



บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน)
Surapon Foods Public Company Limited

Inspiring Your Smiles
เพื่อรอยยิ้มของคุณ



แบบแสดงรายการ
ข้อมูลประจำปี **2566**

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Part 1

Business Operation and Operating Results

1. Organizational Structure and Operation of the Group of Companies

Surapon Foods PLC. established in the year of 1977 under the original name of Surapon Seafoods Co., Ltd. The Company had listed in the Stock Exchange of Thailand in the year of 1989. In the early stage of the business operation, the Company's main products were frozen seafoods. The Company changed its name from Surapon Seafoods PLC. to Surapon Foods PLC. in order to reflect the change of business to be more various frozen foods both seafoods and non-seafoods in order to serve the consumers' behavior.

The Company has continuously developed and adjusted its business in response to business context changes by highly committing good corporate governance and anti-corruption in to all business processes as well as highly committing the delivery of safety and high trustworthiness of products and services. The Company's products are certified by international standards such as GMP, BRCGS, HACCP, ISO 22000, and etc. so the products have been well-ensured their food safety and food traceability as well as be responsible to the stakeholders by concerning business sustainability and ESG.

Currently, the group of companies' main revenues are revenue from sales of goods and revenue from rendering services. The group of companies' core businesses are as follows :-

1. Revenue from sales of goods

1.1 Frozen and processed chicken products : Revenue from these products' group is currently highest contributed to total revenue of the group of companies. The manufacturing of this product's group is operated through two of the subsidiary companies; i.e. Surapon Nichirei Foods Co., Ltd. and Surapon Supreme Foods Co., Ltd.

1.2 Frozen and processed shrimp products : The manufacturing of this product's group is operated through one of the subsidiary company; namely Surat Seafoods Co., Ltd.

1.3 Frozen and processed foods products which produced from various of raw materials and ingredients such as pork, fish, vegetables, and etc. : The manufacturing of this product's group is operated through Surapon Foods PLC.

2. Revenue from rendering services

2.1 Trading business of frozen foods products from the manufacturing of the group of companies and other manufacturers. The operation of this business has operated through one of the subsidiary company; namely Surapon Finest Co., Ltd.

2.2 Cold-chain Logistics service provider business. The operation of this business has operated through one of the subsidiary company; namely Mobile Logistics Co., Ltd.

1.1 Policy and Business Overview

1.1.1 Vision, Objectives, Goals, and Business Strategies

Board of Directors has set the Company's business goals for three-year period (the year of 2021-2023) as follows:

Business Objectives and Goals

- Satisfied business operating results
- Business operations by concerning ethics and the benefits of the stakeholders
- Maintain business's competitiveness and always-adjusting to business context changes

Vision : Inspiring Your Smiles

Mission : To Deliver Vibrant Experience

Delivery of the values to the stakeholders

- Delivery of financial value by developing business operation performance in order to maintain long-term business growth and sustainability

- Delivery of non-financial value by developing and creating the customers' satisfaction in the Company's products and services as well as co-creating good partnerships with the business alliances, and the importance of personnel development.

Organizational values : Integrity and Trustworthiness

Corporate Culture : “We ACT”.

The “ACT” is abbreviated from the required behaviors and common characteristics of the personnel to together drive for the same business direction and goals.

- “A” stands for Agility
- “C” stands for Continuous Learner
- “T” stands for Think for Excellence

The Company has set the business strategies in response to the achievement of business goals by concerning the business sustainability and stakeholders' benefits.

- Sales and marketing strategies : emphasis on generating sales of quality and trustworthy products and services in appropriate price in response to the changes of consumers' behavior and promote the consumers' accessibility to quality and safety foods products.
- Efficiency and technology development strategies : emphasis on developing the production machines and production technology in order to ensure the delivery of quality and safety products as well as efficient cost management. The safety of the products and in workplace are strongly put in place at all times.
- Research & Development and Innovation strategies : emphasis on development of better existing products in response to the consumers' needs as well as development of new products in response to the changes of consumers' behavior and affordability. The Company has collaborated with the business partners throughout the whole supply chain to develop the business operation reliability under the concept of fair and business sustainable alliances in the long-term.
- People management strategies : emphasis on maintain of capable personnel as well as jobs security and skills development. In addition, the Company has fairly treated the employee by concerning human right, workplace safety, anti-corruption. The Company also promotes the business partners to treat their employee with fair and in accordance with by laws.

1.1.2 Materials Changes and Developments

There are no significant changes in the Company's shareholding structure, management structure, and business operations during past three years.

The Company has been continuously adjusting and developing business operations in response to the changes of socio-economic context and consumers' behaviors by focusing on strengthening operational efficiency and readiness of production facilities. Significant changes in the year of 2023 can be summarized as follows:-

1) Investment in Production Facilities

Apart from more investment in machines and IT in production process, investment in production facilities expansion has also been additionally implemented.

- 1.1) Investment in production capacity in one of the Subsidiary; namely Surapon Supreme Co., Ltd. The completion of construction and commercial delivery of the products to the customers had been successfully in the first quarter of the year 2023
- 1.2) Investment in production renovation in one of the Subsidiary; namely Surapon Nichirei Foods Co., Ltd. The renovation of one production line in Prachinburi province has been started in order to modernize the production area

2) Investment in Logistics Services Providing Facilities

Investment in the expansion of Logistics services providing facilities in one of the Subsidiary; namely Mobile Logistics Co., Ltd. through rental contract, which aims to increase services facilities and offer more integrated logistics services. The revenue from rendering logistics services has been increased from existing customers and new customers.

3) Investment in Eco-friendly Energy Usage

The group of Company has been already invested in solar rooftop in all factories. In the year of 2023, there are investments in three Subsidiaries; namely Surapon Supreme Co., Ltd., Surat Seafoods Co., Ltd., and Surapon Nichirei Foods Co., Ltd. This investment will help to manage energy cost and contribute to more environmental-friendly operation.

1.1.3 The Use of Funds from Securities Offering

The Company's most recent funding from public was in the year of 2003. The spending of this fund from public offering is to invest in production facilities and machines as well as to reserve as operating cash flow, which is conformed to the funding objective.

1.2 Nature of Business

1.2.1 Income Structure

Group Company's income structure for the past three years by main products/services group is as follows:

Main products/services group	Company	Year 2023		Year 2022		Year 2021	
		Thousand	%	Thousand	%	Thousand	%
		Baht		Baht		Baht	
Revenue from sales of own produced goods (ready-to-eat products)	SSF	402,937	7.15	438,034	7.03	404,466	6.84
	SS	577,143	10.24	789,455	12.68	636,540	10.76
	SUNIF	2,919,670	51.79	3,220,962	51.72	3,260,512	55.10
	SUP	809,135	14.35	858,105	13.78	823,197	13.91
Revenue from sales of own produced goods (ready-to-cook products)	SSF	104,974	1.86	139,958	2.25	117,491	1.99
	SS	41,211	0.73	73,582	1.18	68,334	1.15
Revenue from sales of trading products	SSF	558,984	9.92	525,129	8.43	465,939	7.87
Revenue from rendering logistics services	MBL	218,973	3.88	178,346	2.86	136,581	2.31
Others revenues		4,129	0.07	4,634	0.07	4,258	0.07
Total		5,637,156	100.00	6,228,232	100.00	5,917,318	100.00

Remarks :

- 1) Ready-to-eat products such as dimsum (shumai, bun, hakao, gyoza and etc.), sushi shrimp, frozen cooked shrimp, frozen and processed chicken, and etc.
- 2) Ready-to-cook such as frozen raw shrimp, frozen breaded products, and etc.
- 3) SSF = Surapon Foods PLC.
SS = Surat Seafoods Co., Ltd.
SOFINE = Surapon Finest Co., Ltd.
SUNIF = Surapon Nichirei Foods Co., Ltd.
MBL = Mobile Logistics Co., Ltd.
SUP = Surapon Supreme Foods Co., Ltd.
- 4) Products of Surapon Nichirei Foods Co., Ltd. and Surapon Supreme Foods Co., Ltd. are frozen and processed chicken products
- 5) Mobile Logistics Co., Ltd. provides cold-chain logistics services
- 6) Figures in the above table are shown as not consolidated financial statement but for managerial analysis internally

1.2.2 Product Information

1. Group company's main products are frozen and processed products; comprised of four main categories as follows:-

- 1.1 Ready-to-eat products, which are processed from various raw materials such as chicken, shrimp, pork, vegetables, and etc. The processed products are such as dimsum (shumai, hakao, bun, gyoza, and etc.), fried chicken, stream chicken, shrimp sushi, cooked shrimp, and etc.
- 1.2 Ready-to-cook products which are mainly frozen raw shrimp, frozen breaded products, and etc.
- 1.3 Trading products, which are sourced from all company in the group company and other suppliers both domestic and overseas.
- 1.4 Cold chain logistics services for foods products

Group Company has continuously increased their investment and applied for investment incentives from the office of BOI. The on-going BOI privileges items are as follows:-

Company	No. of BOI privileges	Important respective benefits
1 Surapon Foods PLC.	2	Corporate income tax exempt for 5 years until year 2023. Corporate income tax exempt for 3 years until year 2026. Other benefits such as import tariff exempt for machine, foreigner skilled labor, utility expense deduction, and etc.
2 Surapon Supreme Foods Co., Ltd.	2	Corporate income tax exempt for 6 years until year 2029. Other benefits such as import tariff exempt for machine and equipment, foreigner skilled labor, utility expense deduction, and etc.
3 Surapon Nichirei Foods Co., Ltd.	3	Corporate income tax exempt for 5 years until year 2024. 50% tax deduction for 5 years until year 2023. Other benefits such as utility expense deduction, and etc.
4 Mobile Logistics Co., Ltd.	1	Corporate income tax exempt for 8 years until year 2024. Other benefits such as foreigner skilled labor, utility expense deduction, and etc.
5 Surat Seafoods Co., Ltd.	1	Corporate income tax exempt for 3 years until year 2024 in proportion of 50% of investment value. Other benefits such as utility expense deduction, and etc.

The Company gives the high importance of research & development and business innovation with the objectives of strengthening business competitiveness in our core existing business; frozen foods manufacturer and distributor. The focused areas of R&D and business innovation are as follows: -

1. Products development : focus on existing products development to improve production cost to be matched with the consumers' purchasing power in each market but still put strong position of high quality and trustworthiness. In addition, new products development has been continuously developed to serve the always-changing consumers' behaviors especially more concern of foods safety, healthy, and convenience
2. Raw-materials development : focus on raw materials substitution or alternative raw materials developments in order to secure the supply consistency and quality reliability
3. Services development : focus on developing better and reliable services to the customers from products' introduction, products' value proposition, quality checking, and all after sales services to promote and create the customers' better experiences from consuming our products
4. Process development : focus on internal process improvement and development in order to control and monitor all processes to ensure the products' quality and trustworthiness, as well as to manage production cost efficiently.

Expenses spent on R&D and business innovation are mainly personnel expense by hiring the expert and maintaining capable

personnel in these functions. Total R&D expense in Surapon Foods PLC. during the past three years amounting Baht 11,716,975 in year 2021, Baht 11,790,507 in year 2022, and Baht 11,820,768 in year 2023 respectively.

2. Marketing and Competition

2.1 The Company's marketing policy is mainly aimed to offer selling of frozen foods products to the markets, whose are very high concerned on quality and trustworthiness in the products and services with suitable and reasonable price. The machine-made products are more focused than hand-made products. Most customers are long-term business alliances, consequently, together discuss the win-win business conditions by concerning the best benefits for all parties.

Group Company's revenue, according to consolidated financial statements, is mainly from export sales; accounted for approximately 85% of total revenue. Main export markets are Japan, accounted for 78% of total export sales revenue, Australia 3% and Europe 1% respectively. Main customers are importers; distributing the products to other buyers, restaurants, and retail shops.

Revenue from sales of goods in Thailand market, according to consolidated financial statements, is accounted for approximately 15%. Products to be sold and distributed to all markets/countries shall cover full range of all Group company's products group; ready-to-eat and ready-to-cook products which are produced from all factories of Group company as mentioned in topic no. 1.2.2(1).

2.2 Competing producers, industry situation, and competition situation in same and almost same businesses are located in Thailand and other countries such as Vietnam, India, China, and etc. However, each manufacturer has standing on their own specific business position depending on their strengths and expertises in each different SKUs. The buyers in the markets also differently need depending on their preferences. However, the competitors in other countries are more advantageous in labour cost.

Group Company's business position has highly focused on delivering products and services' quality in order to serve the customers' needs and satisfactions. Group Company's key success factor is not only delivery of quality but also delivery of value proposition of all services to be matched with the customers' group, whose are aware of products' trustworthiness and food safety with reasonable price. Group Company has strong policy to not compete in severe price-competing markets and not compete in low cost products by easing the quality control management. Group Company's management has more focused on generating long-run business growth by closely cooperating with business alliances than the business growth in term of sales volume.

Overview of frozen and processed foods business especially in the Group company's targeted market continues its moderate business growth for years, which is matched with the Group company' business position of more focused on qualitative growth than quantitative growth.

Group Company has closely cooperated with business alliances and customers to create the mutual benefits. Therefore, group company's main customers are mostly medium to large-scale businesses in each market. Even number of customers in each market but the diversification of existing customers is located in various areas/regions/countries, which shall be benefit to internal sales and marketing management and resources management efficiently.

3. Procurement of Products

Production Capacity and Production Quantity

1. Surapon Foods PLC.

- Located in address no. 247, Theparak road, Theparak sub-district, Muang district, Samutprakarn province, Thailand 10270

	Year 2023	Year 2022	Year 2021
Production Capacity (ton)	3,600	3,661	3,401
Actual Production Quantity (ton)	2,700	2,912	2,756
Capacity Utilization (%)	75%	80%	81%

2. Surat Seafoods Co., Ltd.

- Located in address no. 21, Charoenlap road, Thakarm sub-district, Punpin district, Suratthani province, Thailand.

	Year 2023	Year 2022	Year 2021
Production Capacity (ton)	1,714	1,880	1,647
Actual Production Quantity (ton)	1,256	1,658	1,430
Capacity Utilization (%)	73%	88%	87%

3. Surapon Supreme Foods Co., Ltd.

- Located in address no. 509, Kabinburi-Korat road, Kabinburi district, Prachinburi province, Thailand

	Year 2023	Year 2022	Year 2021
Production Capacity (ton)	7,800	6,000	6,000
Actual Production Quantity (ton)	3,920	4,454	5,005
Capacity Utilization (%)	50%	74%	83%

4. Surapon Nichirei Foods Co., Ltd.

- Located in address no. 22/5, Theparak road, Bangphli district, Samutprakarn province, Thailand
- Located in address no. 509/1, Kabinburi-Korat road, Kabinburi district, Prachinburi province, Thailand

	Year 2023	Year 2022	Year 2021
Production Capacity (ton)	20,000	24,900	24,900
Actual Production Quantity (ton)	16,840	18,670	19,834
Capacity Utilization (%)	84%	75%	80%

Raw-materials and Suppliers

Main raw materials used in the production are chicken and shrimp.

1. Shrimp materials : procurement shall be purchased from direct farmers. Buying from direct farmers shall be through both contract-farming and non-contract farming. Almost 100% cultivated shrimp materials and purchased from Suratthani province or neighboring provinces since these areas is the most highest shrimp cultivation area in Thailand as well as is not far from the factory. However, the buying shall be diversified from various farmers and suppliers. Import of shrimp material is mostly from India, which is sea-caught shrimp. Some shrimp materials has been imported from India and etc.
2. Chicken materials : procurement shall be directly purchased from chicken slaughtered factories in Thailand. The buying shall be diversified from various suppliers whose are in northeastern, east, and central parts of Thailand.
3. Other raw materials such as fish, flour, foods ingredients, and etc. : procurement shall be purchased from domestic and oversea depending on quality and specification of each materials.

Total Value of Main Raw-materials Procurement in the Year 2023

Main Raw Materials	Proportion to Total Procurement Value (%)
Chicken	73%
Shrimp	25%
Others	2%
Total	100%

Total Value of Main Raw-materials Procurement in the Year 2023

Proportion to Total Procurement Value (%)	Categories of Main Raw Materials			Total
	chicken	Shrimp	Others	
Domestic Sourcing	71%	26%	2%	100%
Import	0%	100%	0%	100%

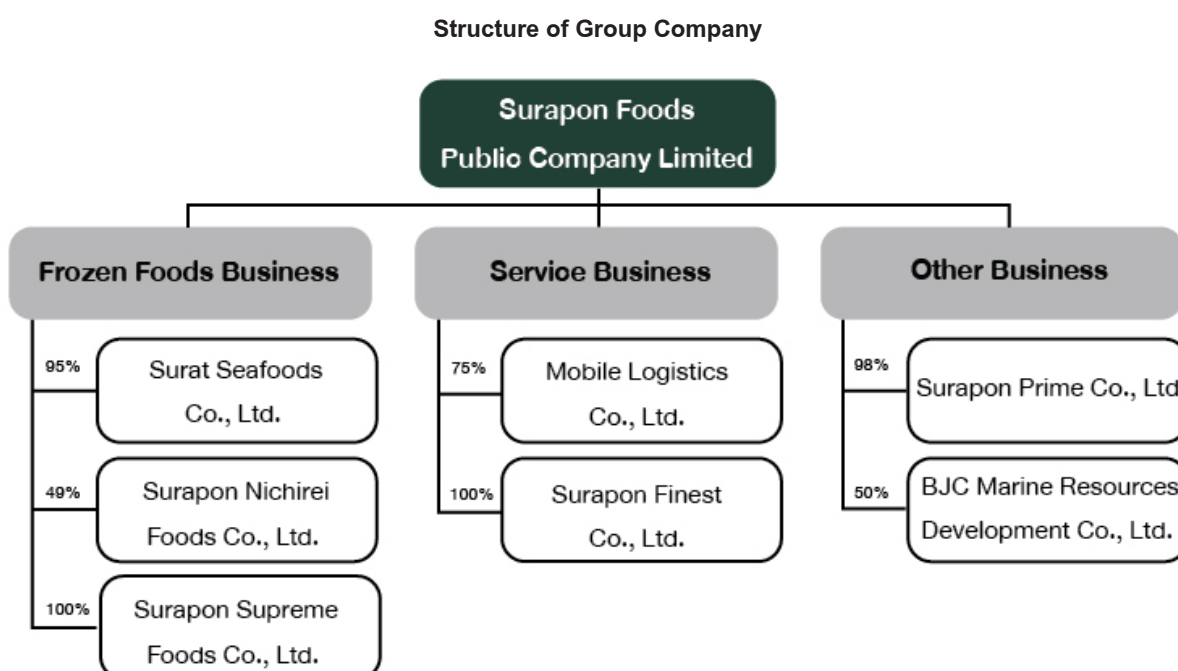
4. Assets Used in Business Undertaking

Group Company's core assets used for business undertaking are mostly production building, production machines, and production equipments, which details are as shown in Attachment 4

The Company has policy to invest in frozen foods manufacturing and distributing business as well as other related businesses, supporting to the core business due to our long-time experiences and expertises. Group Company has established supervision of the subsidiary company policy in order to ensure the business operations and management in the subsidiary company is of the benefits to the Group Company.

1.3 Shareholding Structure

The Company has expanded in other supporting and related to core business businesses such as trading of frozen foods business and cold-chain logistics services. The business operations' organization within the Group Company as well as shareholding proportion in the subsidiary companies are as follows:-



Details of the Subsidiary Companies which the Company holds its share more than 10% of total issued shares are as follows:-

Company	Details of the Company	
Surat Seafoods Co., Ltd. (SS)	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Manufacturer and Distributor of Frozen Seafoods
	Registered Capital	40,000,000 Baht
	Shareholding by SSF	94.94%
Surapon Nichirei Foods Co., Ltd, (SUNIF)	Address	22/5 Moo 4 Theparak Road, Bangpliyai Sub-district, Bangpli District, Samutprakarn 10540, Thailand Tel: (662) 3855021-4 Fax: (662) 3855119
	Type of Business	Manufacturer and Distributor of Frozen Foods
	Registered Capital	100,000,000 Baht
	Shareholding by SSF	49%

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Surapon Supreme Foods Co., Ltd. (SUP)	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Manufacturer and Distributor of Frozen Foods
	Registered Capital	400,000,000 Baht
	Shareholding by SSF	100%
Mobile Logistics Co., Ltd. (MBL)	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Logistics Service Provider
	Registered Capital	300,000,000 Baht
	Shareholding by SSF	75%
Surapon Finest Co., Ltd. (SOFINE)	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Trading of Foods Product
	Registered Capital	30,000,000 Baht
	Shareholding by SSF	100%
Surapon Prime Co., Ltd.	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Registered Capital	107,600,000 Baht
	Shareholding by SSF	97.54%
BJC Marine Resources Development Co., Ltd. (BMRD)	Address	99 Soi Rubia, Sunkhumvit 42 road, Prakanong sub-district, Klongtoey district, Bangkok
	Type of Business	Shrimp Cultivation Farm
	Registered Capital	100,000,000 Baht
	Shareholding by SSF	50%

There is no related person holding the shares in subsidiary companies more than 10% of total shares.

The Company's First Tenth Ranking Shareholders (Information as at February 7, 2024)

Name of Shareholders	Amount of Shareholding	Proportion (%)
1. Vongvadhanaroj Family	120,972,450	44.80%
- Pokai Holdings Co., Ltd.	83,131,300	30.79%
- Mrs.Sukanya Vongvadhanaroj	8,141,260	3.02%
- Mr.Surapon Vongvadhanaroj	8,099,970	3.00%
- Mr.Sorapon Vongvadhanaroj	5,399,980	2.00%

Name of Shareholders	Amount of Shareholding	Proportion (%)
- Mr.Sorapoom Vongvadhanaroj	5,399,980	2.00%
- Miss Soranee Vongvadhanaroj	5,399,980	2.00%
- Mrs.Soraya Sorakraikitikul	5,399,980	2.00%
2. Kraisithisirin Family	35,586,000	13.18%
- Mr.Sithichai Kraisithisirin	14,436,000	5.35%
- Miss Sanravee Kraisithsirin	7,150,000	2.65%
- Miss Sarin Kraisithsirin	7,000,000	2.59%
- Miss Silawan Kraisithsirin	7,000,000	2.59%
3. Jiengwareewong Family	34,235,090	12.68%
- Mr.Chokchai Jiengwareewong	9,235,090	3.42%
- Mrs.Janthip Jiengwareewong	9,000,000	3.33%
- Mrs.Supissara Pechvorakul	8,000,000	2.96%
- Miss Pusanisa Jiengwareewong	8,000,000	2.96%
4. Mr.Aryuth Chansestikul	21,108,700	7.82%
5. Mr.Thanathip Pichetvanichchok	12,575,200	4.66%
6. Miss Woraran Taepaisithpong	5,000,000	1.85%
7. Thai NVDR Co., Ltd.	3,842,142	1.42%
8. Miss Orapun Assamongkol	3,045,000	1.13%
9. Mr. Cheung Lawrence Lup-Kwan	1,896,000	0.70%
10. Mr. Thiwa Jirapatanakul	1,883,000	0.70%

Source: Thailand Securities Depositary Co., Ltd.

