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บริษัท เชียงใหม่ฟรอสเซ่นฟู๊ดส์ 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

10 November 2021

Re: Notification on the Board of Director's Meeting No. 6/2021 regarding the cancellation of investment project ([Revised](#))

To: President  
The Stock Exchange of Thailand

Chiangmai Frozen Foods Public Company Limited ("The Company") would like to inform the significant resolutions of The Board of Director's Meeting of No. 6/2021 held on 10 November 2021, the details are as follows;

1. The Resolution to cancel the investment project in Myanmar

According to the Board of Director's meeting No. 4/2014 held on 14th August 2014 has resolved initiate the investment in Myanmar by incorporate the subsidiary and expand the frozen vegetables business purposely to export. The initial investment expected approximately 80 Million Baht budgeted for the either acquisition of land or the rights on the land area of 50-100 Acres. Further, On 25th March 2016, The Board of Directors' Meeting No. 2/2016 has considered and approved the investment project for the construction of frozen vegetables plant in Myanmar. The total project investment approximately 700 Million Baht. [The Company shall establish a subsidiary and hold at least 60% but not exceed 90%. There is an opportunity to have person or juristic person incorporated in Thailand, Myanmar, or any specific country, investing in the mentioned subsidiary as partner shareholder. The determination of shareholder proportion shall abide by the Myanmar investment law and regulations.](#) In addition, the Board of Director's meeting resolved to approve the engaging in land lease deposit agreement to the lessor in Myanmar purposely for the construction of frozen vegetables plant. In this regard, the Company shall arrange deposit at 50% of total lease fee. After the Company has completed the incorporation of subsidiary in Myanmar, the lessor shall engage the lease agreement with the subsidiary. The Company has disclosed the details of acquisition in the Information Memorandum to comply with the regulations of the Stock Exchange of Thailand.

[At the present, the subsidiary has not been established. The Company has submitted the letters to lessor purposely to extend the period to engage in lease agreement which permitted by lessor. The latest letter has extended the period until December 2021.](#)

The Board of Directors has closely monitored the political unrest situation in Myanmar and carefully considered the current situation and resolve to cancel the investment project as there are uncertainties and possibilities of significant changes in laws or regulations that would affect the return of investment and the operation of the business.

The Company has deposit of 50% of total lease value considered 715,950 USD. [Further, the company has agreed to pay the compensation to reserve the right for land leasing at 30,000 Baht per month, in quarterly payable. The Company has paid the monthly amount since January 2020 until September 2021, totaling 630,000 Baht \(The compensation to reserve the right for land leasing for the 4<sup>th</sup> quarter of 2021 is under negotiation with lessor\).](#) According to the above investment project cancellation condition, the deposit of 30% considered 214,785 USD [\(equivalent to 7,607,685 Baht\)](#) could be forfeited and retained by the lessor. [In this regard, the Company has recorded the loss of allowance impairment of assets – 30% of the deposit made for full amount, also reflected in the financial statements of the Company in 3<sup>rd</sup> quarter of 2021. The amount forfeited has not](#)



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significantly affect the company's operation and financial position. Further the cancellation of investment shall deem the company from any further obligations to the lessor.

However, the Board of Directors has authorized the Executive Committee to negotiate with the lessor. The result of negotiation shall be further reported.

Please be informed accordingly.

Faithfully yours,

Ankoon Pholpipattanaphong

Managing Director