director. If it is found that the property is forbidden, the company will not register as company director.

All this, the company opens an opportunity for minor shareholders to enable propose person name – list for receiving consideration in selecting as company director in advance since November 26, 2018 till February 18, 2019 by having public relations and diffuse information through website of the company ([www.cmfrozen.com](http://www.cmfrozen.com)) and website of the Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th)) in which this year 2019 no any minor shareholders to propose person name – list for selecting as Independent Director of the company.

The Nomination and Remuneration Committee has carefully examined the qualification of director’s candidate according to the Board Skill Matrix and concluded that 3 director candidates who reach the tenure is qualified in knowledge, skill, and experience aspect and appropriated to be nominated as the Company’s director, and independent director. Further, these 3 candidates had devoted during the tenure which benefit for the Company. The Nomination and Remuneration Committee, therefore, resolve to propose 3 directors who reach the tenure to be re-elected as the Company’s director include 1) Mr. Prapas Pholpipattanaphong 2) Dr. Phusit Wonglorsaichon and 3) Miss Chutima Tangmatitham. The biography briefly of all proposed 3 directors have already sent to the shareholders along with invitation for meeting

By the Board of Company which not include the directors whose completed term, have considered the Board skill matrix and agreed to propose to Board of Nomination and Remuneration Committee to propose those 3 completed term directors to turn to be directors once again, that are: 1) Mr. Prapas Pholpipattanaphong 2) Dr. Phusit Wonglorsaichon and 3) Miss Chutima Tangmatitham and propose to the shareholder meeting for considering to elect as directors owing all those 3 proposed person are entirely knowledgeable - competent, experienced suitable to hold an office as company directors.

The nominated independent director is qualified for the position according to the law. Further, the nominated independent director possessed relevant skills and experience applicable to the business. During the tenure, the independent director has fully committed and devoted for the Company, provide independent opinion, and valuable suggestion to the Board of the Company.

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

### **Resolution**

The Meeting has considered and resolved to elect the director individually respectively namely: 1) Mr. Prapas Pholpipattanaphong 2) Dr. Phusit Wonglorsaichon and 3) Miss Chutima Tangmatitham, with following votes:

This agenda, there are the shareholders and proxy total 67 persons, countable share at 251,518,019 shares

#### 1. Mr. Prapas Pholpipattanaphong

Approved	251,480,356	Votes	Consider	100	%
Disapproved	-	Votes	Consider	0	%
Abstained	37,663	Votes			
Invalid Ballots	-				

This agenda, there are the shareholders and proxy total 67 persons, countable share at 251,518,019 shares

2. Dr. Phusit Wonglorsaichon

Approved	251,441,446	Votes	Consider	100	%
Disapproved	-	Votes	Consider	0	%
Abstained	76,573	Votes			
Invalid Ballots	-				

This agenda, there are the shareholders and proxy total 67 persons, countable share at 251,518,019 shares

3. Miss Chutima Tangmatitham

Approved	251,441,446	Votes	Consider	100.00	%
Disapproved	-	Votes	Consider	0	%
Abstained	76,573	Votes			
Invalid Ballots	-				

**Agenda 5**      **Consider approve to fix remuneration for Directors and Audit Committees of 2019**

The Chairman has informed in the meeting that in promote for performing duty of Board of Director in creating value added to the company, the company then should pay an appropriate remuneration for the duty and responsibility to the director propose by Board of Nomination and Remuneration Committee which the Board of Company Meeting No. 1/2019 on February 25, 2019 have already considered to see that the shareholder meeting should consider approving to fix remuneration for director of 2019 as follows:

- Remuneration for 8 company directors each 400,000.-baht/year
- Remuneration for Chairman of Audit Committee 40,000.-baht/month
- Remuneration for 2 Audit Committees each 20,000.-baht/month
- None other remuneration such as meeting fee, bonus, insurance premium etc.

Policy and formulation method on remuneration

Such remuneration has already compared and reference information is a remuneration that to be in the same level with same industry, having adjacent with remuneration of registered company which conduct business and having adjacent size and is the same remuneration with company remuneration for the year 2018 which is in accordance with the company policy that shall formulate remuneration to be in suitable basis that would uphold for the directors that having property of required company.