1.4 Registered Capital and Paid-up Capital

The Company has a registered capital of Baht 270,000,000, of which Baht 269,999,000 is paid-up capital at Baht 1 per share.

1.5 Issuance of Other Securities

The Company has no issuance of other securities and has no issuance of debt securities.

1.6 Dividend Policy

The Company's dividend payment policy as mentioned in the Corporate Governance policy sub-section 2.1.6 is "The Company's policy is to pay the dividend approximately 60% of annual net profit after tax from Separate Financial Statements, except when investment or cash flow is needed – the Board of Directors could present the Shareholders' meeting to pay the dividend as it fits"

Past record of dividend payment

	Year 2023	Year 2022	Year 2021	Year 2020
Net profit per share (Baht)	0.31	0.76	0.44	0.21
Dividend payment pay share (Baht)	0.4814	0.5185	0.3272	0.2063
Proportion of dividend payment to net profit (%)	69.78%	72.91%	75.00%	100.00%

In addition, one of the Company's subsidiary; namely Surapon Nichirei Foods Co., Ltd. also establishes its dividend payment policy is "Dividend payment shall be entirely paid out from the whole amount of annual net profit after, except when investment or cash flow is needed – the Company's shareholders shall consider to pay the dividend as it fits".

2. Risk Management

2.1 Risk Management Policy

The Company gives and high importance of risk management in the organization to ensure the achievement of business objectives, mission, target, and strategies. Risk Management Committee is responsible for establishing risk management policy, governing and supervising the Company's risk management and implementation, as well as establishing risk management manual to be guideline of risk management's implementation throughout the organization. All function shall set up risk management plan and measure to deal with the relevant risk factors. The Company has publicized risk management policy through the website under the topic of investor relations and sub-topic of good governance.

2.2 Important Risk Factors of the Group Company are as follows:-

2.2.1 Risk Factors on Business Operations

1) Risk from the Volatility of World Economic and the Change of Consumption Behavior

Impacts of declining growth rate of world economic and high level of interest rate to resist inflation in some countries have been affecting consumption expenditure and revenue of Group Company. The change of consumption behavior has affected sales revenue in some selling channels. Group Company has preparing and adjusting sales and marketing strategies at all times in response to such changes.

Risk management measures :

- Appoint working team to closely monitor the situations in trading countries as well as analyze and assess possible business risks affecting business performance. The results of risk assessment shall be reported to the Managements for consideration of business strategies adjustment.
- Increase and more diversify selling channels in current main markets, which shall help to reduce the risk from slowdown of any selling channel as well as more stabilize overall long-term business performance.
- Push more sales to other new markets such as Europe and Asia
- Increase more variety of new products to offer the customers' additional options
- Increase investment of machines and production innovation to increase productivity and manage production cost, to be matched with the decline of purchasing power.

2) Risk from Foreign Exchange Fluctuation

Group Company's revenue is mainly from export sales in term of foreign currencies whereas cost of production mainly recorded from domestic sourcing of raw materials in Thai baht. Therefore, the fluctuation of foreign exchange rate shall inevitably impact business

performance of each selling orders. During recent past years, there have been always new unforeseen and difficult to anticipate factors affecting foreign exchange situation.

Risk management measures :

- Assign specific person in charge to closely monitor and analyze the exchange rate situation and trend with the financial institutions and business partners.
- Implement financial instruments, which is forward contract. Spot rate of exchange rate might be used sometimes in some purchasing orders in case of generating better benefits than the booked forward rate. Group Company shall manage the suitable selling price, which shall match with exchange rate situation and production cost in each selling transaction.
- During the period of exchange rate's high and rapid fluctuation, long-term selling contract with fixed selling price shall be more carefully considered
- Group Company has no policy to speculate the exchange rate. Forward contract of exchange rate shall be mainly booked from the purchasing orders, received from the customers due to the benefits of raw materials sourcing and production planning.

3) Risk from Supply Chain Fluctuation

There have been many situations and external factors occurred such as international dispute, natural disaster from weather serve change, and etc. significantly impact the business operations throughout the whole business supply chain, especially a high increase of production cost such as:-

- High increase of energy cost, especially fuel due to international dispute in some countries and electricity due to the increase of electricity rate charge
- Severe change of weather which is rarely anticipated and much more severe than the past, affecting supply of raw materials
- Consistency of raw material quality

Group Company has been much stricter controlling to prevent the possible raw materials' shortage and raw materials' quality.

Risk management measures :

- Appoint risk working committee in all aspects of business operations to be responsible for monitoring and following-up the situation and relevant information at all time as well as implementing the risk management measures and reporting the risk management progress and result regularly. In case of significant and high-impacted situations, business continuity plan and/or disaster recovery plan shall be implemented immediately. The risk assessment results shall be reported to all concerned persons; especially sales and production functions in order to in advance plan for delivering the products as committed to the customers
- Implement various raw materials' managements such as stock tank management, stock usage management, increase of suppliers, development of alternative and substituted raw materials which are more stabilized supply, and etc. in order to support production adequately
- Redesign operation process to support usage of less-fluctuated raw materials
- Upskill the personnel in procurement and purchasing functions; necessary skills including anticipate and forecast situations of demand and supply during the time in order to better plan for procurement schedule to ensure adequacy of raw materials supply and business continuity
- Invest in solar rooftop in production facilities. This is to reduce energy cost and to be more environmental-friendly business operations
- More invest and develop production machines continuously as well as set up increasing target of machine-made products, which shall help to manage labour cost more efficiently

4) Risk from Reliance of Major Partner

Group Company has no reliance on one only major supplier exceeding 30% of total purchasing amount. However, has relied on one major customer in Japan; exceeding 30% of total Group Company's sales revenue. Most of sales to this major customer is mainly from frozen and processed chicken products through two of subsidiary companies; Surapon Nichirei Foods Co., Ltd and Surapon Supreme Foods Co., Ltd. Surapon Nichirei Foods Co., Ltd. is the joint venture company with this major customer, whereas Surapon Supreme Foods Co., Ltd. is one of OEM supplier.

Risk management measures :

- Group Company has together plan for business target with this major customer. Business target shall cover sales target of existing products and plan for new products. There will be continuously monitoring and following up the sales situation in response to the changed situation of market. Currently, sales to Japan has been covering all major sales and marketing channels, therefore, helps to reduce business risk if sales to some selling channel might decline
- Group Company and this major customer have closely worked on improvement of existing products and launch of new products in response to the consumers' needs in Japan market by utilizing strong expertises from both side
- Group Company has been developing and maintaining best business relationship with this major customer as the best strategic alliance for years, aiming to always generate mutual best benefits in all aspects. Group Company has been also considering as the high trustworthy and supply consistency suppliers to this major customer in Japan market without product delivering shortage. Mutual business objective of Group Company and this major customer is utmost committed to deliver the highest quality and trustworthy to the customers in Japan market
- Surapon Supreme Foods has policy to push its sales to others markets to mitigate business risk

5) Risk form Cyber Threat

Risk form cyber threat has been considering as current risk and emerging risk that might occur in any new form of attacks in the future. Cyber threat might cause damage of the security of networking, important information storage especially production data and customer data, eventually might cause the business interruption. Group Company is highly concern of securities of IT networking, data backup, and important business information storage; especially customers' contact, production technics, products' recipe, and etc.

Risk management measures :

- Group Company has implemented IT security policy, preventive measures on IT security audit, and IT disaster recovery plan as well as the regular rehearsal of DRP plan to recover the important business information; especially production information, sales information, and financial records in order to ensure business continuity
- Invest in more effective cloud technology system, which shall help to be more effectiveness of cyber attack's prevention. In addition, working under cloud system shall support more flexible working mode and strengthen more effective control of working. The monitoring of cloud system's efficiency shall be regular done.
- Monitor new possible cyber threats, and build up and communicate the staffs' awareness of cyber threat, as well as promote IT literacy and new recent technology

6) Risk from the Changes of Trading Regulations and Measures

The changes of trading regulations and measures have been implemented continuously and stricter by trading countries. There have been the changes of regulations in foods business at all times due to the reasons of human's safety protection and world foods security. In addition, trading countries have been more aware of and implemented business regulations; related to ESG issues. Group Company has been preparing at all times to respond to the changes, otherwise the selling might be obstructed in case of non-compliance with the changed regulations

Risk management measures :

- Appoint risk working committee to monitor and study new regulations as well as communicate to the concerned functions for internal process adjustment in response to the changed regulations. The risks and impacts have been also assessed for setting up risk management measures in advance
- Appoint environment working committee to plan and implement the action plans of energy conservation and pollution emission reduction
- Promote and encourage risk working committee and staffs to attend the relevant meetings and seminars to update and understand the requirements. Internal sharing and communication the essence of the changed regulations shall be regularly implemented with all concerned in the organization and the partners.

2.2.2 Risk to Securities Holders

The returns that the Shareholders shall receive from holding the Company's share is dividend payment; directly varied from the business operations' results whereas the business performance shall be affected by the above risk factors as mentioned above. Therefore, the Shareholders might take the risk from not receiving the possible returns from shareholding.

Risk management and measures :

- Group Company has policy and business guideline to focus on operating and investing in core businesses or related businesses that utilize Group Company's long time experiences and expertises. Decision of investment shall be taken into account with prudence and care by concerning the Company's best benefits and be followed the Company's policy of the subsidiary company supervision; the important matters shall have to be approved by the Company's Board of Directors.

- Group Company has also implemented strict internal control, internal audit, and risk management policy and system as the effective tools to mitigate possible risk from business operations mistake. The Company's dividend payment policy is to pay the dividend approximately 60% of annual net profit after tax from Separate Financial Statements.

2.2.3 Risk from Foreign Securities Investment

Group Company has no risk since there is no investment in any foreign security.

3. Business Sustainability Development

3.1 Policy and Objective of Sustainable Management

Surapon Foods Public Company Limited gives a high importance of business operations by concerning sustainable business management, and committing to deliver good values through quality and trustworthiness of products and services

1. Delivery of financial values : focus on operating and developing the business in order to generate long-term and sustainable business growth, together with suitable returns to the Shareholders and deliver good values of products and services to the stakeholders

2. Delivery of non-financial values : focus on delivering quality and safe products together with best services as well as promote human development in the organization

The Board has established and approved business sustainability policy, which is disclosed through the Company's website. The Company is highly aware of sustainable business conduct by concerning good corporate governance, corporate social responsibility, and ESG in order to contribute to long-run sustainable business growth as well as to co-create shared value to the Stakeholders throughout whole business value chain, in response to achievement of sustainable business targets

The Company set up long-term target of business sustainability, which is in line with the Company's vision and strategies, is to operate the business ethically, to deliver good value to the Stakeholders, to operate the business amongst always-changing business environment and high competition, and to generate satisfied business performance

The Company set up KPIs in aspect of sustainable business, which is in line with business sustainability policy, such as an increase of production efficiency, and a decrease of waste and loss, an increase of electricity usage from alternative energy, which is more eco-friendly energy source. The Company set up KPIs of electricity usage from solar rooftop, amounting to 1,040,000 kilo-watt per year. Action plans to achieve this KPIs have been set up such as manage and control solar rooftop installation timeline, control and follow up the usage by expertise engineer, implement preventive and corrective maintenance plans, and etc

The Company's business operations have been equipped and ensured with efficient auditing and monitoring system as well as strictly comply with international quality standards, food traceability, good corporate governance, anti-corruption throughout all business activities

The Company has established corporate social responsibility (CSR) policy and its working guideline, code of business ethics, expected and target treatment to all relevant stakeholders i.e. employees, shareholders, customers, suppliers, competitors, community, and society in order to ensure that the Company's business operations are in line with the reasonable expectations of each stakeholder,

based on together collaboration in long-term business growth

The Company has established the guidelines and targets of CSR implementations by highly focusing on CSR in process implementations, whereas CSR after process has been additionally implemented

1. Guideline and target of the Company’s CSR in process implementations

The Company has highly been aiming to strengthen efficient internal operations management throughout all business activities in order to deliver the best and suitable values of products and services, quality, safe, and trustworthiness as vital part of uplifting the society of foods safety and foods security

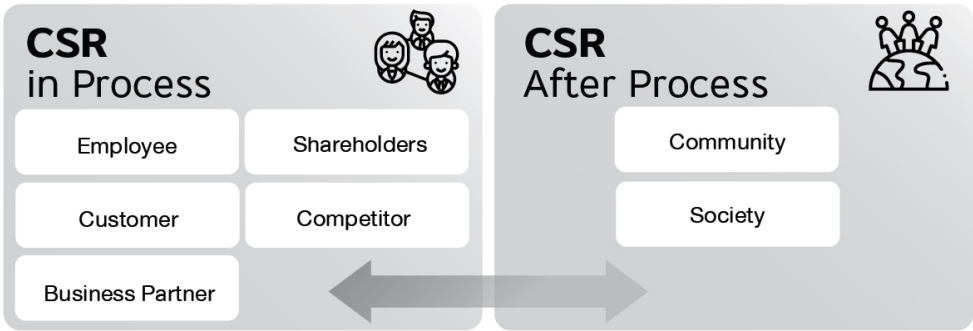
The Company has closely collaborating with business partners, suppliers, other relevant stakeholders to develop better and consistent raw materials to ensure quality and trustworthiness of the products throughout the supply chain

Another but important stakeholder is employees, who have vitally driving the achievements of business targets. The Company has targeted to retain the employee and treat fairly by promoting human development and employee satisfaction, which shall help the employee can contribute to perform their full duties of delivering good products and services according to the Company’s business targets

2. Guideline and target of the Company’s CSR after process implementations

The Company has also promoting social activities for society and community, in parallel to operate the business in compliance with the laws and regulations concerning environment and social

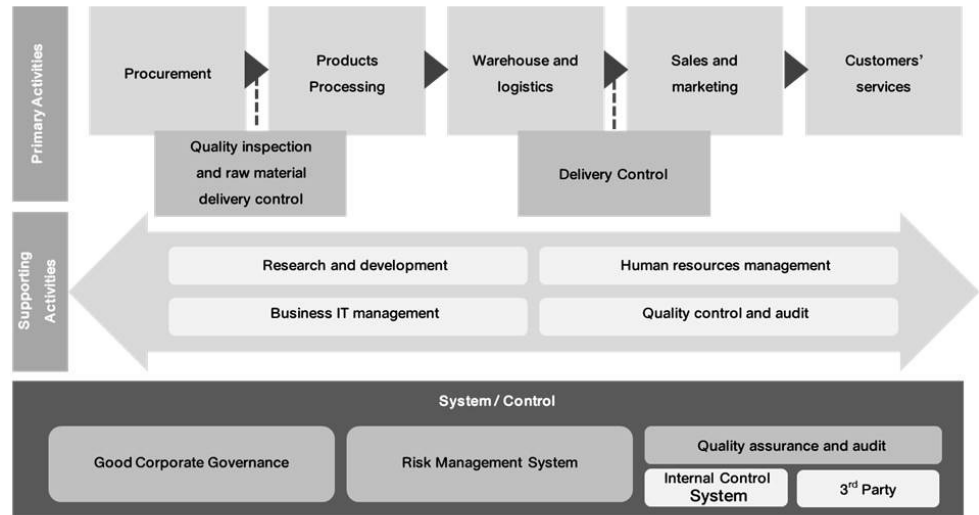
The Company’s CSR after process activities shall mainly aim to participate in other relevant organizations in aspect of promoting foods safety society and more accessibility to safe foods by utilizing the Company’s strong experience and expertise. Most of the activities are such as giving and donating safe foods to young, victims, patients, or sponsoring safe foods to the medical personnel, and etc.



3.2 Management of Impacts on Stakeholders in the Business Value Chain

The Company has committed to develop the business operations, which is aimed to create and deliver quality products and services throughout the business value chain

3.2.1 The Company’s Business Value Chain



1. Primary Activities

The Company's primary activities, relating to the production and delivery of products and services

1. Procurement : purchasing and procurement have been considered as important primary activity due to cost of raw materials is accounted for the highest proportion of total product cost. Quality of raw-materials is also highly impacted to quality of products delivering to the customers, therefore quality control and assurance of raw material before the processing process is strictly audited without compromise

2. Products Processing : the process to transform the combinations of raw material and ingredients to finished products. The production process has been required many inputs such as raw-materials, labor, machines and equipment. The whole process has been strictly controlled to be in compliance with the regulations, standards, and quality control systems, which all processes are traceable

3. Warehouse and logistics : After the products processing, the finished products shall be moved to keep in temperature-controlled room with -18 degree celcius to preserve the most safe, cleanliness, and quality of the products. The warehouse area shall be strictly controlled according to the quality standards. The movement of the products from warehouse to transportation truck and deliver to the customers shall be also strictly controlled by -18 degree celcius at all times

4. Sales and marketing : this activity is aimed to contact and communicate with the customers since the products offering and introduction, negotiation, communication of necessary conditions. All of this process is highly required good understandings of the customers' behavior and products knowledge in order to be able to well-offer the suitable products, which shall match with the customers' needs and production capacity

5. Customers' services : this activity is aimed to provide the best services during the buying and selling negotiation, and after the sales in order to build up the customers' satisfaction, together with provide accurate and useful information to the customers

2. Support Activities

The Company's supporting activities are as follows:-

1. Research and development : this activity is aimed to develop the existing products to be better, and new products in response to the needs of the customers. This activity is also aimed to improve internal production process to be more efficient, lessen waste and loss from the production, and prevent the contaminations during the production process

2. Business IT management : this activity is aimed to utilize more IT system and equipment in all business activities, both primary activities and supporting activities, in order to support the operations more accurate, precise, and efficient

3. Human resources management : this activity is aimed to select and recruit capable and sufficient personnel in order to ensure that the personnel is sufficient and qualified for operating the business smoothly and efficiently

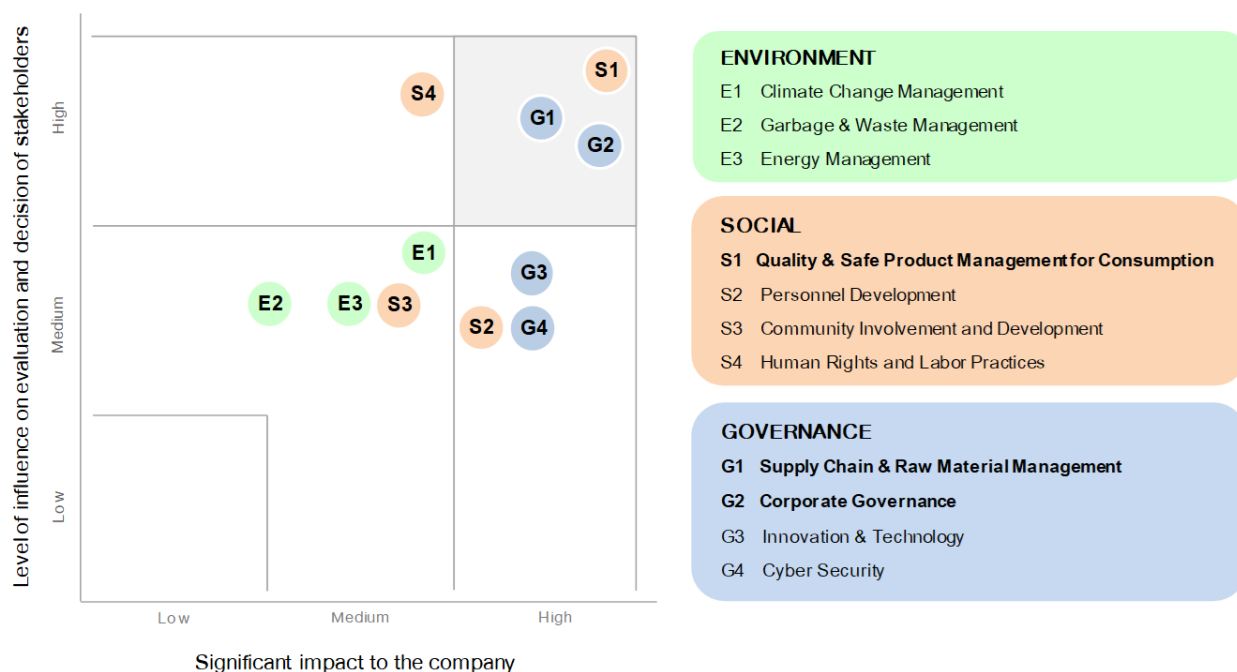
4. Quality control and assurance : this activity is aimed to recheck and assure strict quality and trustworthiness of the products, which shall have to be conformed with the quality standards of the Company, the customers, and relevant regulatory organizations both domestic and oversea

3.2.2 Analysis of the Stakeholders and Material Topics

1. The Company has identified the group of key stakeholders, including analyzed the expectations of the Stakeholders on the business operations as well as identified necessary responses to the expectations of the Stakeholders, and the working guideline to deal with the material topics regarding the business sustainability matters, which can be summarized as follows:-

Stakeholders	Expectations/targets	Response to the Expectations
1. Employee	<ul style="list-style-type: none"> - Sufficient employee to support the business operations - Retain capable employee - Employee satisfaction - Fair treatments - Career growth and security 	<ul style="list-style-type: none"> - Establish human right policy and fair treatments - Comply with labour law - Fair remuneration according to potentials and working efficiency - Fair employment conditions - Implement safety measures in workplace - Open for opinions from the employees - Communicate anti-corruption policy and monitor the implementations - Establish the Company's guideline of treatment to the employees
2. Shareholders	<ul style="list-style-type: none"> - Build and maintain the Shareholders' confidence - Distribute suitable dividend payment - Disclose accurate and sufficient information 	<ul style="list-style-type: none"> - Establish long-term business growth targets - Establish policies and measures to supervise the Company's good governance - Report of important information to the Shareholders - Establish the Company's guideline of treatment to the shareholders
3. Customers	<ul style="list-style-type: none"> - Good quality products and services, safety, cleanliness, and reliability - Satisfaction of the products and accessibility to important information of the products 	<ul style="list-style-type: none"> - Establish policies and necessary systems and procedures to communicate with the customers during the selling/buying period and after sales period - Establish good quality and reliable standards throughout all business process - Disclose important information of the products accurately and adequately - Open for opinions from the customers and also conduct the satisfaction survey to get the information to improve and develop the business operations in response to serve the customers' needs properly - Communicate the Company's anti-corruption policy - Establish the Company's guideline of treatment to the customers
4. Partners/ suppliers	<ul style="list-style-type: none"> - Conduct good business partnerships - Concern mutual and suitable benefits as long-term business alliances - Fair business conduct and together collaborate to anti - corruption 	<ul style="list-style-type: none"> - Close collaboration of business by aiming to develop good quality products and services - Set up fair and proper business conditions - Collaborate with the Company to promote anti-corruption - Establish the Company's guideline of treatment to the partner/suppliers
5. Competitors	<ul style="list-style-type: none"> - Fair business conduct - No misuse and illegal business confidential information 	<ul style="list-style-type: none"> - Establish clear policy to prohibit the access of business confidential information illegally - Establish clear policy to conduct the fair business and avoid improper business advantages - Establish the Company's guideline of treatment to the competitors
6. Community/ society	<ul style="list-style-type: none"> - No disputes on social and environmental issues - Contribute to support the community/society by utilizing the Company's experiences and expertise of safe and quality foods manufacturer 	<ul style="list-style-type: none"> - Strictly comply with the relevant laws and regulations regarding environment and social - Immediate report of non-compliance issues - Support social activities especially sponsorship of quality and safe foods products to the food shortage group - Establish the Company's guideline of treatment to the community/society

2. The Company has established process of business sustainability issues assessment; identify material topics, prioritize the importance of material topics, and check and review the correctness. Results of material topics' assessment is shown as follow: -



The Company's material topics and its importance to the Company's business achievement are as follows:

1. Products' safety management to ensure delivery of good value of products and services, in accomplishment of business targets
2. Supply chain management and raw materials management sufficiency and stability in all aspects of quantity, price, and quality as well as good business partners/suppliers to support the Company's long-term business operation
3. Good corporate governance and efficient risk management to mitigate business risks in order to ensure the achievement of business targets

3.3 Management of Environmental Sustainability

3.3.1 Environmental Policy and Guidelines

The Company is highly aware of business conducts by considering environmental concern. The management of water treatment, waste, and pollution from production process shall be strictly controlled in compliance with the laws and regulations. Moreover, efficient use of resources is also managed and monitored. The Company has been established the guideline of environmental management as follows:-

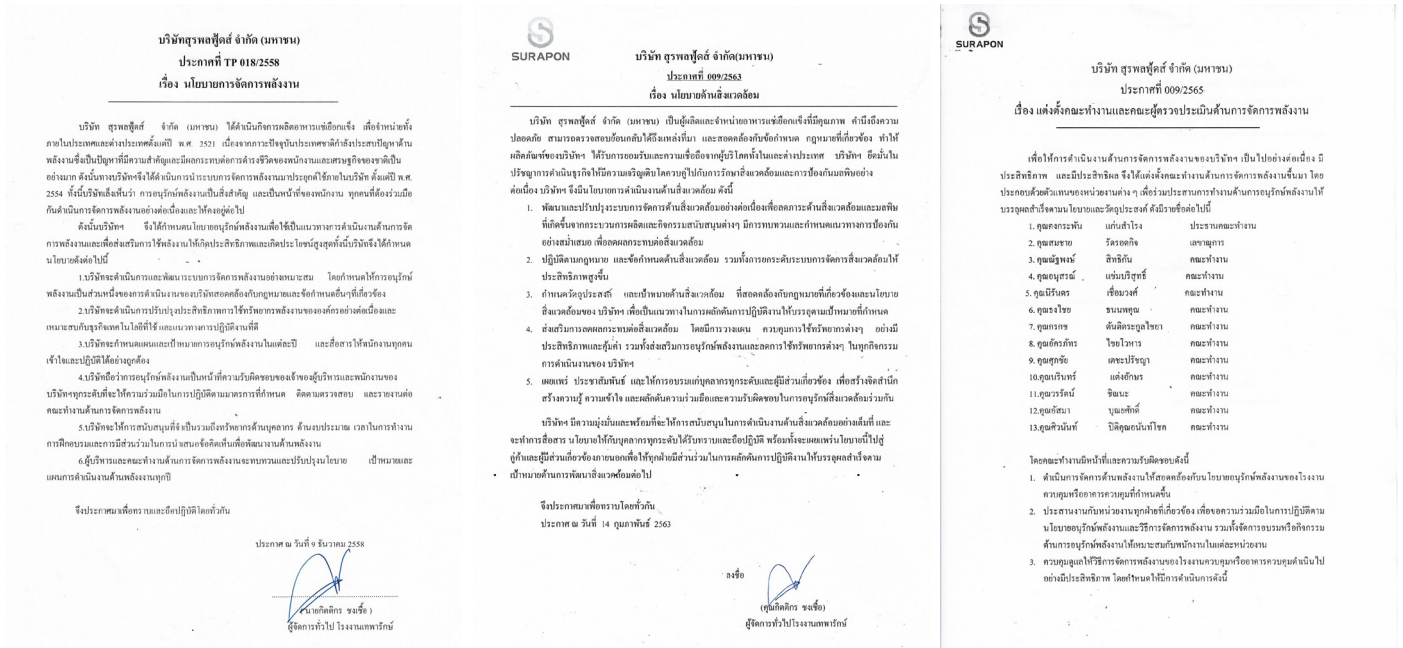
1. Strictly comply with the environmental laws and regulations
2. Operate the business with an aim to prevent negative impacts to the environment and community as well as regularly review and assess the Company's performance of environmental management
3. Utilize the environmentally-standardized technology in production process by concerning the control of pollutions' emission
4. Promote the customers to be aware of environmental practices from consuming the Company's products
5. Utilize and be aware of effective resources usage as well as energy conservation. The working committee of energy conservation has been appointed to assess, monitor, and take care of efficient resources usage
6. Organize and provide activities of waste separation, waste disposal, and resources usage saving
7. Promote the training of environmental matters to the employees

The Company has set up the target of environmental management by concerning the relevant laws, regulations, and the standards in order to ensure that the business operations; not caused to any environment impact

3.3.2 Environmental and Energy Management Results

1. Environment Policy

The Company has established the policies of environment management, energy management, and appoint the working committee on energy management assessment

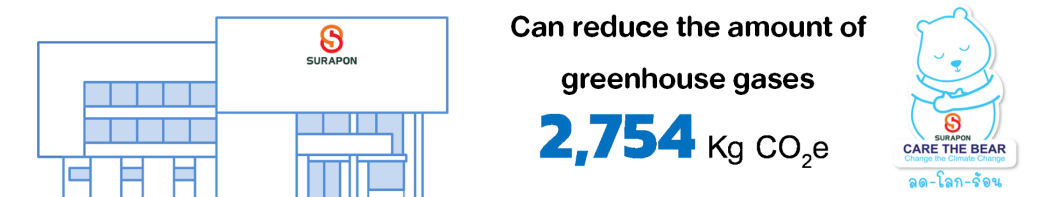


2. Pollution Management

The Company has governed and supervised the control of pollution emission to be according to the standard level as determined by the relevant regulations. Results of the implementations are such as control the quality of water emission by analyzing weekly performance results from laboratory, analyze and assess quantity and quality of sound, light, and heat at least every six months. In conclusion, there is no environmental issue which is not in compliance with the regulations

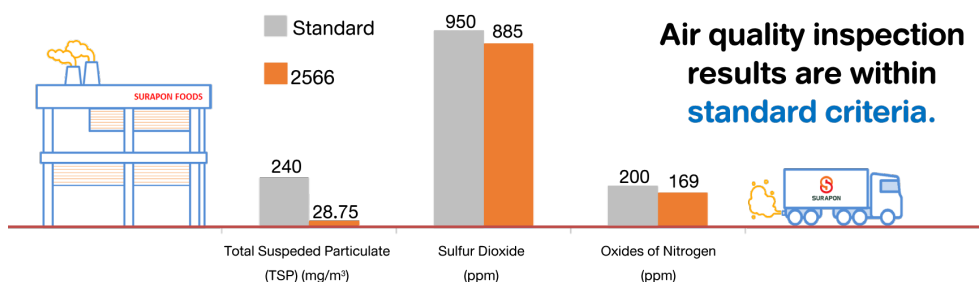
Weather Change Management

The Company has no information of green-house gas emission. However, the Company has participated in Care the bear project, organized by the Stock Exchange of Thailand. The Company has implemented internal activities in support of CO₂ emission reduction such as more e-meeting, e-document, internal activities through electronic form, and etc. In the year of 2023, quantity of CO₂ emission reduction under this project is amounting to 2,754 Kg CO₂e



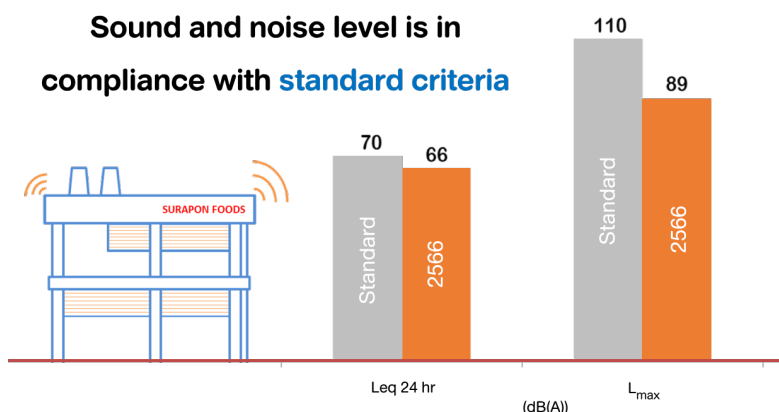
Air Pollution

The Company has conducted measurement of air quality, air pollution emission, dust, sulfur dioxide, carbon monoxide, and nitrogen dioxide, at least twice a year. The results show the quality of air emission are in accordance with the laws and regulations



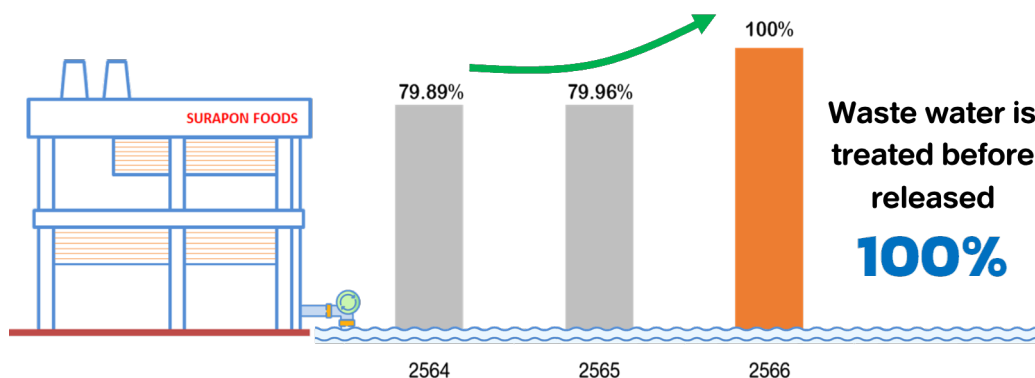
Noise Pollution

The Company has conducted measurement of noise annoyance level at least once a year. The result shows the noise level is in accordance with the laws and regulations



Water Pollution

The Company has managed efficient water emission management, which the result shows the water is treated before emission accounted for 100% of total water emission, increased by 20% compared to the year of 2022

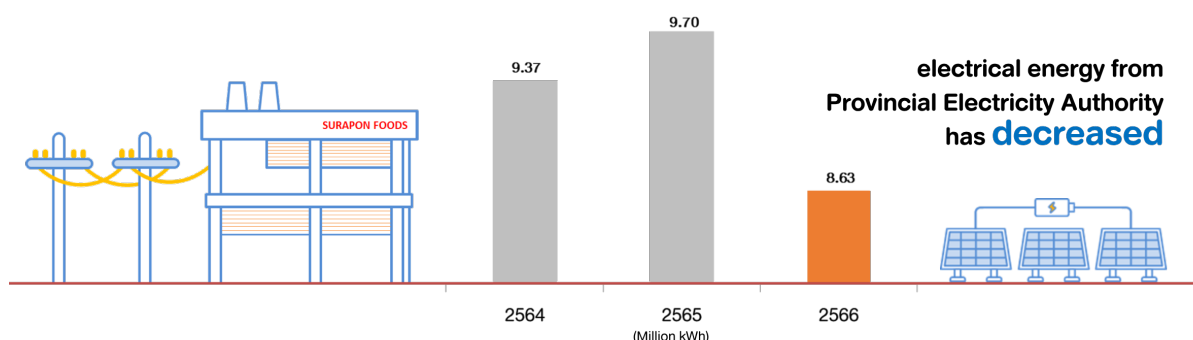


3. Energy Management

- Efficient control of energy usage by concerning energy preservation. Energy data management system has been implemented for energy usage planning
- Set up key performance indicators (KPIs) of energy usage in production process such as electricity, water, and etc. with an aim to reduce energy usage and control of energy cost. Monitoring energy usage has been regularly done at least once a month to ensure the achievement of the targets
- Submit the report of annual energy management, which is in compliance with the regulations of Department of Alternative Energy Development and Efficiency. The report is covering the policy and the implementation of energy management such as the policy, the energy assessment, the implementation according to the plan
- Promote the campaign of energy and natural resources usage in order to most efficiently utilize usage of energy, water, electricity, office stationery through expense saving projects, which the target of saving is set and assessed
- Communicate and train the employees to understand and be aware of environment protection and energy saving through many communication channels such as PR board, meeting, and morning talk activity, and etc.



- In the year of 2023, The Company has invested in Solar rooftop in the factory, which will help to reduce natural resource usage to produce electricity and be of more eco-friendly operation

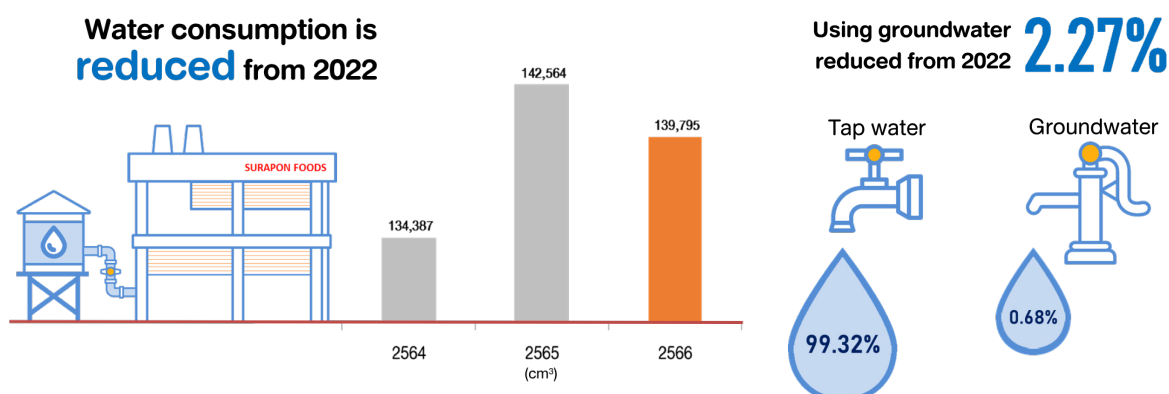


Assign engineering function to be responsible for setting up and controlling the implementations according to preventive maintenance plan and schedule. Monitoring plan of maintenance according to the equipment's lifetime and actual usage time has been regularly checked in order to ensure that the machines and equipment shall be run smoothly with less energy loss

- In the year of 2023, energy management results are as follows: -

Implementations	Results
Invest in Solar rooftop to reduce energy usage and pollution	Reduce electricity usage = 1,107,192 Kilo-watt hour per year
Improve compressor in warehouse area to VSD screw compressor to reduce electricity usage and keep more stabilized temperature in frozen warehouse	Reduce electricity usage = 108,000 Kilo-watt hour per year
Change light lamp to LED lamb in head office building	450 LED lambs which can reduce electricity usage = 24,300 Kilo-watt hour per year
Promote and communicate the employee's awareness of energy conservation and resources usage through various activities such as morning talk, and communication channels	Organize activities of energy conservation and resources usage through various activities such as morning talk and communication channels

The Company policy is to reduce the usage of ground water due to ground water is needed more energy usage to treat the water quality. In the year 2023, usage of ground water is decreased by 2.27% compared to the year of 2022. Water usage decreased by 1.94% compared to the year of 2022

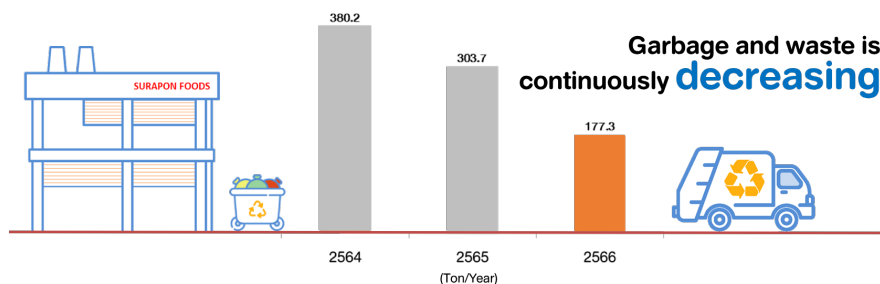


- In the year of 2024, the Company will be targeting to change LED lambs in other working areas in head office building and improve compressor machines in production area, which is aimed to reduce electricity usage as target

4. Waste Management

- Set up the clear working procedure to cope with raw materials' waste from production process which shall not be able to re-use or re-cycle such as used boiling oil, unused vegetable waste, and etc. The policy and procedure of selecting the bidders of unused materials is clearly set

- Promote campaign of waste and garbage separation as well as continuously build awareness of environment protection
- Total waste and garbage quantity in the year of 2023 is decreased to 177 tons from 303 tons in the year of 2022
- The Company operates the discharge of sewage and garbage is in accordance with the laws and the regulations



1. The Company has promoted and communicated the suppliers to operate their businesses in accordance with environment laws and regulations as well as concern of impacts to environment and society, and support development of more eco-friendly products and services. In addition, the Company will collaborate with the customers to develop the products as the customers' need and concern of environment issue

2. The Company and the Subsidiaries has operated their businesses by concerning the relevant laws and regulations and has no issue, which is not in compliance with the environmental laws and has not being inspected by the authorized agencies regarding the violation of the environmental laws during past three years

3. The Company's three-year plan will be to manage reduction of garbage, waste and loss, and pollution by developing working process through more utilization of IT as well as will set up result targets

3.4 Social Sustainability Management

3.4.1 Social Policy and Guidelines

The Company gives a high aware of corporate social responsibility (CSR). Therefore, CSR policy has been established, which the essence of the policy can be summarized as follows:-

1. Organizational level : focus on the business development, human capital development, employee's work-life balancing, and environmental-friendly production process

2. Close-up society level : focus on conducting the business loyalty and fairly to the relevant stakeholders such as customers, partners, competitors, debtors, and community. The Company has operated according to code of business conduct by concerning delivery of good and quality products and services. The Company's contribution to social activities especially educational and environmental activities has been always in place

3. Far society level : The Company, as corporate citizen and Thai exporters to the world market, gives a high importance of legal and regulations compliances; especially food safety and trade regulations and standards as well as good collaboration with other organizations in public and private sectors

The Company has established code of business ethics as well as its working guideline to treat with each stakeholder, which details as prescribed in Attachment no.5 of this report

3.4.2 Social Operating Results

1. Employees' Remunerations and Welfares, Employment, and Termination

The Company has written policy of employment; fair treatments of working conditions, employee treatment, termination, which is in compliance with the laws, the regulations, and human right principle. In the year of 2033, there is all together 547 staffs in the Company

The Company has established policy of the employees' remunerations and welfares by concerning fairness, competitive level compared to the markets, labor laws, business operating results, cost of living, each person's capability, and each person's performance evaluation. The Company has disclosed the employees' remunerations for the year of 2023 in topic no. 7.5 of this report

Apart from salary and wage, the Company's others welfares and employee's benefits are provided such as provident fund, social security, life insurance, health insurance, medical expense, dental treatment expense, scholarship to the employees' child, sick visit

expense, funeral expense, annual health check-up, good performance staff rewards, daily free of charge steamed rice during meal time, shuttle bus, special discount price of the Company's products, and etc. Employee's remunerations are provided equally without difference of gender, however, the remunerations shall mainly depend on experience, expertise, duties and responsibilities of each person

The Company has also supported and promoted the partners and suppliers to operate their businesses with fair remunerations and fair treatment to their employees by concerning labor laws and human right principle

The Company has been highly caring the employees by taking care of fair remunerations, sound working environment, jobs assignments according to each person's capability without discrimination

The Company is highly aware of the employee's health, therefore, the Company has arranged health check-up activities, and provide knowledge of health care through various communication channels

The Company is willing to hear voices and opinions from the employee, which process of exchange opinions will be in compliance with Labor Relations Act

2. Human Development

The Company has established the policy of promoting the employees' competency and potential developments. The competency development has been implemented in all possible methods under the main four competencies categories are as follows:-

- Core competency
- Functional competency
- Managerial competency
- Leadership competency

The Company's employees development framework has been established to be the guideline of implementation and aligned to the Company' performance management system

The Company has set up succession plan and individual development plan (IDP) for key persons in key strategic business areas in order to ensure the Company's business continuity and business achievements in immediate-term, medium-term, and long-term

Operating results

The Company gives a high importance of human capital development. The Company has designed development program, which is aligned with business strategies through various development method such as online training, on-site training, internal knowledge sharing, and public training, and etc.

2.1 Development of key persons under the project of TP's New Shapers Development

This project is aimed at key persons' group in production function. The objectives are to develop specific area of development as follows:

- Coaching skill development
- English proficiency skill development
- Story-telling skill development

2.2 Development through attending public training

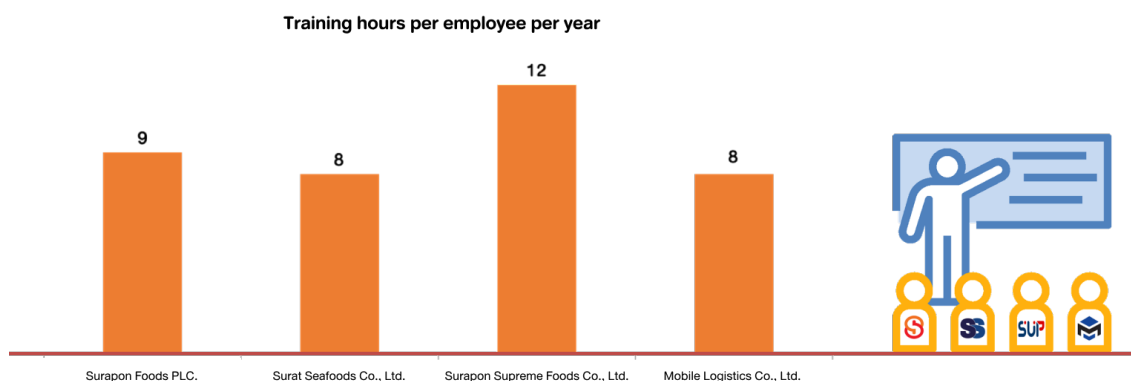
- Bio-security
- BRC Issue 9
- Documentation in ISO/IEC 17025: 2017
- Internal Quality control in ISO/IEC 17025
- Labelling procedure in ASEAN countries
- Update World Food Legislation & Trends 2023-2024
- Energy Usage Analysis in Large-sized Air-temperature
- Industrial Robotic Control
- Bio-security in Laboratory
- Foods Product' Shelf-life Assessment
- Tips for Business Negotiation
- Problem-solving and Decision Making
- Industrial IOT Solution Expo 2023

- CFO Refresher
- Finance for non-finance Manager
- Digital Accounting

2.3 Development through internal training

- BRCGS Food Safety Issue 9
- Safe Fork-lift Driving
- Foods and Foods Labelling Regulations
- First Aid and How to use AED
- Anti-corruption policy
- Happy Money and Personal Financial Planning
- Cyber Security
- COSO-ERM

Average numbers of the employees' training and development hours in the year 2023



Remark : Number of training hours in the above diagram is not yet included other development methods such as OJT, coaching, internal sharing, and etc.