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

**Resolution**

The Meeting has considered and resolved in an unanimously approve to fix remuneration for company directors of 2019 as informed by the chairman with following votes:

This agenda, there are the shareholders and proxy total 67 persons, countable share at 251,518,019 shares

Approved	251,451,156	Votes	Consider	100	%
Disapproved	-	Votes	Consider	0	%
Abstained	66,863	Votes	Consider		%
Invalid Ballots	-				

## **Agenda 6**      **Consider appoint Auditor and fix auditing fee of 2019**

The Chairman informs in the meeting that at the meeting of Board of Company No. 1/2019 on February 25, 2019 have considered and agreed to appoint company Auditor and fix auditing fee of 2019 with an approval of Board of Audit Committee to propose the Shareholder meeting for approving to appoint AST Master Co., Ltd., as company Auditor with having either of Auditor as follows:

1. Mr. Pradit Rodloytuk                      Certified Public Accountant License No. 0218 and/or
2. Miss Nongram Laoha-a-reedilok Certified Public Accountant License No. 4334

is an Auditor and express an opinion toward financial statements of the company of 2019 by appointed Auditor has no relationship or common interest with the company, subsidiary company, executives or related person in an appearance that may impact toward performing duty freely by propose the remuneration amount 865,000.00 baht (Eight hundred sixty-five thousand baht).

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

## **Resolution**

The Meeting has considered and resolved in an unanimously approve to appoint AST Master Co., Ltd., by having Mr. Pradit Rodloytuk, CPA Registration No. 0218 and/or Miss Nongram Laoha-a-reedilok, CPA Registration No. 4334 as company Auditor of 2019 by allowing either of them has an authority to auditing and express an opinion toward financial statements of the company and approve remuneration in auditing amount 865,000.00 baht (Eight hundred sixty-five thousand baht) with following votes:

This agenda, there are the shareholders and proxy total 67 persons, countable share at 251,518,019 shares

Approved	251,491,819	Votes	Consider	100	%
Disapproved	-	Votes	Consider	0	%
Abstained	26,200	Votes			
Invalid Ballots	-				

## **Agenda 7**      **Consider approve dividend payment for the operation result of 2018**

The Chairman has informed in the meeting that at the meeting of Board of Company No. 1/2019 on February 25, 2019 have considered and resolved the company to pay dividend as follows:

- Pay dividend at rate 0.11 baht per share to the shareholders amount 381,145,725 shares to amount 41,926,029.75 baht, when considered the interim dividend resolved by the Board of Company Meeting No. 5/2018 on October 8, 2018 at 0.10 Baht per share which equivalent to 38,114,572.50 Baht, paid on November 8, 2018, the total dividend is 0.21 Baht per share, totaling 80,040,602.25 Baht or 82.11% of net profit by pay from business of paid income tax 20% at rate 0.21 baht per share.
- Dividend is deducted withholding tax 10%.
- Formulate name lists of shareholders who have right to receive dividends on March 13, 2019 and fix Dividend payment in May 9, 2019.

Before vote, there are questions from shareholders as follows;



Mr. Hangchai Ackawassakul, proxy shareholder from Mr. Kittiwat Sujaritpong, who held 48 shares and Mr. Supot Euchailertkul, who held 210 shares, has raise the question

Question: Should XD (the right to receive dividend) be determined after the resolution from the Annual General Meeting of Shareholder, purposely to allow the opportunity for shareholders who attend the meeting to receive the dividend payment?

Answer: In the past, the Company has separate XD and XM on the different day. However, there are some comments from shareholders regarding the late dividend, therefore, the company has considered and determine XD on the same date with XM. In this regards, the directors shall note and consider as per shareholder request.

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

### **Resolution**

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

This agenda, there are the shareholders and proxy total 67 persons, countable share at 251,518,019 shares

Approved	251,491,819	Votes	Consider	100	%
Disapproved	-	Votes	Consider	0	%
Abstained	26,200	Votes			
Invalid Ballots	-				

### **Agenda 8 Consider other mattes (if any)**

There were not other agenda proposed in the meeting.

There is question from shareholder who did not state his name as follows;

Question: What is the financial performance of Sino-Thai Freeze and Dry Co., Ltd (STFD), which the Company has already invested for 15%?

Answer: In the past 2 years, STFD has rent the factory for their production and later has constructed their own factory then move the machines to the new factory. The new factory expected to complete by the end of April and start production in May. STFD has loss on operation due to the under utilization of production capacity. However, we learnt that there are increasing order from potential customer as the increasing popularity of products, also the products considered Hi-end snacks suitable for all ages. Therefore, STFD is expected to improve financial performance by this year.

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

Meeting closed at 12.13 pm.

Signed

-Signature-  
(Mr. Prayoon Pholpipattanaphong)  
Chairman of the Meeting

-Signature-  
(Mr. Tewin Rungratanapitak)  
Secretary of the Company