3. Human Rights

The Company is aware of human rights and equal treatment to the employees. The Company, therefore, announces human right policy which is in compliance with Thai laws and standard of SEDEX member's ethical trade audit, the international organization of labor protection and safety in the workplaces in the Company and its business partners

The Company's human right policy has concerned the employees' right, freedom, working equality, career growth, which is in compliance with Provisions of the Constitution of the Kingdom of Thailand regarding right and freedom of the people, Thai labor laws, and the Company's working procedure. The Company's practices shall not discriminate the people by the differences of working position, birthplace, health, economic status, social status, education, or politics opinion

The Company is aware of equal prestige of human being, equal opportunity of working upon their own capability and potential. Everyone has freedom to suggest the opinion, which is of the Company's benefit, by without violating other people's rights

The Company has implemented and complied with human right agreements and relevant laws regarding labor practices by not employing child labor and illegal foreign labor. The Company is always aware of treating the employees alike family members, including respecting to norm, tradition, and culture of the local area where the Company located

Operating results

- Establish and announce human right policy, which is in compliance with the regulations and international standards. The Company shall not employ child labour, illegal labour, as well as not discriminate labour upon their differences on gender, ethnics, religion, and culture
- Submit the Company's agreement to the partners and the suppliers to ask for their cooperation with the Company to comply with labor laws and anti-human trafficking

- Comply with human right principles throughout all employment process. The recruitment of the employees and payment of remunerations is equally treated by no discrimination of gender and religion but shall mainly consider based on knowledges, skill, and suitability of each job. In addition, career growth and development are highly encouraged. The Company also contributes in development of disabled person by employing the disabled employee as well as money donating to the Government's promoting and developing disabled person fund

- Assess the risk from violation of human right and non-compliance with human right policy regularly as well as follow up the relevant laws and regulations continuously, and communicate to all concerned persons to perform their duties in accordance with the set policy and working procedure of personnel management, which shall have to not violate human right principle

- Establish measure of preventing human right violation as well as channels to inform the violation case through complain boxes or whistle-blowing@surapon.com

- There is no violation or illegal case of human right or unfair labour treatment during past three years.

4. Employee's Satisfaction

The Company gives a high importance of the employees' retention as the part of business strategies since human capital is the vital driver of business achievements. The employees are importantly contributing to deliver good and quality values of products and services as the Company's vision

The Company has conducted annual employee satisfaction survey, results from the survey has been considered to develop the employees' satisfaction and engagement. The survey's criterias are comprised of 12 topics as follows:-

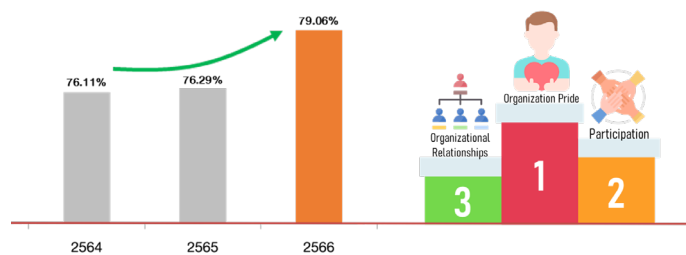
1. Work and life balance
2. Environment and safety
3. Organizational relationships
4. Internal relationships
5. Participation
6. Organization pride
7. Learning and development
8. Career path opportunity
9. Performance management
10. Compensation and benefits
11. Jobs assigned
12. Authority assignment



Operating results

- Result score of employees' satisfaction survey in the year 2023 is equal to 79.06%, which is in line with the targets. The top three topics' score are organization pride, participation, and organizational relationships respectively

- The Company also monitors turnover rate which the result in year 2023 is equal to 0.56% lower than target. The analysis of turnover rate together with exit interview results shall be discussed for further improvement



5. Safety in the Workplace

The Company gives a high importance of safety and working environment in the workplace and highly aware of reducing possible risks and possibility of unsafe situations

Operating results

- Appoints occupational safety officer at professional level, whose qualifications is fully in compliance with the regulations, directly report to the highest executive
- Organize the monthly meeting of safety, occupational health, and working environment committee to consider the unsafe situations and their corrective and preventive measures
- Set up and monitor KPIs accidents within the organization. Number of the accidents in the year 2023 is equal to 5 times

Accidents	Number of cases
Quit the jobs more than 3 days	2 cases
Quit the jobs less than 3 days	1 case
Minor accident without quitting the jobs	2 cases

- Implement additional measures to monitor safety situation in front line of working as well as additional training and communicating the preventive measures and monitoring system to front line operators
- Organize safety and occupational health activities such as annual activity of safety week, fire extinguishing rehearsal, and etc. The safety week activity in the year 2023 has been held on October 27, 2023

6. Customers

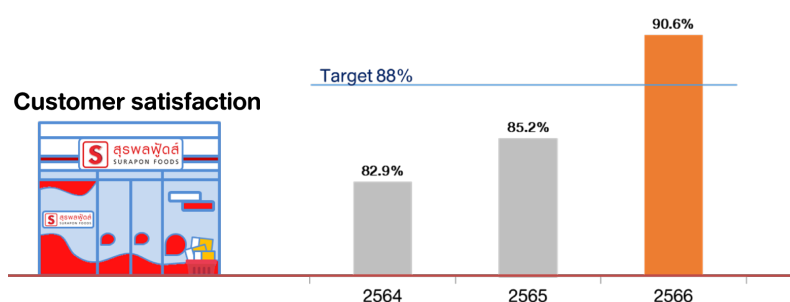
The Company has strongly been committing to respond the customers' needs effectively and promptly. The following guidelines has been strictly implemented:-

1. Strive to deliver the good and quality products by concerning quality standards, food safety, and food traceability
2. Strive to deliver products and services to meet the customers' demands with suitable price
3. Strive to inform the products and services' necessary information accurately, sufficiently, and timely without overstated and/or mislead information
4. Strive to contact and communicate the customers in polite manner by concerning efficiency, and reliability as well as establish and implement the efficient system and process of customers' complaints response
5. Strive to keep the customers' confidential information and not used wrongly for the benefits of the Company or others
6. Strive to provide efficient recommendations to the customers regarding products' usage and services provided.

Operating results

- The Company gives a high importance of the customers' safety and sanitation concerns, therefore, highly aware of strict management in all business process in order to ensure the safety and sanitation
- Establish customer services function as the channels to promptly contact with the customers through telephone, facebook, LINE, and etc. The customers can also question or give suggestion before, during, or after the buying. The Company has been striving to create the customers' good satisfaction and good experience.
- Set up clear process and procedure to manage the customers' complaints issues as following steps:-
 1. Coordinate with the customers within 24 hours after the complaint is submitted to get more information of the complaints. In some case, the appointment to meet the customers might be implemented for gathering additional and completed necessary information
 2. Coordinate with the relevant organizations/functions to review and audit the cause of the complaints/problems, the response to the customers shall be responded by 3 days
 3. In some case, the appointment to re-visit the customers might be implemented to ensure the problem is corrected or well-understood
- Set up field quality assurance team to regularly visit and check the products' quality at the selling points nationwide in order to ensure the products is conformed to good quality standards at all times. In case of the products is not conformed to the standards, field quality team shall give proper advices of all aspects of products' keeping
- Implement plan to develop the customers' satisfaction by concerning the customers' expectation such as develop the products that be able to serve the preference, deliver quality products and services, customers care service, customer service contact, and etc.
- Conduct annual customers' satisfaction survey to gather the necessary information to develop the customers' satisfaction on the

product and services as the Company gives a high importance to deliver the good products and services. The Company has been striving to create the customers' good experience from consuming the products, therefore, KPIs of customers' satisfaction is set up with coverage of the assessment criteria of products' quality, delivery, services, and etc. Results score in the year 2023 is equal to 90.60%, compared to the target of 88.00%



- Implement the project of services quality development to deliver total quality to the customers in all service touch points
- Establish the policy and working procedure in regard of communicating necessary information of the products and services to the customers accurately, sufficiently, not overstated. In addition, disclosure of the products' information and contact channels on the packages shall be conformed to the relevant laws strictly and completely
- Attend the trade exhibition to introduce and exhibit the Company's quality products in order to build up the customers' recognition to the Company's businesses and products
- Establish the policy and necessary measures of personal data protection, privacy notice, as well as implement the data protection in all business process, in accordance with Personal Data Protection Act, including its consequent notifications. Channel to contact the Company's data protection officer can be reached at DPO@surapon.com
- Review code of business ethics, which shall be working guideline of the treatment to the customers with fair and appropriate
- There is no violation and illegal case of consumer protection laws or unsafety from consumption during past three years

7. Partners/Suppliers

The Company is aware of fair treatment to the partner, which is conformed to the international principles under the relevant laws of fair business competition. The wrongful violation of confidential information is prohibited. The following guidelines are strictly implemented:-

1. Strive to operate the business under rules of fair business competition
2. Not seek for the competitors' confidential information wrongfully and improperly
3. No slander of the competitors' reputation

Operating results

- Establish the policy and working guideline of treatment to the partners as well as strictly implement according to the policy. There is no case of the violation of treatment to the competitors in the year 2023
- Review business ethics code, which is covering working guideline of the treatment to the partners/suppliers with fair and appropriate
- Meet and discuss regularly with the partners and suppliers to communicate the Company's important policies such as anti-corruption, targets of quality, and collaboration of quality development in order to ensure the good products and services to the stakeholders by concerning mutual and win-win benefits in the long-term as contributed to the achievement of the Company's vision and mission
- Establish criteria of selection and assessment of the suppliers, covering quality, services, and delivery in order to ensure the good quality of raw material and services are in conformed to the set quality standards, which shall finally ensure good quality of finished goods and service delivered to the end customers
- In process of the suppliers' selection, shall consider fairly and transparently upon the results of assessing quality of the suppliers as set criteria. Conflict of interest with the operators and the approvers shall be regularly audited
- Encourage and support the suppliers to develop eco-friendly products/green products as well as encourage their operations to be in compliance with the laws regarding environment and energy conservation
- Communicate and ask for cooperation from the suppliers to operate their businesses according to the Company's anti-corruption policy and the laws regarding labour and human right

8. Debtors

The Company has strongly been strictly committing to the conditions as committed to the debtors. The following guidelines has been strictly implemented:-

1. Strive to strictly proceed according to loan conditions/commitment as agreed with the debtors
2. Consider the contracts/agreements as well as legally binding conditions carefully
3. Discuss with the debtors timely in case of there might be necessary to request for any change in the loan conditions/agreements. Any change of the conditions shall be carefully considered by concerning appropriateness, necessity, and of benefits to the Company
4. Take care of paying back the loans according to the agreed loans' condition
5. Strictly follow and monitor the use of loans according to the objective of borrowing
6. Not conceal the facts and necessary information which impact to the debtors' damages. In addition, the Company shall disclose the necessary facts/information to the debtors
7. Commit to manage the business efficiently without loan payment default as well as shall maintain the best ability to pay back the loans
8. Maintain good and trust relationship with the debtors
9. In case of financial supports to the subsidiaries or related person, the Company shall carefully consider by concerning the necessity and the benefits. In case of significant transaction, shall submit to the Board and Audit committee for their considerations. In consideration of related parties' transaction, shall follow the criteria and procedure according to the laws and the regulations

Operating results

- In consideration of borrowing and leasing for asset acquisition, shall consider the necessity of assets' usage
 - Follow the loans' conditions and guarantee conditions strictly. There is no payment default and no violation of loans' conditions.
- In case of borrowing for asset acquisition, shall monitor assets' utilization in order to ensure that the investment is of the benefits and is conformed to loans objectives
- There is no case of loan default or violation of guarantee condition
 - Monitor financial status and cash flow management closely

9. Intellectual Property and Copyright

The Company gives a high importance of intellectual right and copyright protection, therefore, establish the policy and working guideline of using computer, internet, and any information system, which is in compliance with Computer-related Crime Act B.E 2560 as follows:-

1. Prohibit the employees to download any program without prior permission
2. Not support the individual to use illegal software or any illegal product violated to the copyright or intellectual property
3. Train and communicate the employees to understand the IT security policy and working guideline of using computer and internet
4. Not permit to violate any form of intellectual property, copyright, and others' confidential information.

Operating results

- Establish and review IT policy as well as communicate to the employees. The policy shall be reviewed by IT functions. The implementation of IT policy shall be audited by Internal Audit function regularly at least once a year
- Assess risk of IT and cyber threat as well as the required measures to manage the risk regularly at least once a year
- Organize the new staffs' orientation, covering topic of IT policy
- Set up the written criteria of modifying IT program and application. The change of the program shall have to be approved by IT function and the Authorizers
- Audit and review the employees' usage of IT program regularly at least once a year
- Communicate and ask for collaboration from the suppliers and the partners to not violate the lawful intellectual property and copyright
- In case of consultation of IT matters through various communication channels such as IT help desk system, telephone, email, and intranet system
- More invest in more efficient IT system; cloud technology system and IT security protection system
- There is no violation of intellectual property, copyright, and confidential information cases

10. Anti-Corruption

The Company has strongly committed to their business operations by concerning good corporate governance principle in order to generate best benefits to the shareholders and the relevant stakeholders. The Board of Directors approves the anti-corruption policy and review the policy regularly at least once a year. Essence of the policy can be summarized as follows:-

1. Operate the business by concerning transparency principle. The directors, the executives, and the employees are prohibited to give, commit, ask, and request for unlawful money or non-money benefits, or other actions related to bribe

2. Establish the anti-corruption policy and its guidelines in all possible forms of corruption; political support, donation, sponsorship, gifts, and reception and entertainment expenses. Moreover, other related anti-corruption policies have been established such as good corporate governance policy, internal audit and internal control policy, risk management policy, supervision of internal information usage policy, corporate social responsibility policy, and conflict of interest protection policy. The Company shall govern, monitor, and follow up the implementations according to the policies by concerning transparency, not violation of laws, and providing the best efforts to protect and prevent the wrongful actions in the organization

3. Develop efficient human management system to enable the employees' capability as well as to promote corporate value and culture of anti-corruption. Moreover, the Company shall regularly communicate the anti-corruption and code of business ethics to the employees

4. Arrange the suitable and efficient internal control system to support the anti-corruption prevention and good corporate governance in the organization

5. Assess risk of corruption as well as determine and implement the necessary measures to deal with the risk

6. Arrange the whistle-blowing channels for the employees and the stakeholders can submit and inform the Company regarding corruption and/or corporate governance cases

7. Arrange accurate financial reports, which are in compliance with the financial reporting standards

8. Procurement function shall operate with transparency and shall be in compliance with the laws, the regulations, and the procedure. Procurement process shall be audited regularly

9. The directors, the executives, and the employees, are responsible for monitoring and preventing corruption in the organization. In case of corruption or possible corruption case found, shall have to inform the incident to the heads or inform through whistle-blowing channels. The Company shall commit to keep the whistle-blower as strictly confidential

10. The directors, the executives, and the employees agree and accept to perform their duties in compliance with anti-corruption policy and Thailand anti-corruption laws. In case of violation of anti-corruption policy, shall be penalized as stipulated in the working procedure and might be filed for legal punishment

11. Establish the process of declaring and informing anti-corruption policy and its working guidelines to the subsidiary companies

Apart from anti-corruption policy as mentioned above, the Board of Directors also approve other supporting policies to prevent and protect corruption as publicized through the Company's websites as follows:-

1. Political supports policy

2. Donation and sponsorship policy

3. Human resources management to prevent corruption policy

4. Whistle-blowing policy

5. Conflict of interest prevention policy

6. Employment of Government Personnel policy

The Company has disclosed all above policies through the Company's website under topic of investor relation

Operating results

- The Company is re-certified to be member of Thailand's private sector coalition against corruption (CAC) on December 22, 2021
- The Board, the executive, and all employees sign to commit and to perform their duties according to the anti-corruption policy
- Assess risk of corruption as well as monitor the risk at least once a quarter through risk management committee
- Communicate anti-corruption in the organization through various channels such as whiteboard, training, VDO clip under the key concept of "not endure, not allow, and not ignore" to all wrongful actions
- Internal audit function has regularly audited the employees' understanding of anti-corruption policy and its guidelines, and then report the audit results to Audit committee

- Establish whistle-blowing channels, by postal or whistle-blowing@surapon.com as well as communicate the channels, the protection system, the investigation committee according to the whistle-blowing policy
- Submit and send the letter to the partners and the suppliers to acknowledge the Company's anti-corruption policy and ask for collaboration to follow the policy
- Communicate no gift policy in all seasonal greetings



- Organize Anti-corruption day for the year 2023 on October 27, 2023. The activities include communication and awareness building of anti-corruption



11. Social and Community

The Company gives a high importance of social concerns and also supports social activities regarding community development as follows:-

1. Support and participate in social activities of public services and volunteering events
2. Support and participate in promoting tradition event/activities in local area, where the Company located

Operating results

The Company has participated in social activities as well as encouraged the employees to participate in social activities. In the year 2023, some social activities and community supports are as follows:-

1. Surapon Foods' Blood Donation with Hearts

The Company organized 4 times activity of Surapon Foods' Blood Donation with Hearts. Total donated blood given to Thai Red Cross Society is equal to 59,500 c.c.



2. Surapon Foods' in support of Children Day 2023

The Company sponsored the Company's products to Theparak sub-district Municipal and schools in Samutprakarn province and Prachinburi province



3. Surapon Foods' in support of Smile Meals

The Company sponsored delicious and safe meals, drinking water, clothes, and consumer goods to The Surattthani School for the Blind



4. Surapon Foods' Used Calendar Donation

The Company and the staffs collected and shared used calendar to reproduce as Braille code book through Foundation to the Blind in Thailand



5. Surapon Foods' in support of International Day of Person with Disabilities

The Company sponsored delicious and safe meals to the disabilities through the Office of Social Development and Human Security in Prachinburi province



6. Surapon Foods' in support of Nong-ki Sub-district Health Promoting Hospital's Charity Run

The Company sponsored delicious and safe meals to Nong-ki Sub-district Health Promoting Hospital's charity run activity



7. Surapon Foods' in support of HR club 304 Half Marathon 2023

The Company sponsored delicious and safe meals to HR club 304's Half Marathon 2023 activity



8. Surapon Foods' Scholarship

The Company gives 50 scholarships to the staffs' children.



9. In the year 2023, there is no issue or dispute of social, community, and environment

12. Innovation Development

The Company gives a high importance of research & development and business innovation development as one of the most important factors to achieve the business targets. The objectives of the development are to improve the better existing products as well as develop new products in response to the changes in consumption behaviors, which need more economical value of products and services. The development shall cover all aspects of business management in order to strengthen business competitiveness;

1. Product development : focus on improve existing products to be more competitive and matched with the customers' affordability as well as develop new products to respond the customers' changed behavior
2. Raw-materials development : focus on substituted or alternative raw-materials usage development in order to stabilize the quantity and quality consistencies as well as better control quality traceably
3. Services development : focus on customer service development in order to provide good experience and reliable service to the customers
4. Process development : focus on production process improvement in order to stricter control quality, reduce waste and loss, more efficient manage production cost, and more utilize machines and equipment

Operating results

The Company has developed and improved production process continuously by utilizing machines, equipment, and technology in order to increase production capacity, substituted raw materials usage, and new products development. Expected results are to reduce product cost, maintain competitive price which match with purchasing power and needs of the customers, and increase revenue from new products.

4. Management Discussion and Analysis

Summary of Operating Results in the Year of 2023

Profit for the year 2023 of Surapon Foods Public Company Limited and its subsidiaries (or “the Company and its subsidiaries”) was Baht 303.5 million (2022: Baht 166.7 million), which was increased by Baht 136.8 million or 83.5%, compared to the year 2022. The profit attributable to owners of the parent of the year 2023 was Baht 130.4 million (2022: the profit was Baht 83.5 million), which was increased by 46.9 million or 56.2% compared to the year 2022

In the year 2023, economic growths in global and the Company's' main export countries was slowing compared to the year 2022 due to various factors such as geopolitical dispute in some countries, high price level of consumer goods and foods products, high level of interest rates to counter an increasing pressure of inflation, economic uncertainty affecting consumer confidence, and etc. led to an increase of caution to spend and afford

Revenue from sales of goods of the Company and its subsidiaries in the year 2023 is amounting to Baht 5,074.7 million, decreased by Baht 643.5 million or 11.3% compared to the year 2022. This decline is mainly attributed to decrease of export sales revenue, particularly from frozen processed shrimp and frozen processed chicken products to Japan. This is due to Japan economy has been growing less than expectation as well as real purchasing power of consumers has not been increasing from high price level of food prices but stable income. The customers' level of inventory balance was still high and slowly move out. Consequently, the customers of the Company and its subsidiaries have delayed and postponed placement of additional purchasing orders from all manufacturers

Revenue from sales of goods in Thailand in the year 2023 is amounting to Baht 590.5 million, increased by Baht 22.6 million or 4.0% compared to the year 2022. This increase is mainly attributed to higher sales of goods through hotel and restaurant channels, which are main sales channels before the spread-out of COVID-19 virus

Revenue from rendering of services in Thailand in the year 2023, which is temperature-controlled logistics services through one subsidiary; namely Mobile Logistics Co., Ltd. is amounting to Baht 174.2 million, increased by Baht 44.0 million or 33.7% compared to the year 2022. This increase is due to an expansion of services areas and offering more integrated logistics services in response to the customer's needs from an increase of domestic economic activities, resulting in an increase of revenues from both existing and new customers

Operating Results in the Year 2023

Revenue from Sale of Goods

Revenue from sales of goods in the year 2023, according to the consolidated financial statements was Baht 5,074.7 million, decreased by Baht 643.5 million or 11.3%, compared to the year 2022. The significant differences are attributed to the changes in revenue of the Company and its subsidiaries as follows:

1. Revenue from sales of goods of the Company

Revenue from sales of goods was decreased by Baht 70.1 million or 12.1%. This is mainly attributed to a reduction in export sales revenue due to slowdown of economic and consumption main markets; Japan, Australia, and the United Kingdom. Main customers have been unable to sell the products as expected plan, leading to a high level of inventories balance. Accordingly, the customers have decreased their buying of goods from the Company. However, domestic sale was increased by Baht 22.5 million or 8.1%, mainly due to an increase of sales through hotel and restaurant channels, which is aligned with an increase of economic activities and tourism sector activities

2. Revenue from sales of goods of the subsidiaries

2.1 Surapon Finest Co., Ltd. : one of the subsidiary, trade and sales of frozen foods products in Thailand, there was an increase in revenue of Baht 33.9 million or 6.4%. This was attributed to Thailand's economic and consumption recovery after COVID-19 situation, consequently, sales revenue through main distribution channels were increased, especially restaurants and hotels. The company also expanded sales in provincial areas, as well as expanded sales from new customers and new products

2.2 Surat Seafoods Co., Ltd. : Revenue from sales of goods was decreased by Baht 245.2 million or 28.3%. Main reasons were a reduction in sales to Japan due to increase of price competition from other competing countries as well as economy has been growing less than expectation, affecting consumers' purchasing power. The company has more focused on selling high-quality products at suitable price to targeted customers than competition on selling price to push sales quantity growth. There also was an effort to push sales to other markets and customers such as Taiwan, China, South Korea, and etc. Therefore, although sales revenue was decreased, overall operational performance increased

2.3 Surapon Nichirei Foods Co., Ltd. : Revenue from sales of goods was decreased by Baht 301.3 million or 9.4%. Main reason was a decrease in sales to Japan. However, the Company has improved existing products and developed new products, which is good responded and accepted from the consumers. In addition, there also were improvement of internal processes and better optimization of cost management. As a result, although sales revenue was decreased, overall operational performance was increased

Revenue from Rendering of Services

Revenue from rendering of services; temperature-controlled logistics services through one of the subsidiary; Mobile Logistics Co., Ltd. in the year 2023 is amounting to Baht 174.2 million, increased by Baht 43.9 million or 33.7%. This was mainly due to an expansion of logistics services area through additional leased external spaces as well as more offering integrated logistics services such as storage, bulk transportation, unit-based transportation, document handling, and various additional services tailored to individual customer needs. An increase of revenue is a result of both existing and new customers expansion

Gross profit margin

Gross profit margin from sales of goods in the year 2023 was 13.6%, whereas 10.7% in the year 2022. Although there was a decrease in production and sales volumes, the ability to manage the gross profit margin has been enhanced. This is mainly due to a reduction in the cost of producing goods, which positively gained from main raw-materials market situation and market price, especially shrimp, chicken meat, palm oil, and soybean oil. This improvement is further supported by the development of efficiency and productivity in production process, enhancement of labor skills, and a reduction in production losses and wastes

Distribution cost

Distribution cost is amounting to Baht 213.8 million, decreased by Baht 113.4 million or 34.7%, aligning with decrease of revenue from export sales. Volume and number of sea transportation transactions and decline of global sea freight rate significantly led to decrease of distribution cost

Statement of Financial Positions

Assets

As at December 31, 2023, total assets of the Company and its subsidiaries amounted to Baht 4,156.1 million, a decrease of Baht 69.4 million or 1.6% compared to December 31, 2022. The significant changes can be summarized as following:

1. Cash and cash equivalents as at December 31, 2023, amounted to Baht 458.1 million, increased by Baht 132.4 million or 40.7%. During the year 2023, there were net cash from operational activities amounted to Baht 644.1 million, net cash used in investment activities amounted to Baht 137.3 million and the net cash used in financing activities was Baht 374.4 million

2. Property, plant and equipment as at December 31, 2023, amounted to Baht 2,465.3 million, decreased by Baht 171.2 million or 6.5%. During the year 2023, the Company and its subsidiaries acquired assets for building improvements, machineries, and equipment totaling Baht 120.6 million, and incurred depreciation expenses of Baht 292.7 million.

Liabilities

As at December 31, 2023, total liabilities of the Company and its subsidiaries amounted to Baht 1,781.9 million, decreased by Baht 75.9 million or 4.1%. Significant changes can be summarized as following:

1. Other payables as at December 31, 2023, amounted to Baht 314.8 million, increased by Baht 48.5 million or 18.2%. This increase is due to dividends payable, which the subsidiary company will pay to the non-controlling interests in the year 2024
2. Short-term loans from financial institutions as at December 31, 2023, amounted to Baht 624.8 million, decreased by Baht 50.5 million or 7.5%. This decrease is attributed to the improvement of the Company and its subsidiaries' operational performance, leading to repayment of short-term borrowings
3. Long-term loans from financial institutions as at December 31, 2023, amounted to Baht 281.3 million, decreased by Baht 44.9 million or 13.8%. This decrease is a result of continuous repayment of long-term borrowings

Equity

As at December 31, 2023, total equity of the Company and its subsidiaries amounted to Baht 2,374.2 million, increased by Baht 6.4 million or 0.3%. This increase was due to the Company and its subsidiaries posted net profit of Baht 303.4 million, the Company paid the dividends amounting to Baht 130.0 million and the subsidiaries paid dividends to non-controlling interests amounting to Baht 167.0 million

Liquidity

The statement of cash flow of the Company and its subsidiaries for the year ended December 31, 2023, compared to the corresponding year 2022, is as follows:

1. Net cash inflow from operating activities amounted to Baht 644.1 million, increased by Baht 347.5 million or 117.2%. This increase is attributed to higher net profit in the year 2023 and increased net cash flow from trade receivables and inventory
2. Net cash outflow used in investing activities amounted to Baht 137.3 million, decreased by Baht 170.7 million or 55.4%. This reduction is due to cash paid for the purchase of buildings and equipment was decreased by Baht 170.1 million
3. Net cash outflow used in financing activities amounted to Baht 374.4 million, increased by Baht 307.1 million or 456.7%. This increase is attributed to repayment of short-term borrowings from financial institutions

The Company and its subsidiaries prioritize effective financial management and securing funds with appropriate financial costs as well as closely monitor and maintain financial liquidity while emphasize an importance of sufficient cash flow and continuous business operations. In the year 2023, sources of funds for operations came from operational cash flow, short-term and long-term borrowings from financial institutions, or among group companies, without issuance of bonds, debt securities, or additional equity

Important factors that may affect the financial position or operational result of the Company and its subsidiaries in the future (Forwarding looking) both of current and future can be summarized as follows:

1. The Company and its subsidiaries' current and future businesses has been mainly operating in frozen foods or particularly related businesses which mainly rely on main raw materials of agricultural products such as chicken, shrimp, pork, fish, and etc. Quantity and price of agricultural products have been always fluctuated according to different seasons, environment, weather, consumption demands, disease and the consumption by both of Thailand and foreign countries. Therefore, raw materials sourcing ability as well as production cost management shall definitely impact the Company and its subsidiaries' profitability. Consequently, the Company and its subsidiaries have been trying all best efforts to secure adequacy and consistency of raw materials. Many managements and actions have been intensely implementing such as additional sourcing from new suppliers domestically and non-domestically, keeping the appropriated inventories balance and sufficient for production to deliver the goods to customers as plan as well as developments of substituted and alternative raw-materials, which are more stabilized, in order to mitigate business risks and maintain business continuity
2. Production of the Group Company has required labor, in which has been impacted by many factors such as labor shortages from the spread out of diseases in humans, restrictions of importing foreign labor during certain periods, changing the population of Thailand with the birth rate steadily decreasing, job selection behavior of the new generation including the adjustment of the minimum wage, etc. Such factors affect the sufficiency of labor and labor costs in the cost of production, and it looks like more serious impact

in the future. The Company and its subsidiaries manage those by annually setting the investment budget and continuously apply the machines to the production process, including increasing the recruiting channel to fulfill the labor as requirement as well as considering the wage or salary of employee to be suitable for the market of such located plant. In addition, using and utilizing machines in the production process also contribute to production efficiency, decrease of cost of production and can control quality more consistently

3. Majority of revenue from sales of goods of the Company and its subsidiaries is export to the customer in Japan. Accordingly, the Company and its subsidiaries manage such risk by increase the number of customers and the number of sales channels in Japan including trying to increase sales to other markets and other countries such as Australia, Taiwan, South Korea, the United Kingdom, and etc. To achieve this goal, the Company and its subsidiaries have been developed and push sales of products that are suitable for each market

4. The Company and its subsidiaries' businesses are mainly depended on export, accounted for more than 85-90% of total revenues. Therefore, economic, social, and political factors both domestic and global will definitely impact the fluctuation of foreign exchange rate, leading to significant impacts to the Company and its subsidiaries' revenues and performances. The Company and its subsidiaries, therefore, have been managing this business risk by entering into forward contract of foreign exchange together with using the spot rate from time to time for production cost management and selling planning. The offering selling price to the prospect customers will be matched with exchange rate in each period. The Company and its subsidiaries also monitor and foresee the situation of foreign exchange at all time

5. The changing of behavior and consumption patterns to more aware of health, safety and hygiene, the Company and its subsidiaries has closely followed the developments in such consumption patterns as well as prepared itself to support the operations being in line with the expectations of stakeholders in business sustainability concern such as development of new products with non-meat protein, offering sales and services price without price competition but focusing on delivering value of quality and reliable products and services. Those will lead the sustainable sales in the long term. The Company and its subsidiaries developed and improved the production processes, being in line with requirements and expectations of partners in terms of environment and social responsibility. The Company and its subsidiaries and its suppliers also make the business development together to ensure that the raw materials have consistent quality. Finally, all of them will lead the business operations of the Company and its subsidiaries sustainability including benefit of the Shareholders and the Stakeholders in the value chain.

The Company and its Subsidiaries' Key Financial Ratio

Liquidity Ratio	2023	2022	2021
1. Liquidity ratio	1.11	0.99	1.20
2. Quick ratio	0.57	0.47	0.65
3. Operating cash flow to current liabilities	0.49	0.25	0.66
4. Account receivables turnover	17.87	19.54	20.85
5. Debt collection period	20	19	18
6. Inventory turnover rate	14.36	17.35	18.32
7. Average inventory period	25	21	20
8. Inventory turnover	6.71	8.47	8.90
9. Average sales period	54	43	41
10. Account payable turnover	20.79	20.28	17.03
11. Debt payment period	18	18	21
12. Cash Cycle	57	44	37

Profitability Ratio	2023	2022	2021
1. EBITDA (%)	12.95	8.90	14.43
2. Gross margin (%)	13.37	10.48	14.81
3. Operating profit margin (%)	6.38	3.20	8.53
4. Net profit to total revenue (%)	5.65	2.77	7.71
5. Return on equity	12.80	6.72	17.87
6. Capacity utilization Rate (%)	74.64	76.00	80.74
7. Return on fixed assets	2.03	2.13	2.05
8. Other revenues to total revenues (%)	2.34	2.68	2.72
9. Cash to profit margin (%)	192.20	158.35	152.36

Financial Policy Ratio	2023	2022	2021
1. Interest coverage ratio (ICR)	22.10	30.13	41.46
2. Debt service coverage ratio (DSCR)	0.94	0.64	1.65
3. D/E ratio	0.75	0.78	0.61
4. Interest bearing debt to equity (IBD/E ratio)	0.41	0.45	0.28
5. Dividend per share (Baht per share)	0.37	0.48	0.52
6. Dividend to profit (%)	64.89	69.78	72.91
7. Dividend yield (%)	4.75	6.29	5.96
8. Debt service coverage ratio	94.17	94.00	88.58
9. Current portion of interest-bearing debt to total interest-bearing liabilities ratio	76.90	78.75	68.84
10. Interest bearing debt to EBITDA ratio	1.38	1.99	0.88

Efficiency Ratio	2023	2022	2021
1. Assets turnover	1.28	1.43	1.38
2. Return on assets	7.24	3.97	10.61
3. Return on fixed assets	23.01	17.52	27.90

5. General Information and Other Material Facts

5.1 General Information

Company Name	Surapon Foods Public Company Limited		
Address	247 Moo.1, Theparak road, Theparak sub-district, Muang district Samutprakarn province, Thailand 10270		
Contact Channels	Head-office	Tel. (66) 23853038-54 Fax. (66) 23853179 Email : info@surapon.com	
	Company Secretary	Tel. (66) 2385-3038-54 ext. 561 or 199 Email : patt@surapon.com	
	Investor Relation	Tel. (66) 2385-3038-54 ext. 553 or 561 Email : investor@surapon.com	
Company Registration No.	0107537000661		
Website	www.surapon.com		
Business Type	Manufacturer and distributor of frozen foods		
Stock Abbreviation	SSF		
Registered Capital	Baht 270,000,000 (paid-up capital = Baht 269,999,000)		
Par Value	Baht 1.00 per share		
Ending of Accounting Period	December 31		

References

- | | |
|---------------------------|--|
| 1. Stock registrar | Thailand Securities Depository Company Limited
Tel. (66) 20099999 Fax. (66) 20099991 |
| 2. Independent Auditor | Miss Kittika Kongkerd CPA no.10634
KPMG Phoomchai Audit Limited
Tel. (66) 26772000 Fax. (66) 26772222 |
| 3. Financial Institutions | Siam Commercial Bank Public Company Limited
Bangkok Bank Public Company Limited
Kasikorn Bank Public Company Limited |

5.2 Other Material Facts

- none -

5.3 Legal Disputes

- none -

5.4 Secondary Market

There is neither securities listed on the stock exchange of another country, nor debt securities offeror.

Part 2

Corporate Governance

6. Corporate Governance Policy

The Board of Directors establishes good corporate governance policy by giving high importance of internal control and internal audit systems as well as aiming to govern the management to operate the business in accordance with good corporate governance policy in order to protect benefits of the Company and the shareholders by concerning transparency principle and corporate social and environmental responsibility.

6.1 Overview of the Policy and Guidelines

The Board establishes and approves good corporate governance policy and regularly reviews at least once a year. The Board assigns Corporate Governance Committee to be responsible for supporting the Board in regards to good corporate governance. The Company has disclosed the policy through the website, under topic of investor relations. Essence of the policy and its implementations can be summarized as follows:

6.1.1 Policy and guidelines related to the Board

The Board establishes Directors' Nomination policy and Directors' Remuneration policy, which have been disclosed through the website, under topic of investor relations.

The nomination of directors shall consider the candidate's knowledge, expertise, and experience which shall be of benefits to the Company. The Company establishes policy of the Board's structure diversification in order to ensure that nomination of the directors shall be of the benefits to the Company. In nomination of Independent directors, shall consider the qualifications and definition of Independent directors to be in compliance with the regulatory institutions' regulations. The nominated candidate of Independent director shall have to hold the Company's share less than 1% (including the related persons), not involve in the business management, not involve in any business interests, and be able to give opinions independently, and etc. The Company has disclosed details of Independent Director's profile through the invitation letter to AGM.

In consideration of Directors' remunerations, the Company shall consider various criteria such as the suitability to business operations, duty and responsibility to be in line with the Company's short term, medium term, and long term strategies as well as directors' remunerations survey report. The directors' remuneration shall be comprised of meeting allowance and monthly retaining fee, which shall have to be approved by the Shareholders.

The Board arranges the board's annual performance evaluations; individual and board group evaluation. There has been regularly conducted Board's meeting evaluation in every meeting and the Board shall discuss the results of evaluation for further development.

The Board establishes policy of subsidiary companies supervision in order to ensure that the business operations and managements in the subsidiary companies are conformed to the policy and are of the Company's benefits. The important matters shall have to be approved by the Company's Board.

6.1.2 Policy and guidelines related to the Shareholders and Stakeholders

The Company is aware of respect to equitable treatment of the Shareholders, therefore the policy and working guideline to treat the relevant stakeholders have been established, which the investors and the Shareholders can study from topic no.3 (Business sustainability) and attachment no. 5 (Good corporate governance) of this report.

1. Equitable Treatment of the Shareholders

The Company establishes policy of facilitating the Shareholders to attend the shareholders' meeting in order to promote the shareholders' right in the Shareholders' meeting. The policy has been publicized through the Company's website under topic of investor relations. In addition, the Company shall disclose significant information, both financial and non-financial to the Shareholders and investors completely and sufficiently through the equally accessible channel of website of the Stock Exchange of Thailand.

2. Protections of Insider Information Usage and Conflicts of Interest

The Company establishes insider information usage protection policy in order to protect the wrongful usage of non-publicized information for own or other benefits. The policy has been publicized through the Company's website under topic of investor relations. The Directors, the Managements, and those who know the non-publicized information is not allowed to involve any trading transaction of the Company's stock in the period of one month prior to publicizing the financial statements. The Boards and the Executive as specified in Securities and Exchange Act shall have to inform the Company one day prior to involving in any trading transaction of the Company's stock.

The Company has been communicating the Boards, the Executives, the relevant staffs in regards to insider information protection quarterly as well as silent period of the Company's stock trading.

In the year 2023, there is no violation case of insider information usage.

The Company also establishes conflicts of interest protection policy. The policy has been publicized through the Company's website under topic of investor relations. The Directors and the Executives, including their related persons, shall disclose their related transactions and shall not involve in decision of such related transactions. The Board set up related transaction reporting form for the Board and the Executives, including their related persons when they first-time post in the directorship and management positions and if there is the change of related transactions during the terms in office. In the year 2023, there is no violation case of conflict of interest policy.

3. Responsibility towards the Stakeholders and Anti-Corruption

The Company is highly aware of roles of the stakeholders, therefore, establishes the written policy of business sustainability. The policy has been publicized through the Company's website under topic of investor relations. In addition, code of business ethics and guidelines of the treatments to each stakeholder group have been established as prescribed in attachment no.5 of this report, as well as corporate social responsibility policy as prescribed in the Company's website under topic of corporate social responsibility.

The Company established anti-corruption policy including its supporting policies; i.e. political supports policy, donation and sponsorship policy, human resource management to support anti-corruption protection, whistle-blowing policy, conflict of interest protection policy, employment of government personnel, and working guideline of facilitation payment. The Company's policy is to not accept, offer, or request for money or other benefits in violation of anti-corruption policy and the relevant regulations. The Company has been re-certified to be the member of Thailand's private sector coalition against corruption (CAC) during the year of 2021-2023. The Company communicates and encourages the partners and the suppliers to be member of CAC. The investors and the shareholders can study details of the policy and its implementations from topic no. 3 (Business sustainability) of this report.

6.2 Business Code of Conduct

The Board establishes the written business code of conduct to be the important working guidelines for the Boards, the Executives, and all employees. Business code of conduct is comprised of working guidelines with the relevant stakeholders; covering partners, debtors, competitors, employees, and social and community.

The Board assigns corporate governance committee to regularly review the content at least once a year. The recent version of business code of conduct as prescribed in attachment no.5 of this report.

6.3 Material Changes and Developments Regarding Policy, Guidelines and Corporate Governance System in the Preceding Year

6.3.1 The Board regularly reviews the policies related corporate governance and anti-corruption as well as charters of all sub-committees at least once a year. The most recent revision is made according to the Board's meeting on September 27, 2023. In the year of 2023, the Boards has approved business sustainability policy, employment of government personnel policy, and renewal of CAC membership

6.3.2 The Board annually reviews the appropriateness of adopting CG code principle to the Company's business operations and managements as well as considers other substitution measures; suitable for the Company's business context. The most recent review and consideration is made according to the Board's meeting on September 27, 2023

6.3.3 The Board considers Thai IOD's Corporate Governance Report (CGR) and its adoption of the assessment criteria to the Company's business operations

6.3.4 The Company continuously communicates the policy and working procedure of anti-corruption to all employees and promote their participations in anti-corruption in the organization as well as organizes anti-corruption promotion activities, such as anti-corruption day activity. Details of the implementation are as disclosed in topic no.3 (Business sustainability) of this report

6.3.5 All Directors and CEO shall have to attend the Shareholders' meeting, except any urgent reason, shall have to inform the Chairman in advance

6.3.6 The Company is highly aware of equitable treatments to the Shareholders, especially their participations in governing the Company's overall business operations through attending the Shareholders' meeting. In the year 2023, the Company convenes the AGM meeting on April 26, 2023 through electronic system

The actions prior to AGM meeting

- Allow the Shareholders to propose the 2023 AGM agenda during October 1, 2022 to December 31, 2022 as the Company announces and publicizes the criteria to propose the AGM agenda through the website. There is no proposal of 2023 AGM agenda from the Shareholders submitted to the Company
- Disclose the Board's resolutions of the 2023 AGM invitation, AGM agenda, and record dates of AGM attending and dividend payment through website of the Stock Exchange of Thailand within the same date as the Board' meeting date
- Publicizes the AGM invitation letter and all supporting documents, both Thai and English versions through the Company's website on March 24, 2023 (more than 30 days prior to AGM date). The hard copy of full set of AGM invitation letter and all supporting documents were sent by registered postal to the Shareholders on April 4, 2023 (more than 21 days prior to AGM date). The Shareholders, therefore, shall have enough time to study all meeting's matters before the AGM date
- The Shareholders can assign the Company's independent director or another person to be their proxy voting on their behalf. The Company encourages the proxy to use proxy form version of B (the proxy grantor can prior vote on each specific agenda). The hard copy of proxy form is also distributed to the Shareholders together with the AGM invitation letter by postal
- The Shareholders can submit their questions to the Company prior to the AGM date.

The actions during AGM meeting

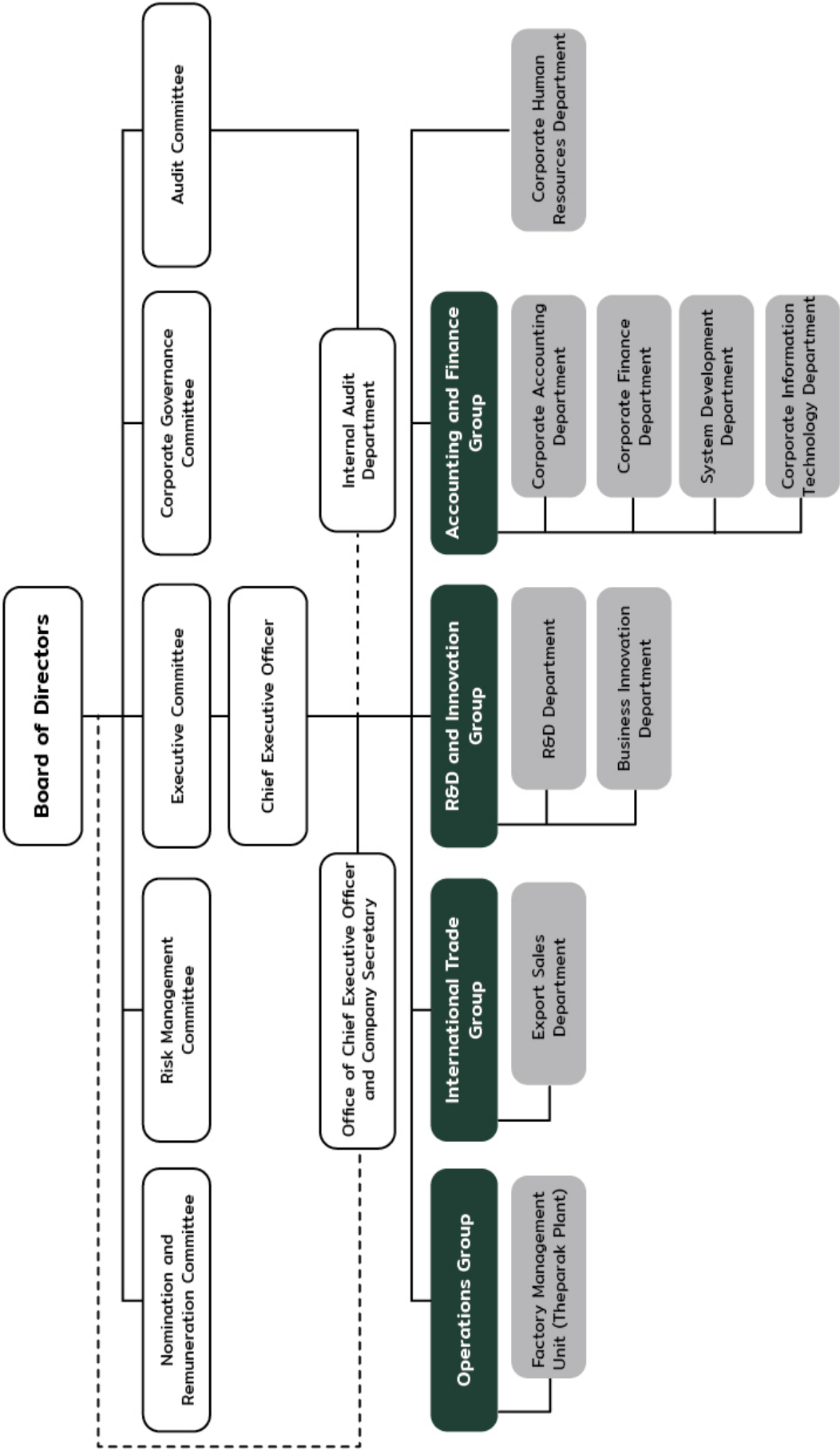
- Convenes the AGM through electronic meeting. The Company fully facilitates the Shareholders to attend the e-meeting
- Provides and arranges enough staffs to help and support the Shareholders attending the e-meeting
- Implements efficient and fully integrated e-meeting system; e-registration, e-voting, and declaration of the voting results so the e-meeting can be proceeded accurately and precisely
- Declares all required criteria and procedures of the meeting attendance before declaring the meeting starts
- The meeting voting is done through electronic system in all agenda item. In the Directors' election agenda, the shareholders or proxies shall vote for each director's election separately
- The Chairman of the meeting provides enough time for questions and answers session
- The meeting is convened by the sequence of each agenda item as specified in the AGM invitation letter. There is no additional agenda item

The actions after AGM meeting

- Disclose the resolutions of AGM through website of the Stock Exchange of Thailand within the same day of AGM date. The voting scores of agreeing, disagreeing, and abstaining in each agenda item are completely disclosed. There is no objection of voting and vote counting
- Minutes of AGM is completely recorded all important details, including names of the Directors and the Executives attended, all information presented in the meeting, details of questions and answers, and voting results in each agenda, and number of the Shareholders or the Proxies presented and voted in each agenda item. The meeting minutes is done and disclosed through the Company's website and submitting to the Stock Exchange of Thailand within fourteen days after the AGM date.

7. Corporate Governance Structure and Significant Information Related to the Board of Directors, Sub-committees, the Executives, Employees, and Others

7.1 Corporate Governance Structure



7.2 Information on the Board of Directors

The Board of Directors have appointed and assigned five Sub-committees for specific matters; Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee.

7.2.1 The Composition of the Board of Directors

As at December 31, 2023, The Board of Directors is comprised of 10 persons. The appointment of the Board shall consider and concern knowledge, experiences, and qualifications as prescribed in the Company's Board Diversity policy

Executive Directors= 3 persons (or 30% of total number of directors)	Non-executive Directors = 3 persons (or 30% of total number of directors)	Independent Directors = 4 persons (or 40% of total number of directors)
---	--	--

The Company's Independent Directors and Audit Committee are comprised of the following:-

- | | | |
|------------------|----------------|--|
| 1. Mr. Kosol | Chantikul | Independent Director and Chairman of the Board |
| 2. Mr. Sathapron | Kootheeranurak | Independent Director and Chairman of Audit Committee |
| 3. Mr. Kanett | Chatthamrak | Independent Director and member of Audit Committee |
| 4. Miss Suree | Kitipongsamarn | Independent Director and member of Audit Committee |

7.2.2 Information of the Directors and Controlling Persons

Names of the Directors and controlling persons in the Company and the subsidiary companies are as prescribed in Attachment no. 2 of this report, whereas their biographies are as prescribed in Attachment no. 1 of this report.

7.2.3 Information Related to the Roles and Duties of the Board of Directors

The Board of Directors is responsible for the Shareholders to supervise and govern the business's operations by concerning business ethics in order to create the best benefits to the Company. The Board is committed to perform their duties in compliance with fiduciary duty; duty of care, duty of loyalty, duty of disclosure, and duty of obedience.

The Board appoints Chief Executive Officer to be responsible for managing business's operations and managements. The Board also appoints and assigns the Sub-committees to be responsible for governing and screening some important issues on the Board's behalf.

The Board's duties and responsibilities are as follows:-

1. To consider and approve the Company's vision, mission, and business policies
 2. To consider and approve annual business plan and budget
 3. To consider report of quarterly business performance
 4. To consider and approve significant transactions such as investment, acquisition or disposal of significant assets, and other transactions as required by laws
 5. To consider significant related party transactions of the Company and the subsidiary companies as required by laws or regulations
 6. To consider the Board's performance evaluation
 7. To consider the Chief Executive Officer's performance evaluation
 8. To establish and review the written good corporate governance policy as well as to govern the business's operations to be in compliance with the policy
 9. To perform other matters as prescribed by laws, the Company's objectives, articles of associations, resolution of the Shareholders' meeting, and resolution of the Board's meeting
 10. In consideration of conflict of interest transaction, Independent directors are required to present the meeting and consider the transaction
 11. To appoint and assign the Sub-committees to be responsible for responsible for governing and screening some important issues
 12. To consider duties, responsibilities, and power of authority of the CEO and the Chairman of Executive Committee
 13. To establish relevant policies to support the business operations to be in compliance with the good corporate governance policy.
- Chairman of the Board and Chief Executive Officer (CEO) shall be different person. Chairman of the Board is Independent

Director, is responsible for promoting the Director's duty performing, presiding the Board's meeting and the Shareholders' meeting as well as managing relationships among the Directors, the Executives, and the Shareholders for the best benefits of the Company. CEO is responsible for managing and governing the business operations in accordance with the Board's policy in order to ensure the achievements of business targets.

The Company establishes the policy of CEO's posting the directorship in other companies, shall have to be agreed by the Board by concerning number and type of the business affairs, managerial efficiency, and etc.

7.3 Information on Subcommittees

The Board appoints the Sub-committees to govern and screen some important matters on the Board's behalf. The duties and responsibilities of the Sub-committees are prescribed in the Sub-committee's charter. All Sub-committee except risk management committee and executive committee, is required Independent Director(s) to be member of the Committee. The Board shall review the appropriateness of the Sub-committee's charter regularly.

7.3.1 Audit Committee

As at December 31, 2023, Audit Committee is comprised of the following:-

Name and Surname		Position
1. Mr. Sathaporn	Kootheeranurak	Chairman (Independent Director)
2. Mr. Kanett	Chatthamrak	Committee (Independent Director)
3. Miss Suree	Kitipongsaman	Committee (Independent Director)
Thereby, Mr. Wichian Roruksa carries out duties as Secretary of Audit Committee		

The Committees no. 1 and no.3 have adequate expertise and experience to review creditability of financial report.

Audit Committee's Duties and Responsibilities :-

1. To review the Company's financial reporting in order to ensure the accuracy and adequacy
2. To review the Company's internal control system and internal audit system to ensure the suitability and efficiency, to consider independence of internal audit function, to approve appointment, transfer and dismissal of the head of internal audit, as well as to approve annual internal audit plan and internal audit function's charter
3. To review compliance of the Company's performance with the laws
4. To review internal audit measures as well as to govern the implementation according to anti-corruption policy
5. To review the correctness of implementation of anti-corruption measures according to the self-assessment form of being the member of Thailand's private sector Coalition against Corruption
6. To consider, select and nominate the Company's independent auditor, and to propose auditing fee, as well as to attend a non-management meeting with independent auditor at least once a year
7. To review related person transactions, or the transactions that may lead to conflicts of interests, to ensure the compliance with the laws and the Exchange's regulations, and are reasonable and are of the Company's best benefit
8. To prepare and disclose the report from Audit Committee through the Company's 56-1 one report; consist of at least the following information:
 - An opinion on the accuracy, completeness and reliability of the Company's financial report
 - An opinion on the adequacy of the Company's internal control system
 - An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
 - An opinion on the suitability of the independent auditor
 - An opinion on the related person/conflicts of interest transactions

- Number of the audit committee meetings, and number of the meetings' attendance by each committee member
 - An opinion or overview comment from its performance of duties in accordance with the charter
 - Other transactions which, according to the audit committee's opinion, should be known to the Shareholders and investors, subject to the scope of duties and responsibilities assigned by the Board
9. To review the Company's risk management system independently
10. To consider the hire of the independent advisor or professional expert to give advice as the Audit committee sees it appropriate
11. To perform any other act as assigned by the Board, with the approval of the audit committee.

7.3.2 Corporate Governance Committee

As at December 31, 2023, Corporate Governance Committee is comprised of the following:-

Name and Surname		Position
1. Mr. Kanettt	Chatthamrak	Chairman (Independent Director)
2. Miss Suree	Kitipongsamarn	Committee (Independent Director)
3. Mr. Sorapon	Vongvadhanaroj	Committee
Thereby, Mr. Patt Somchaikulsup carries out duties as Secretary of Corporate Governance Committee		

Corporate Governance Committee's Duties and Responsibilities :-

1. To govern and follow up the implementations according to the Company's good corporate governance policy
2. To review the Company's good corporate governance policy, anti-corruption, and other relevant working guidelines in order to comply with the relevant regulations
3. To recommend working guideline, concerning good corporate governance
4. To report the progress and result of the committee performance to the Board
5. To perform any other act as assigned by the Board.

7.3.3 Nomination and Remuneration Committee

As at December 31, 2023, Nomination and Remuneration Committee is comprised of the following:-

Name and Surname		Position
1. Mr. Chokchai	Jiengwareewong	Chairman
2. Mr. Kosol	Chantikul	Committee (Independent Director)
3. Mr. Surapon	Vongvadhanaroj	Committee
Thereby, Mr. Patt Somchaikulsup carries out duties as Secretary of Nomination and Remuneration Committee		

Nomination and Remuneration Committee's Duties and Responsibilities :-

1. To propose the nomination of the candidate(s) who possess the suitable qualifications, experiences, and expertise to be elected or appointed as the Company's Directors by concerning loyalty, ethics, and the Company's benefits, which is in accordance with the Director's Nomination policy
2. To propose the Directors' remunerations, which is in accordance with the Directors' remuneration policy by concerning duties, responsibilities, experiences, performance, and comparable remunerations with same or comparable businesses
3. To follow up the updated working guidelines regarding the Directors' nomination and remuneration as be introduced by the relevant regulations
4. To report the progress and result of the committee performance to the Board
5. To review the Directors' nomination and remuneration policy in order to comply with the relevant regulations
6. To together consider with CEO to determine the criteria and procedure of appointing the Executives
7. To perform any other act as assigned by the Board.

7.3.4 Risk Management Committee

As at December 31, 2023, Risk Management Committee is comprised of the following:-

Name and Surname		Position
1. Mr. Sorapon	Vongvadhanaroj	Chairman
2. Miss Malai	Wongwatroj	Committee
3. Mr. Paiboon	Kangvonkit	Committee
4. Miss Soranee	Vongvadhanaroj	Committee
5. Mr. Sorapoom	Vongvadhanaroj	Committee
6. Mrs. Soraya	Sorakraikittikul	Committee
7. Mr. Jittakorn	Chairach	Committee
8. Mr. Montai	Chulatitta	Committee
9. Mr. Thomas	Ung	Committee
10. Mr. Sriprasert	Sriprawatkul	Committee
11. Mr. Patt	Somchaikulsup	Committee

Thereby, Mrs. Nawarat Surinwong carries out duties as Secretary of Risk Management Committee

Risk Management Committee's Duties and Responsibilities :-

1. To establish risk management system and risk management policy; covering all aspect of business risks; strategic, financial, operational, compliance, evet and incident, and corruption risks.
2. To propose the risk management goal, action plans, required resources to drive risk management in the organization effectively
3. To report the significant risk factor and risk management plan to the Board and CEO
4. To perform any other act as assigned by the Board.

7.3.5 Executive Committee

As at December 31, 2023 is comprised of the followings:-

Name and Surname		Position
1. Mr. Surapon	Vongvadhanaroj	Chairman
2. Mr. Sorapon	Vongvadhanaroj	Vice Chairman
3. Mr. Paiboon	Kangvonkit	Committee
4. Miss Soranee	Vongvadhanaroj	Committee
5. Mrs. Soraya	Sorakraikittikul	Committee
6. Mr. Sorapoom	Vongvadhanaroj	Committee
7. Mr. Montai	Chulatitta	Committee
8. Mr. Jittakorn	Chairach	Committee
9. Mr. Thomas	Ung	Committee
10. Mr. Patt	Somchaikulsup	Committee and Secretary

Executive Committee's Duties and Responsibilities :-

1. To govern and manage the business operation to be in accordance with the Company's vision, mission, business target, and the policies as well as to consider the policies, procedure, and working guidelines
2. To perform any other act as assigned by the Board.

7.4 Information of the Executives

7.4.1 The Executives

Names and positions of the highest ranking executive and the next four executives including the same level as the fourth highest ranking executives as at December 31, 2023 are as follows:-

Name and Surname		Position
1. Mr. Sorapon	Vongvadhanaroj	Chief Executive Officer
2. Mr. Montai	Chulatitta	Senior Vice President (Operations)
3. Mr. Thomas	Ung	Senior Vice President (Export Sales)
4. Mr. Sriprasert	Sriprawatkul	Vice President (Accounting and Finance) and CFO
5. Mr. Patt	Somchaikulsup	Vice President (Office of Chief Executive Officer) Company Secretary, and Manager of Corporate Human Resources Department

Details of the Executives' biography are prescribed in Attachment no. 1 of this report.

7.4.2 Remuneration Policy

The Board's meeting no. 4/2017 dated August 9, 2017 approves the Executives' remuneration structure, which is in line with the criteria and factors of performance assessment throughout the organization.

The Executives' remuneration shall consider according to the duties and responsibilities, performances of individual and the Company's operating results.

The Nomination and Remuneration Committee shall consider the CEO's remunerations by concerning annual performance evaluation. The CEO's performance evaluation results shall be considered and approved by the Nomination and Remuneration Committee or another committee as appointed by the Board. CEO shall consider and approve the remunerations of next executives after CEO by concerning duties and responsibilities, individual performance's result, the Company's operating result, and suitable remuneration to maintain the capable personnel.

7.4.3 Total Amount of the Executives' Remunerations

Monetary Remunerations

Remunerations	Year 2023		Year 2022	
	No. of persons	Thai baht	No. of persons	Thai baht
Salary	5	19,617,624	5	18,687,588
Annual Bonus	5	2,919,563	5	6,234,471
Others	5	615,093	5	1,928,332
Total	5	23,152,280	5	26,850,391

Remark : Other remunerations; comprised of gasoline expense, telephone expense, per-dium, and compensation benefit in case of retirement according to labour law. Compensation benefit in case of retirement from working is only recorded in the year 2022

The Company also provides 2% rate of provident fund for the employees. In the year 2023, the Company supports the provident fund for the five Executives amounting Baht 392,352.

Non-monetary Remunerations

The Executives' cars, annual health check-up, and etc. as specified in the Company's employee's welfare procedure. The Executives do not receive any remuneration for their management in the Subsidiary companies.

7.5 Information of Employees

Since the main business of the group company is manufacturer of foods products in factories. Most employees are daily staffs who have been working in the production line in the factories. The remunerations of those employees shall be received upon actual date of working date and in full compliance with labor law. Number of daily staffs as at December 31, 2023 amounting 2,854 persons or accounted for 76% of total employees of the group company.

Total Employees of the Group Company as at December 31, 2023

Company's name	Monthly Staffs	Daily Staffs	Total
Surapon Foods PLC.	148	402	550
Surat Seafoods Co., Ltd.	68	493	561
Surapon Supreme Foods Co., Ltd.	146	584	730
Surapon Finest Co., Ltd.	134	-	134
Mobile Logistics Co., Ltd.	105	99	204
Surapon Nichirei Foods Co., Ltd.	305	1,276	1,581
Total	906	2,854	3,760

Total remunerations of the employees in group company in the year 2023 amounting Baht 1,134,031,145 which is comprised of the following items :-

Remunerations	Baht
Salary and wage	725,371,183
Annual bonus	86,775,669
Overtime	163,320,097
Employee benefits	21,774,538
Other	136,789,658
Total	1,134,031,145

The group company provides provident fund for the employees. In the year 2023, there is all together 689 persons joining in the provident fund.

Company's name	No. of Persons joining the Provident Fund	% Joining the Provident Fund	Contribution Amount from the Company (Baht)
Surapon Foods PLC.	120	22 %	1,647,918
Surat Seafoods Co., Ltd.	63	12 %	494,416
Surapon Supreme Foods Co., Ltd.	110	15 %	916,460
Surapon Finest Co., Ltd.	69	50 %	830,310
Mobile Logistics Co., Ltd.	68	33 %	408,447
Surapon Nichirei Food Co., Ltd.	259	16 %	2,223,196
Total	689	18 %	6,520,747

7.6 Other Significant Information

7.6.1 Names of the Person Assigned to Take Direct Responsibility for Accounting Oversight, Company Secretary, and Head of Internal Audit

Company Secretary

The Board's meeting no.4/2008 dated August 14, 2008 has passed the resolution to appoint Mr. Patt Somchaikulsup to be the Company Secretary. Duties and responsibilities of the Company Secretary are as prescribed in article 89/15 and article 89/16 of Securities and Exchange Act together with duty of care and duty of loyalty as well as perform the duty in compliance with laws, the Company's objectives, the Board's resolutions, and the Shareholders' meeting resolutions. The Company secretary's qualifications are as prescribed in the attachment 1. Scope of duties and responsibilities is as follows:-

1. To follow up and give preliminary advice to the Board and the Executives regarding relevant laws, the notifications of SEC and SET, the Company's articles of associations, the Board's resolutions, and the Shareholders' meeting resolutions as well as the significant changes of relevant laws and regulations
2. To convene the meetings of the Shareholders and the Board as well as to record and keep the minutes of the meetings of the Shareholders and the Board
3. To prepare and keep the Company's documents; i.e. the register of directors, the notice of directors' meeting, the minutes of directors' meeting, the notice of shareholders' meeting, the minutes of shareholders' meeting, annual report of the company, and the report of interest filed by directors and executives
4. To follow up the implementations according to the Board's resolution

The Person Assigned to Take Direct Responsibility for Accounting Oversight

The Company appoints Miss Somjai Manodamrongtham to be the person assigned to take direct responsibility for accounting oversight. Her qualifications are as prescribed in attachment no. 1 of this report.

Head of Internal Audit

The Company appoints Mr. Wichian Roruksa to be head of internal audit function, directly reported to Audit Committee. Audit Committee has duties to consider and approve appointment or dismissal of internal audit head. Audit Committee has viewed that Mr. Wichian Roruksa possesses suitable qualifications of being head of internal audit function. Mr. Wichian Roruksa's qualifications are as prescribed in attachment no. 3 of this report.

7.6.2 Investor Relations

The Shareholders of the investors can contact the Company's investor relations function through the following channels :-

Name	Mr. Sriprasert Sriprawatkul Mr. Patt Somchaikulsup
Address	247 Moo.1, Theparak road, Theparak sub-district, Muang district, Samutprakarn province, Thailand 10270
Telephone no.	(66) 2385-3038-54 ext. 553 or 561
Email	investor@surapon.com

7.6.3 The Auditor's Remunerations

Miss Krittika Kongkerd CPA no. 10634 of KPMG Phoomchai Audit Limited is appointed as the Company's auditor for the year 2023 with the following remunerations:-

Auditor's Remunerations	Baht
Remunerations from the Company	
• Auditing fee	1,240,000
• BOI auditing	-
Remunerations from the Subsidiaries (6 companies)	
• Auditing fee	2,456,000
• BOI auditing	186,000
Other services	none
Total	3,882,000

8. Report on Key Operating Results on Corporate Governance

8.1 Summary of Duty Performance of the Board of Directors in the Past Year

The Board performs important role on establishing and considering the policies and the strategies in supports of enhancing business competitiveness, building up corporate culture and values, supervising the business operations according to the policies and the strategies, as well as strengthening good corporate governance, internal control, and risk management. Summary of the Board's duties in the year 2023 are as follows:-

- The Board's meeting on December 20, 2023 has considered and approved the Company's year 2024 business targets, strategies, budget, and annual business plans. The Board has also approved vision, mission, business objectives and targets for three-year period (year of 2024-2026). The Board's meeting regularly monitors and follow-ups the results of business operations from the Managements. The meeting agenda of performance results consideration is set quarterly and agenda of half-year performance reviews is also set specifically
- Considers and follow-ups the Company's business performance in the Board's meeting at least once a quarter, and also monitors the monthly performance through the monthly reports from the Managements. The Board shall be able to call for additional meeting to consider and discuss some important matters
- Considers and follow-ups the Sub-committees' operating results at least once a quarter and give opinions and recommendations
- Considers and reviews the adoption of CG code for listed companies to apply for the implementations in the Company by concerning the suitability according to the Company's business context
- Considers and reviews important policies related to good corporate governance as well as the Sub-committees' charter regularly at least once a year. The recent revision is resolved on the Board's meeting on September 27, 2023
- In year of 2023, the Board has additionally approved two policies; business sustainability policy and employment of government personnel policy. In addition, has approved renewal of CAC membership.

8.1.1 Selection, Development, and Evaluation of Duty Performance of the Board of Directors

The Board's meeting no.1/2016 on January 12, 2016 first-time approved the Directors' nomination policy. Furthermore, there has been all together five times revision of the policy in order to revise and amend the policy to be in compliance with the additional relevant regulations and the notifications of the regulatory organizations. The policy is disclosed through the Company's website under topic of investor relation. The Board shall select and nominate the Directors according to following guidelines:-

1) The Directors' qualifications

- 1.1) Possesses the qualifications and not being prohibited characteristics as prescribed in the relevant laws and regulations
- 1.2) In case of Independent Director, must hold the Company' shares (including their related persons) less than 1% of total shares, as well as must qualify according to the qualifications of independence
- 1.3) In case of Independent director, must possesses knowledges and experiences in one of the following fields; industry, commercial, services, legal, accounting, finance, public relations, or public administrations as well as has no consanguinity relationship with the major shareholders or the Managements. Moreover, has not involved in management, not being the employees, and not being any services providers such as the auditor and legal advisor
- 1.4) Performs their duties with care, loyalty, and ethics as well as devotes their sufficient time on being the directorship
- 1.5) Possesses non-untrustworthy characteristics of the directors as prescribed in the relevant laws and regulations.

2) Nominating process

- 2.1) In nominating process, the Board shall consider the suitability of number of the Board's member, structure, and composition by considering required skills, experiences, and specific qualifications required to the achievement of business targets. The Company establishes the policy of the Board's structure diversity without the limitations on gender, religion, or other limitations and already disclosed the policy through the website
- 2.2) In nominating process, the Board shall consider the candidates from the Shareholders, the Managements, or outside persons by concerning required qualifications

2.3) In case of nominating the outside persons, the Board shall consider the required characteristics; expertise diversity, leadership, vision, and transparent working history

2.4) Nomination committee has been assigned by the Board to nominate the candidates in replacement of those retire by rotation and other vacant reasons

2.5) Nomination committee has been assigned to nominate CEO and consider CEO's succession plan

2.6) Nomination committee shall propose their opinions for the Board and the Shareholders' approvals.

3) Nominations of the Directors and the Managements

3.1) Nomination committee has been assigned by the Board to consider the criteria as well as to nominate the Directors

3.2) Nomination committee has been assigned to nominate CEO and consider CEO's succession plan

3.3) Nomination committee together with CEO shall consider the criteria of nominating and appointing the Executives

3.4) CEO is responsible for nominating and appointing the Executives, who is conformed to the criteria, approved by Nomination Committee. CEO shall report the appointments of the Executives to the Board for acknowledgement.

8.1.2 Meeting Attendance and Remuneration Payment to Each Board Member

Each Board member attended the meetings of the Board and the Shareholders as the meetings' schedule is set and notified in advance.

The Board approves the meeting schedule throughout the year in advance. The meeting document shall be distributed to the Board at least 5 working day prior to the meeting date, whereas the minutes of meeting shall be distributed to the Board within 7 days from the meeting date. In the year of 2023, there are all together 8 times Board's meeting and 1 time the Shareholders' meeting as the meeting schedule is set in advance.

Name of the Board as at December 31, 2023

Name and Surname	Positions	Number of attending the Board's meeting in the year of 2023			Number of attending AGM
		Attending in person in the meeting room	Attending through electronics	Total	
1.Mr. Kosol Chantikul	Independent Director and Chairman of the Board	8	-	8	1
2.Mr. Sathaporn Kootheeranurak	Independent Director	8	-	8	1
3.Mr. Kanett Chatthamrak	Independent Director	6	2	8	1
4. Miss Suree Kitipongsamarn ^{1/}	Independent Director	6	-	6	1 ^{2/}
5. Mr. Surapon Vongvadhanaroj	Director	7	1	8	1
6. Mr. Sithichai Kraisithisirin	Director	8	-	8	1
7. Mr. Chokchai Jiengwareewong	Director	8	-	8	1
8. Mr. Paiboon Kangvonkit	Director	6	2	8	1
9. Miss Malai Wongwatroj	Director	7	1	8	1
10. Mr. Sorapon Vongvadhanaroj	Director	7	1	8	1
11. Mr. Kunakorn Mekjaidee ^{1/}	Independent Director	-	1	1	1

Thereby, Mr. Patt Somchaikulsup performs duty of Company Secretary

Mr. Wichain Roruksa performs duty of secretary of the Board

Note : ^{1/} Miss Suree Kitipongsamarn has been elected from AGM no.46/2023 on April 26, 2023 to be new Independent Director in replacement of Mr. Kunakorn Mekjaidee, who retired by rotation

^{2/} Miss Suree Kitipongsamarn has attended AGM no.46/2023 as the meeting observer

Chairman of the Board shall preside the meetings of the Board and the Shareholders and monitor the performance of the Board and the Sub-committees in order to ensure achievements of business targets. The Chairman's duty is to supervise the Shareholder's meeting is convened in accordance with the Company's articles of association and relevant laws and regulations. The Chairman shall not involve in routine operations as well as shall not possesses the highest management position. The Chairman shall not involve in normal business operations and shall not be the highest executives.

At the time of approval, the Board's member must present and vote such agenda at least two-third of total Board's members.

In the year 2023, there is 1 time meeting of non-executive directors without the Management on November 6, 2023. The results and the opinions from the meeting is proposed to the Board's meeting and CEO for further improvement.

The Directors' and the Executives' remunerations shall be considered at suitable level by concerning roles and responsibilities, the performance results, and the Directors' remuneration survey, conducted by Thai IOD. The Directors' remuneration shall have to be approved by the Shareholders' meeting.

The AGM no.46/2023 on April 26, 2023 has passed the resolution of the Directors' remunerations, amounting Baht 6,040,000 whereas the actual payments in the year of 2023 is amounting Baht 5,525,332 which is detailed as follows:

Name of Director			Board of Director		Audit Committee		Corporate Governance Committee	Nomination Committee	Total
			Retaining Fee	Meeting Allowance	Retaining Fee	Meeting Allowance	Meeting Allowance	Meeting Allowance	
1	Mr. Kosol	Chantikul	960,000	160,000	0	0	0	0	1,120,000
2	Mr. Sathaporn	Kootheeranurak	300,000	120,000	180,000	70,000	0	0	670,000
3	Mr. Kanett	Chatthamrak	300,000	105,000	120,000	35,000	20,000	0	580,000
4	Miss Suree	Kitipongsamarn	200,000	90,000	80,000	30,000	5,000	0	405,000
5	Mr. Surapon	Vongvadhanaroj	300,000	120,000	0	0	0	10,000	430,000
6	Mr. Sithichai	Kraisithisirin	300,000	120,000	0	0	0	0	420,000
7	Mr. Chokchai	Jiengwareewong	300,000	120,000	0	0	20,000	20,000	460,000
8	Mr. Paiboon	Kangvonkit	300,000	120,000	0	0	0	0	420,000
9	Miss Malai	Wongwatroj	300,000	120,000	0	0	0	0	420,000
10	Mr. Sorapon	Vongvadhanaroj	300,000	120,000	0	0	15,000	0	435,000
11	Mr. Kunakorn	Mekjaidee	96,666	15,000	38,666	5,000	0	10,000	165,332
Total			3,656,666	1,210,000	418,666	140,000	60,000	40,000	5,525,332

8.1.3 Supervision of Subsidiary Companies

The Board has resolved to approve the policy of supervision of the subsidiary companies, which is comprised of the followings topics:-

1. Supervision of the subsidiary companies' management
2. Appointments of the Directors and the Managements in the subsidiary companies
3. Considerations of related party transaction and conflict of interest transaction
4. Reporting and monitoring of the business operations.

The important matters of the subsidiary companies shall have to be considered or approved by the Company such as annual budget and business plan, important investment, the changes of the Directors, acquisition or disposal of important assets, dividend payment, and etc. The policy is publicized through the Company's website under topic of investor relations.

8.1.4 Monitoring of Compliance with the Corporate Governance Policy and Guidelines

The Company gives high importance of good corporate governance by establishing the policy and guidelines, approved by the Board. The Board also regularly reviews the policies at least once a year, which the most recent revision is made on September 27, 2023. The Managements shall be responsible for implementing, whereas the Sub-committees shall supervise the management's implementations as well as internal audit function shall regularly audit.

The Board assigned Corporate Governance Committee to monitor the implementations according to good corporate governance policy and code of business ethics. The Management shall continuously communicate the policy to all staff through various channels such as new staff's orientation, staff manual, online communication, and staffs' activities.

The Company has implemented the significant good corporate governance matters according to good corporate governance policy, CG code for listed companies, and criteria of CGR program, and criteria of CAC membership as follows:-

1. Protection of conflict of interest

The Company establishes the policy of conflict of interest protection, disclosed the policy through the website under topic of investor relations. The essences of the policy are as follows-

- In consideration of conflict of interest or possible conflict of interest transaction, Independent directors must attend the meeting and consider the transaction
- The Directors has signed to acknowledge and accept to conform the policy
- The Directors and the Managements shall have to report their conflict of interest including their related persons to the Board, when they firstly post in the position and if there is the change during their terms in the office
- The Directors and/or the Managements, who involve in any conflict of interest, shall not participate in the decision
- In consideration of conflict of interest or related party transactions, shall strictly comply with the relevant laws and regulations. In case of significant transaction, shall be considered by Audit Committee
- Internal audit function shall regularly audit conflict of interest or related party transactions
- In the year 2023, there is no case of entering into conflict of interest or related party transaction, which is not in compliance with the relevant laws and regulations.

2. Usage of insider information

The Company gives high importance of taking care of insider information usage as a vital part of strengthening good corporate governance in the organization. The Company discloses the policy of insider information usage through the Company's website under topic of investor relations, which the Directors and the Managements as stipulated in the Securities and Exchange Act, including their spouse and minor children, shall report their shareholding within thirty days after the appointment date and shall report the change during posting their terms in the office. The Directors, the Management, and the employees who involve in preparing or compiling financial statements, secretary to the Board, secretary to Audit Committee, or any person who is informed the important inside information such as the independent auditor, those persons must not disclose non-publicized information to other persons as well as must not involve in any stock trading transaction during one month prior to publicizing the financial statements. The Directors has signed to acknowledge and accept to conform the policy

According to the Board's meeting on December 15, 2022, the Directors and the Management as stipulated in the Securities and Exchange Act, shall inform their trading of the Company's stock to the Board of the persons assigned by the Board such as Company Secretary or secretary to the Board one day prior to the trading date. In the year of 2023, there is no the Company's stock trading transaction from the Directors and the Executives

In the year 2023, there is no case of usage of insider information, which is not in compliance with the relevant laws, the regulations, and the Company's policy.

3. Anti-corruption

The Company gives high importance of anti-corruption as a vital part of strengthening good corporate governance in the organization. The Board has approved the anti-corruption policy and its supporting policies; i.e. political support policy, sponsorship and donation policy, human resources management to prevent anti-corruption policy, whistle-blowing policy, conflict of interest protection policy, and guidelines and procedure of anti-corruption

Details of anti-corruption policy are as disclosed through the Company's website under topic of investor relations

The Company is re-certified as member of Thailand private sector's Collective Action Coalition against Corruption (CAC). The Company has been still highly committed to anti-corruption and continued to implement anti-corruption activities in the organizations which can be summarized as follows:-

- Regularly reviews anti-corruption policy by the Board at least one a year. In the year of 2023, the Board has additionally approved employment of government personnel and working guideline of facilitation payment
- Communicates anti-corruption prevention measures through various channels and activities such as email, VDO clip, and other public relation channels
- Organizes annual anti-corruption day
- Reviews and assesses the risk of corruption as well as implement the measures to manage the risks. The working manual in contact with other organizations especially business permit and certificate are clearly set
- Submits the letters to the partners and suppliers to ask for their collaboration with the Company in regards to anti-corruption and human right policies
- Announces and communicates no gift policy during all seasonal greeting
- Quarterly reviews and audits the implementations according to anti-corruption policy by internal audit function
- Provides whistle-blowing channels, which the employees and the stakeholders can inform the Company any corruption and corporate governance matters, and shall report the case to Audit Committee at least once a quarter

In the year 2023, there is no violation case of anti-corruption policy and business code of ethics.

4. Whistle-blowing

The Board has resolved to approve the whistle-blowing policy and whistle-blowing channels, which the employees and the stakeholders can report the case to the Company through various channels such as the direct postal to the Board or audit committee, email of whistle-blowing@surapon.com, inform all supervisor, inform human resources function, or inform internal audit function

In the year 2023, there is one whistle-blowing case, reported to Audit committee and the Board. Results of investigation committee found that there is no violation of wrongfully intended overtime reimbursement complaints

5. The Directors and the Executives' performance assessment and development

The Board conducts the whole group and individual performance assessments annually. In the year 2023, the whole group assessment by using the criteria suggested by SET with the score of 97.24% whereas, the individual assessment with the score of 93.25%. The results are discussed in the Board's meeting for further development

The Board approves criteria of CEO's annual performance assessment; comprised of 5 topics which are 1) Business results compared to the approved budget 2) Three-year business growth 3) Significant achievements in the year 4) Managerial efficiency and 5) Managerial potentials. The working committee on CEO's performance assessment, who includes independent director, is appointed by the Board

The Board assigns Nomination committee to consider and approve CEO's succession plan by concerning the Company's business context
The Board also approves framework on the Executives and all staff performance assessment as well as structure of their benefits

by concerning performance indicators and the Company's business strategies. The Board assigns CEO to consider and approve the Executives and all staff's results of performance assessment and their benefits upon the overall framework as approved by the Board

The Board promotes and encourages the Directors' development by organizing new Directors' orientation and site visits, as well as training IOD development program. Currently, more than 75% of total Directors passed Thai IOD directorship training programs. In the year of 2023, the Director and the Executive continues their development as follows:-

1) Miss Suree Kitipongsamarn attended Director Certification Program (DCP) class no.348/2023, organized by Thai Institute of Directors' Association, and attended Governance System for Fraud Detecting on September 6, 2023, organized by Thai Listed Companies' Association

2) Mr. Sriprasert Sriprawatkul attended TLCA CFO Professional Development Program no. 2/2023 in topic of "Risk Management for CFOs", and attended TLCA CFO Professional Development Program no. 1/2023 in topic of "Economic Update for CFO", organized by Thai Listed Companies' Association.

8.15 IT Security

The Company is highly aware of importance of ICT management in order to strengthen business efficiency and business competitiveness as one of important business strategies. In addition, the Company is highly aware of cyber threat as one of emerging business risk, might impact the achievement of business targets and strategies as prescribed in topic no. 2 (Risk management) of this report. The Company, consequently, establishes IT Policy to be working guideline and procedure to govern and monitor the Company's IT security system. IT policy is covering the followings :-

1. Management of ICT security; physical and environment, data and program/system, human, and networking
2. Management of ICT resources and assets
3. Working procedure on ICT management
4. Management of ICT system in emergency event
5. Working procedure on electronic meeting
6. Management of outsourcing services/outside service providers
7. Intrusion Detection System / Intrusion Prevention System Policy
8. Development and Management of changing in ICT system
9. Operational Compliance with the laws and regulations.

8.16 Implementations according to IT policy

1. Governance : The Company establishes IT policy as well as IT risk management system, IT audit, and personnel development. The policy is regularly review its suitability at least once a year

2. Risk Management : The Company identifies and set up IT risk management measures as follows:

- IT department and risk working team together assess IT risk as well as possible IT security and cyber threats issues might impact business operations and business continuity. The sufficient risk management measures have been set to manage the risks
- Back up storage system of important data and back up sites in different locations under disaster recovery plan (DRP) have been placed. Rehearsal of working in DRP site is regularly implemented at least once a year
- IT department has been assigned to control and grant the rights to assess IT network/system such as usage and accession to important data, program installation, connection to intra-company networking system, and connection to outside networking system
- Intrusion detection system, intrusion prevention system, firewall system, anti-virus system has been installed in order to prevent cyber-attacks. Monitoring and updating necessary system/equipment have been being implemented at all times to strengthen effectiveness of intrusion prevention
- Communicates and builds awareness of IT threats/attacks as well as new patterns of IT threats/attacks have been always alerted.

3. Sufficient IT resources allocation:

- Allocates ICT resources of hardware and software sufficiently and appropriately as well as regularly implements preventive maintenance plan
- Arranges sufficient and capable IT personnel as well as strengthen IT personnel's more understanding and more updates of know-how of new aspects of ICT so as to help support efficient business operations as well as develop more IT security system.

4. Working plans :

- Prepare annual IT plan; covering supporting business plan, investment plan, personnel development plan, and sufficient expense budget by concerning business strategies and efficient risk management system
- Prepare and implement necessary plan regarding IT security, DRP and Cyber threats/attacks.

8.2 Report on the Results of Duty Performance of the Audit Committee in the Past Year

There is all together five times of the audit committee's meeting and a meeting with the independent auditor without the Managements.

Name list of Audit Committee as at December 31, 2023 are as follows:-

	Name-surname		Position	Number of attendance in the year 2023
1.	Mr. Sathaporn	Kootheranurak	Chairman	7/7
2.	Mr. Kanett	Chatthamrak	Committee	7/7
3.	Miss Suree	Kitipongsamarn ^{1/}	Committee	6/6
4.	Mr. Kunakorn	Mekchaidee ^{1/}	Committee	1/1

Thereby, Mr. Wichain Roruksa performs duty of secretary of the Audit Committee

Remarks : ^{1/} Miss Suree Kitipongsamarn has been appointed by resolution of the Board's meeting on April 26, 2023 to be member of Audit committee in replacement of Mr. Kunakorn Mekjaidee, who retired by rotation
^{2/} The committee nos. 1 and 3 have adequate expertise and experience to review reliability of financial statement.

Summary of the Audit Committee's operating results in the year of 2023

1. Governs and supervises the operations of internal auditors as well as audits the adequacy and appropriateness of internal control system
2. Reviews financial statements as well as consider important accounting policies and important changes of accounting policies
3. Reviews risk management system as well as reviews business operations to be in compliance with the laws and regulations
4. Reviews internal audit and internal control policies and charter of audit committee
5. Considers and proposes to appoint the financial reports' auditors and the auditing fee
6. Review and audit the correctness of implementation on self-assessment of anti-corruption

8.3 Summary of the Results of Duty Performance of Sub-committees

Apart from Audit Committees, the Board also appoints and assigns additional four sub-committees to support the Board; Corporate Governance Committee, Nomination and Remuneration Committee, Executive Committee, and Risk Management Committee. Each sub-committee's duty and responsibility is stipulated in the sub-committee charter.

8.3.1 Corporate Governance Committee

The Corporate Governance Committee is responsible for governing, supervising, and monitoring the operations is conformed to good corporate governance policy

Name list of Corporate Governance Committee as at December 31, 2023 is as follows:

	Name and Surname		Position	No. of attendance in the year 2023
1.	Mr. Kanett	Chatthamrak ^{1/}	Chairman	3/3
2.	Miss Suree	Kitipongsamarn ^{2/}	Committee	1/1
3.	Mr. Sorapon	Vongvadhanaroj	Committee	3/3
4.	Mr. Chokchai	Jiengwareewong ^{3/}	Chairman	2/2
5.	Mr. Patt	Somchaikulsup ^{3/}	Committee	2/2

Thereby, Mr. Patt Somchaikulsup performs duty of secretary to Corporate Governance Committee

Remarks : ^{1/} Mr. Kanett Chatthamrak has been appointed to be the Chairman by resolution of the Board's meeting on July 26, 2023 in replacement of Mr. Chokchai Jiengwareewong
^{2/} Miss Suree Kitipongsamarn has been appointed to be member of the committee by resolution of the Board's meeting on July 26, 2023
^{3/} Mr. Chokchai Jiengwareewong and Mr. Patt Somchaikulsup has retired from member of the committee by resolution of the Board's meeting on July 26, 2023

Summary of Corporate Governance Committee's operating results in the year of 2023

1. Reviews good corporate governance policy, anti-corruption policy, and the Committee's charter
2. Considers the proposal of enhancing good corporate governance in the organization by concerning Thai IOD's good corporate governance report of Thai Listed Companies as well as reviews the adoption of CG code for listed companies to the Company
3. Follow-ups the regulations relating good corporate governance, anti-corruption, and the Directors' duty performance.

8.3.2 Nomination and Remuneration Committee

The Nomination and remuneration committee is responsible for nominating the Directors, the sub-committees, and CEO as well as proposing the remunerations of the Directors and CEO

Name list of Nomination and Remuneration Committee as at December 31, 2023 is as follows:

	Name and Surname		Position	No. of attendance in the year 2023
1.	Mr. Chokchai	Jiengwareewong	Chairman	5/5
2.	Mr. Surapon	Vongvadhanaroj	Committee	5/5
3.	Mr. Kosol	Chantikul ^{1/}	Committee	3/3
4.	Mr. Kunakorn	Mekchaidee ^{2/}	Committee	2/2

Thereby, Mr. Patt Somchaikulsup performs duty of secretary to Nomination and Remuneration Committee

Remarks: ^{1/} Mr. Kosol Chantikul has been appointed to be member of the committee by resolution of the Board's meeting on July 26, 2023
^{2/} Mr. Kunakorn Mekjaidee has retired from member of the committee due to his retirement from the Company's Director by resolution of AGM on April 26, 2023

Summary of Nomination and Remuneration Committee's operating results in the year of 2023

1. Nominates the Directors in replacement of those retired by rotation
2. Proposes the Directors' remunerations for the approvals from the Boards and the Shareholders
3. Reviews the policy of the Directors and CEO nominations and the policy of the Directors and CEO remunerations as well as reviews the Committee's charter
4. Nominates the appointment of Sub-committees
5. Considers CEO's remunerations
6. Follow-ups the regulations relating the Directors' nomination and remuneration.

8.3.3 Risk Management Committee

Risk Management Committee is responsible for establishing and reviewing efficient risk management system as well as supervising the implementations of risk management

Name list of Risk Management Committee as at December 31, 2023 is as follows:

	Name and Surname		Position	No. of attendance in the year 2023
1.	Mr. Sorapon	Vongvadhanaroj	Chairman	4/4
2.	Miss Malai	Wongwatroj	Committee	4/4
3.	Mr. Paiboon	Kangvonkit	Committee	4/4
4.	Miss Soranee	Vongvadhanaroj	Committee	4/4
5.	Mr. Sorapoom	Vongvadhanaroj	Committee	3/4
6.	Mrs. Soraya	Sorakraikitikul	Committee	4/4
7.	Mr. Jittakorn	Chairach	Committee	4/4
8.	Mr. Montai	Chulatitta	Committee	4/4
9.	Mr. Thomas	Ung	Committee	4/4
10.	Mr. Sriprasert	Sriprawatkul	Committee	4/4
11.	Mr. Patt	Somchaikulsup	Committee	3/4

Thereby, Mrs. Nawarat Surinwong performs duty of secretary to Risk Management Committee

Summary of Risk Management Committee's operating results in the year of 2023

1. Reviews risk management policy, manual of risk management, and the Committee's charter to be in compliance with good corporate governance principle and business operations
2. Reviews, monitors, and manages business risk factors in order to ensure the risks shall be managed to acceptable level and to be in accordance with COSO ERM standard
3. Follow-ups the business laws and regulations.

8.3.4 Executive Committee

Executive Committee is responsible for governing and supervising the business operations are managed and implemented according to the policies and business targets as well as considering the necessary policies, procedures, and working guidelines in order to enhance the efficient and effective business management

Name list of Executive Committee as at December 31, 2023 is as follows:

	Name and Surname		Position	No. of attendance in the year 2023
1.	Mr. Surapon	Vongvadhanaroj	Chairman	3/3
2.	Mr. Sorapon	Vongvadhanaroj	Vice chairman	3/3
3.	Mr. Paiboon	Kangvonkit	Committee	3/3
4.	Miss Soranee	Vongvadhanaroj	Committee	3/3
5.	Mrs. Soraya	Sorakraikitikul	Committee	3/3
6.	Mr. Sorapoom	Vongvadhanaroj	Committee	3/3
7.	Mr. Montai	Chulatitta	Committee	3/3
8.	Mr. Jittakorn	Chairach	Committee	3/3
9.	Mr. Thomas	Ung	Committee	3/3
10.	Mr. Patt	Somchaikulsup	Committee and secretary	3/3

9. Internal Control and Related Party Transaction

9.1 Internal Control

The Board of Directors and the Management are highly aware of the importance on internal control. The Company puts strong emphasis on internal control and risk management in all operational activities. The Board has arranged the annual assessment program to evaluate the adequacy and suitability of Internal Control system. In the year 2023, the Audit Committee utilizes the assessment form as suggested by the Office of Securities and Exchange Commission and proposes for the Board's consideration. The Board has unanimously resolved that the Company's internal control system is sufficient and suitable for monitoring the achievement of business objectives and goals as well as the compliance with the laws and regulations. This includes the monitoring and oversight of the reasonable related party transaction(s) and operations of the subsidiary companies in order to ensure that the assets of the Company and the subsidiaries have been protected from being used by the Directors or the Management unlawfully or without authority.

The Board also gives precedence to the Independent Auditor's opinion, given in the Auditor Report which reveals no significant weaknesses in the Company's internal control. In addition, the Management has provided best supports to develop and improve the internal control system continuously by using internal control guidelines under standard of The Committee of Sponsoring Organization of the Treadway Commission (COSO) on Enterprises Risk Management applied to the Company's operations. The assessment of the Company's internal control system can be summarized as follows;

1. Environment Control

The Company has a strong commitment to operate its business loyalty and ethically. The organization structure, line of command, power of authority, and segregation of duty have been set to be in compliance with job functions and key responsibilities by concerning internal control supports. Human resources function focuses on retention and development of the capable employees. The Company and the Subsidiaries have kept emphasis on communicating all employees regarding good corporate governance, anti-corruption and conflict of interest in order to promote awareness as a part of corporate culture building continuously. The Company is re-certified as the member of Thailand's Private Sector Coalition against Corruption (CAC).

2. Risk Assessment

The Company establishes the efficient internal control and risk management systems. The Company appoints Risk Management Committee to monitor, consider, and identify the suitable risk management measures according to the Company's risk management policy. Risk Management Committee is responsible for assessing the corporate risks which are comprised of strategic risk, financial risk, operational risk, event risk, compliance risk, and corruption risk. The monitoring and management of business risks are to strengthen business sustainability by concerning ESG. There will be continuous monitoring, assessing and reporting the risk factor management to the Management. The secretary to Risk Management shall monitor the results of risk management according to the Company's risk management manual. In addition, Internal auditors shall regularly audit the implementation of risk management.

3. Activities Control

The Company has designed the internal control system, which is suitable for working environment and business operations in order to mitigate risk into acceptable level. The scope of work and segregation of authorities as well as checking and balancing system have been clearly determined. Approval of transaction shall be considered by concerning the best benefits of the Company and considering as at arm's length basis principle.

4. Information and Communication

The Company set up communication procedure and channels both internal and external channels in order to support efficient risk management and internal control. The Company set up whistle-blowing policy and channels to hear voices regarding anti-corruption and internal control concerns.

5. Activities Monitoring

The Company generates the monitoring system to ensure that the internal control in all operational activities is efficient and

effective. If there is an issue concerned to the defective of internal control systems, the channel to inform such issue has been created. The Company has a proper reporting method to ensure that the performance of internal control monitoring has been reported continuously to the Executives and the Board.

Monitoring and Following-up the Internal Control

The Audit committee meeting on December 6, 2022 approved annual internal audit plan for the year 2023. Internal audit department implements and operates its working based on risk-based auditing principle by assessing the adequacy of internal control system as well as following-up the improvement of possible internal control issues in the Company and the Subsidiaries, and reviewing the suitable related party transaction and then submitting to Audit Committee for considerations quarterly. In the year 2023, there is no significant internal control weakness issue. In addition, Independent auditor has reported the opinion of no significant issue affecting the Company's financial statements.

The Audit Committee's Opinion

The Audit Committee has reported their opinions of the Company's good corporate governance, risk management, operational compliance, and internal control for the year 2023 as prescribed in Attachment no.6 of this report.

Internal Audit Head

The Audit Committee appoints Mr. Wichian Roruksa as the Company's internal audit function head. Mr. Wichian Roruksa performs his duty as the Company's internal auditor as well as provide the recommendation report of the Company's internal audit implementation results. The Audit Committee has duties to appoint or discharge or rotate the Company's internal audit head.

The Audit Committee considers Mr. Wichian Roruksa's qualifications and is of opinion that he possesses the suitable and sufficient qualifications and experiences to perform the position of the Company's internal audit head. Mr. Wichian Roruksa's qualifications and professional trainings as prescribed in Attachment no.3 of this report.

9.2 Related Party Transaction

In business operations, the Company might have related transaction with related person and/or juristic person. The Company, however, carefully makes decision of the related transaction by concerning the Company's best benefit with care and fair by concerning at arm's length basis principle as well as to be in compliance with the laws and regulations. In addition, Audit Committee has reviewed and given the opinion to the Board. In case the Company enters into related transaction with the Directors and/or Executives, the involved Directors will not vote for this transaction. Disclosure of related transaction shall comply with the laws and regulations as well as Generally-accepted Accounting Standard.

In the Board's meeting no.4/2008, the meeting has passed the resolution of entering into related transaction that the Board of Directors approves in principle to allow the Company and subsidiaries can enter into related transaction with the director, executive or related persons. The Management can approve in case general trading conditions as specified by the Notification of the Board of Governors of the Stock Exchange of Thailand.

In the year 2022, the Company reported the related transaction to SET. The Board of Directors' meeting on September 29, 2022 had passed the resolution to approve the related transaction in rental contract of office space between Pokai Holding Co., Ltd. ("lessor") and Surapon Finest Co., Ltd. ("lessee") for two-years period (November 1, 2022 to October 31, 2024) with the agreed rental rate of Baht 166,500 per month as Surapon Finest Co., Ltd. need the workplace for the staffs in sales and marketing functions. Pokai Holding Co., Ltd. is 100% shared by six members of Vongvadhanaroj family, who hold all together 44.03% shareholding in Surapon Foods PLC. Value of this transaction in comparison with the net tangible asset showed that its size was equal to 0.22%, which was considered to be the medium-size connected transaction as specified in the Notification of the Stock Exchange of Thailand. The Company already reported details of this transaction to the Stock Exchange of Thailand on September 29, 2022. The Company and the Subsidiaries have no other related party transactions with this related persons group.

In the year 2023, there is no violation case of conflict of interest or related party transactions.

Part 3

Financial statements

Independent Auditor's Report

To the Shareholders of Surapon Foods Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Surapon Foods Public Company Limited and its subsidiaries (the "Group") and of Surapon Foods Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Notes 3(g) and 7 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant amount of inventories. The Group's products are frozen seafood and frozen foods which have a limited shelf life and are highly competitive in both domestic and export markets. The Group's main raw materials are mainly from agriculture and fisheries which are subject to impact from weather, environment, disaster, and plague. These factors affect the volatility and cost of main raw materials, selling price of products and valuation of inventories. As the Group's inventories are required to be measured at the lower of cost and net realisable value, therefore the Group considers the current selling price deducted with selling expense compared with cost of inventories. If net realisable value is lower than cost of inventories, the Group will record loss of inventories. The Group also considered net realisable value of nearly expired inventory items. The measurement and valuation of inventories involve a number of judgements of management. Therefore, I have determined the valuation of inventories to be a key audit matter.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • inquiring the management regarding the Group's policy for provision for decline in value of inventories; • assessing the Group's policy used in making the estimation whether the method is in accordance with the Group's accounting policy; • gaining an understanding of internal control process relating to the inventory management and observing physical count of inventories including inspecting the inventories condition to identify expired items; • considering the slow-moving inventories by evaluating the aged analysis report of inventories whether it is complete and accurate and reconciled it to the inventory report. Test sampling to recalculate aging inventories report by checking with supporting documents whether inventories is categorised in proper age range and comparing with the actual inventory destruction; • evaluating the appropriateness of the Group's assumptions used for the valuation of inventories by considering past estimation and comparing with the current year data. Observing and inquiring the Group's assumptions used for the estimation; • testing on a sampling basis to assess the adequacy of measurement net realisable value of slow-moving inventories by comparing provision for decline in value of expired inventories with historical information, distribution plan and marketing factor which affects valuation of inventories; • testing on a sampling basis to assess net realisable value of inventories by testing the accuracy of sample information and comparing the expected selling prices with subsequent documents after the year end or price list and distribution plan. Including considering the estimation of selling expenses with supporting documents and historical information; and •evaluating the adequacy of disclosures in relation to inventories in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Krittika Kongkerd)
Certified Public Accountant
Registration No. 10634

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2024

Surapon Foods Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	458,095,399	325,639,636	5,825,322	4,553,278
Trade accounts receivable	4, 6	273,310,631	309,770,039	58,902,000	59,490,540
Other receivables	4	37,388,363	42,690,178	90,390,110	6,254,606
Other current financial assets	27	2,520,221	475,080	94,518	-
Current portion of long-term loans to related parties	4	-	-	53,250,000	-
Short-term loans to related parties	4	-	-	47,500,000	47,000,000
Inventories	7	653,683,914	652,093,557	130,110,124	158,899,456
Total current assets		1,424,998,528	1,330,668,490	386,072,074	276,197,880
<i>Non-current assets</i>					
Investment in an associate	8	21,798,351	21,728,723	17,150,000	17,150,000
Investments in subsidiaries	9	-	-	844,127,375	844,127,375
Other non-current financial assets	27	353,689	1,157,473	353,689	1,157,473
Long-term loan to related parties	4	-	-	80,000,000	133,250,000
Investment properties	11	146,556,436	146,556,436	5,000,000	5,000,000
Property, plant and equipment	12	2,465,357,952	2,636,536,207	645,864,877	686,773,179
Right-of-use assets	13	33,324,388	41,324,501	5,587,373	4,493,163
Intangible assets	15	25,755,003	23,137,488	4,910,215	5,888,771
Deferred tax assets	24	1,224,659	1,580,712	-	-
Non-current non-cash financial assets					
pledged as collateral	29	2,000,000	2,000,000	-	-
Other non-current assets		34,748,947	20,847,176	11,446,049	10,271,040
Total non-current assets		2,731,119,425	2,894,868,716	1,614,439,578	1,708,111,001
Total assets		4,156,117,953	4,225,537,206	2,000,511,652	1,984,308,881

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(in Baht)			
<i>Current liabilities</i>					
Short-term loans from financial institutions	16	624,842,267	675,330,563	88,500,000	72,270,563
Trade accounts payable	4	212,432,269	225,076,535	36,433,182	40,497,337
Other payables	4, 17	314,756,984	266,228,622	43,022,701	66,823,400
Other current financial liabilities	27	-	-	-	84,685
Current portion of long-term loans from financial institutions	16	77,862,000	130,571,570	2,592,000	1,944,000
Current portion of long-term loans from related parties	4, 16	17,750,000	-	-	-
Short-term loans from related party	4, 16	5,000,000	5,000,000	-	-
Current portion of lease liabilities	4, 16	14,567,724	28,218,332	2,123,919	2,026,185
Corporate income tax payable		13,052,806	9,332,539	-	-
Total current liabilities		1,280,264,050	1,339,758,161	172,671,802	183,646,170
<i>Non-current liabilities</i>					
Long-term loans from financial institutions	16	203,471,350	195,691,484	12,749,850	9,579,900
Long-term loans from related parties	4, 16	-	17,750,000	-	-
Lease liabilities	4, 16	18,790,613	12,973,571	3,430,720	2,348,498
Deferred tax liabilities	24	129,367,669	127,542,208	65,542,737	65,488,860
Non-current provisions for employee benefits	18	150,039,845	164,076,485	28,226,972	29,499,657
Total non-current liabilities		501,669,477	518,033,748	109,950,279	106,916,915
Total liabilities		1,781,933,527	1,857,791,909	282,622,081	290,563,085
<i>Equity</i>					
Share capital					
Authorised share capital					
(Ordinary shares 270,000,000 shares, Baht 1 par value)					
		270,000,000	270,000,000	270,000,000	270,000,000
Issued and paid-up share capital					
(Ordinary shares 269,999,000 shares, Baht 1 par value)					
		269,999,000	269,999,000	269,999,000	269,999,000
Share premium on ordinary shares	19	270,000,000	270,000,000	270,000,000	270,000,000
Retained earnings					
Appropriated for legal reserve	20	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		825,034,214	824,588,422	864,628,860	840,485,085
Other component of equity	20	477,973,918	477,973,918	286,261,711	286,261,711
Equity attributable to owners of the parent		1,870,007,132	1,869,561,340	1,717,889,571	1,693,745,796
Non-controlling interests	10	504,177,294	498,183,957	-	-
Total equity		2,374,184,426	2,367,745,297	1,717,889,571	1,693,745,796
Total liabilities and equity		4,156,117,953	4,225,537,206	2,000,511,652	1,984,308,881

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2023	2022	2023	2022
		(in Baht)			
Income					
Revenue from sale of goods	4, 21	5,074,685,240	5,718,200,803	507,909,927	578,018,883
Revenue from rendering of services	4, 21	174,150,871	130,291,611	-	-
Interest income and dividend income	4	4,859,269	1,922,229	234,015,449	263,141,752
Net foreign exchange gain		50,650,813	54,394,699	1,754,718	272,691
Other income	4, 22	70,203,222	104,779,225	57,880,036	48,511,867
Total income		5,374,549,415	6,009,588,567	801,560,130	889,945,193
Expenses					
Cost of sale of goods	4, 7	4,383,097,813	5,103,625,145	508,793,487	561,974,185
Cost of rendering of services		163,873,154	132,209,820	-	-
Distribution costs	4	213,791,092	327,186,499	34,759,004	36,762,414
Administrative expenses	4	247,502,134	241,978,833	100,773,007	103,396,125
Total expenses		5,008,264,193	5,805,000,297	644,325,498	702,132,724
Profit from operating activities		366,285,222	204,588,270	157,234,632	187,812,469
Finance costs	4	(31,493,642)	(17,750,162)	(3,061,435)	(1,379,817)
Impairment gain and reversal of impairment loss determined in accordance with TFRS 9		257,422	372,744	-	-
Share of profit of an associate accounted for using equity method	8	69,628	63,704	-	-
Profit before income tax expense		335,118,630	187,274,556	154,173,197	186,432,652
Tax expense	24	31,667,058	20,544,426	53,877	157,951
Profit for the year		303,451,572	166,730,130	154,119,320	186,274,701
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Loss on remeasurements of defined benefit plans	18	-	(12,845,779)	-	(8,662,039)
Income tax relating to items that will not be reclassified subsequently to profit or loss	24	-	2,735,577	-	1,732,406
Total items that will not be reclassified subsequently to profit or loss		-	(10,110,202)	-	(6,929,633)
Other comprehensive income (expense) for the year, net of tax		-	(10,110,202)	-	(6,929,633)
Total comprehensive income for the year		303,451,572	156,619,928	154,119,320	179,345,068

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	<i>Note</i>	2023	2022	2023	2022
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the parent		130,421,337	83,471,031	154,119,320	186,274,701
Non-controlling interests	<i>10</i>	<u>173,030,235</u>	<u>83,259,099</u>	<u>-</u>	<u>-</u>
Profit for the year		<u>303,451,572</u>	<u>166,730,130</u>	<u>154,119,320</u>	<u>186,274,701</u>
Total comprehensive income attributable to:					
Owners of the parent		130,421,337	73,353,051	154,119,320	179,345,068
Non-controlling interests		<u>173,030,235</u>	<u>83,266,877</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>303,451,572</u>	<u>156,619,928</u>	<u>154,119,320</u>	<u>179,345,068</u>
Basic earnings per share	<i>25</i>	<u>0.48</u>	<u>0.31</u>	<u>0.57</u>	<u>0.69</u>

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements									
	Note	Retained earnings			Other component of equity			Equity	
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus	attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2022									
Balance at 1 January 2022		269,999,000	270,000,000	27,000,000	891,229,853	477,973,918	1,936,202,771	654,766,903	2,590,969,674
Transactions with owners, recorded directly in equity									
Distributions to owners									
Dividends to owners of the parent	26	-	-	-	(139,994,482)	-	(139,994,482)	-	(139,994,482)
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	(239,850,038)	(239,850,038)
Total distributions to owners		-	-	-	(139,994,482)	-	(139,994,482)	(239,850,038)	(379,844,520)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	215	215
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	215	215
Total transactions with owners, recorded directly in equity									
		-	-	-	(139,994,482)	-	(139,994,482)	(239,849,823)	(379,844,305)
Comprehensive income for the year									
Profit		-	-	-	83,471,031	-	83,471,031	83,259,099	166,730,130
Other comprehensive income		-	-	-	(10,117,980)	-	(10,117,980)	7,778	(10,110,202)
Total comprehensive income for the year		-	-	-	73,353,051	-	73,353,051	83,266,877	156,619,928
Balance at 31 December 2022									
		269,999,000	270,000,000	27,000,000	824,588,422	477,973,918	1,869,561,340	498,183,957	2,367,745,297

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements								
Note	Issued and paid-up share capital	Share premium	Retained earnings			Other component of equity		Total equity
			Legal reserve	Unappropriated	Revaluation surplus	Equity attributable to owners of the parent	Non-controlling interests	
(in Baht)								
Year ended 31 December 2023								
Balance at 1 January 2023								
	269,999,000	270,000,000	27,000,000	824,588,422	477,973,918	1,869,561,340	498,183,957	2,367,745,297
Transactions with owners, recorded directly in equity								
Distributions to owners								
26	-	-	-	(129,975,545)	-	(129,975,545)	-	(129,975,545)
	-	-	-	-	-	-	(167,036,898)	(167,036,898)
Dividends of subsidiaries to non-controlling interests								
	-	-	-	(129,975,545)	-	(129,975,545)	(167,036,898)	(297,012,443)
Total distributions to owners								
	-	-	-	(129,975,545)	-	(129,975,545)	(167,036,898)	(297,012,443)
Total transactions with owners, recorded directly in equity								
Comprehensive income for the year								
Profit								
	-	-	-	130,421,337	-	130,421,337	173,030,235	303,451,572
Total comprehensive income for the year								
	-	-	-	130,421,337	-	130,421,337	173,030,235	303,451,572
Balance at 31 December 2023								
	269,999,000	270,000,000	27,000,000	825,034,214	477,973,918	1,870,007,132	504,177,294	2,374,184,426

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements					
		Retained earnings			Other components of equity		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Revaluation surplus	Total equity
Note							
Year ended 31 December 2022							
		269,999,000	270,000,000	27,000,000	801,134,499	286,261,711	1,654,395,210
Balance at 1 January 2022							
Transactions with owners, recorded directly in equity							
Distributions to owners							
	26	-	-	-	(139,994,482)	-	(139,994,482)
		-	-	-	(139,994,482)	-	(139,994,482)
Total transactions with owners, recorded directly in equity							
		-	-	-	(139,994,482)	-	(139,994,482)
Comprehensive income for the year							
		-	-	-	186,274,701	-	186,274,701
		-	-	-	(6,929,633)	-	(6,929,633)
		-	-	-	179,345,068	-	179,345,068
Total comprehensive income for the year							
		-	-	-	-	-	-
Balance at 31 December 2022							
		269,999,000	270,000,000	27,000,000	840,485,085	286,261,711	1,693,745,796

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements						
		Retained earnings			Other components of equity	
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated surplus	Revaluation surplus
	<i>Note</i>				<i>(in Baht)</i>	
Year ended 31 December 2023		269,999,000	270,000,000	27,000,000	840,485,085	286,261,711
Balance at 1 January 2023						
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividends to owners of the Company	26	-	-	-	(129,975,545)	-
<i>Total distributions to owners</i>		-	-	-	(129,975,545)	-
Total transactions with owners, recorded directly in equity						
Comprehensive income for the year						
Profit		-	-	-	154,119,320	-
Total comprehensive income for the year		-	-	-	154,119,320	-
Balance at 31 December 2023						
		269,999,000	270,000,000	27,000,000	864,628,860	286,261,711
						1,717,889,571

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	303,451,572	166,730,130	154,119,320	186,274,701
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	31,667,058	20,544,426	53,877	157,951
Finance costs	31,493,642	17,750,162	3,061,435	1,379,817
Depreciation	325,711,278	325,912,277	59,435,569	65,782,930
Amortisation	3,821,048	3,852,761	1,220,351	1,403,352
Dividend income	(650,000)	(800,000)	(227,261,742)	(258,219,962)
Employee benefits	21,774,538	15,022,928	3,754,966	2,132,933
Unrealised (gain) loss on exchange	492,219	(7,370,158)	452,567	237,539
Loss on fair value adjustment of equity instruments	803,784	1,724,699	803,784	1,724,699
Share of profit of an associate accounted for using equity method	(69,628)	(63,704)	-	-
Reversal of impairment loss of trade and other receivables	(257,422)	(372,744)	-	-
(Reversal of) losses on inventories devaluation	(4,589,777)	(1,755,452)	266,771	750,568
Reversal of impairment loss on equity instrument	-	(1,784)	-	-
Loss on disposal of equity instrument	-	1,680	-	-
Reversal of impairment loss on assets	-	(165,542)	-	(165,542)
(Gain) loss on disposal and written-off plant and equipment	201,397	(2,162,229)	(20,641)	(625,777)
Interest income	(4,209,269)	(1,122,229)	(6,753,706)	(4,921,790)
	709,640,440	537,725,221	(10,867,449)	(4,088,581)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	34,413,093	(27,059,685)	560,002	5,336,989
Other receivables	5,031,581	(6,213,209)	637,179	(1,750,937)
Inventories	2,999,420	(97,282,596)	28,522,561	(25,089,919)
Other non-current assets	(5,715,791)	396,787	107,836	40,070
Trade accounts payable	(13,080,114)	(66,045,518)	(4,596,082)	(11,984,111)
Other payables	(21,447,838)	(3,145,559)	(17,045,558)	(5,033,543)
Provision for employee benefits paid	(35,811,177)	(22,356,735)	(5,027,651)	(6,134,203)
Net cash generated from (used in) operating	676,029,614	316,018,706	(7,709,162)	(48,704,235)
Taxes received (paid) - net	(31,936,655)	(19,467,156)	(1,803,639)	712,662
Net cash from (used in) operating activities	644,092,959	296,551,550	(9,512,801)	(47,991,573)

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2023	2022	2023	2022
		(in Baht)		
Cash flows from investing activities				
Proceeds from sale of equity instrument	-	320	-	-
Proceeds from sale of plant and equipment	713,240	4,233,472	176,258	1,006,318
Acquisitions of plant and equipment	(133,562,508)	(303,702,756)	(22,106,263)	(71,239,234)
Advance payment for plant and equipment	(6,186,406)	(9,789,682)	-	(255,000)
Acquisitions of intangible assets	(2,862,778)	(627,247)	(61,650)	(412,782)
Increase in loans to related parties	-	-	(500,000)	(560,000)
Dividends received	650,000	800,000	142,500,392	258,219,962
Interest received	3,991,632	1,139,387	6,706,819	4,952,845
Net cash from (used in) investing activities	(137,256,820)	(307,946,506)	126,715,556	191,712,109
Cash flows from financing activities				
Proceeds from short-term loans from financial institutions	3,602,063,364	3,321,886,097	776,413,868	602,490,691
Repayment of short-term loans from financial institutions	(3,652,837,895)	(2,902,376,250)	(760,184,431)	(582,033,244)
Payment of lease liabilities	(37,969,159)	(33,020,211)	(2,453,400)	(2,569,323)
Proceeds from long-term loans from financial institutions	86,331,866	133,585,483	5,761,950	11,523,900
Repayment of long-term loans from financial institutions	(131,261,570)	(189,992,860)	(1,944,000)	(31,400,000)
Dividends paid to owners of the Company	(129,975,545)	(139,994,482)	(129,975,545)	(139,994,482)
Dividends paid to non-controlling interests	(78,798,248)	(239,850,038)	-	-
Interest paid	(31,933,189)	(17,473,342)	(3,549,153)	(1,195,212)
Net cash used in financing activities	(374,380,376)	(67,235,603)	(115,930,711)	(143,177,670)
Net increase (decrease) in cash and cash equivalents	132,455,763	(78,630,559)	1,272,044	542,866
Cash and cash equivalents at 1 January	325,639,636	404,270,195	4,553,278	4,010,412
Cash and cash equivalents at 31 December	458,095,399	325,639,636	5,825,322	4,553,278
Non-cash transactions				
Plant and equipment purchased during the year are detailed as follows:				
Plant and equipment purchased during the year	120,607,314	342,804,844	16,372,159	76,035,829
Less: advance payment for assets in prior period	(2,152,914)	(29,401,821)	(336,000)	(3,856,819)
interest capitalised	(2,607,744)	(1,975,320)	(787,772)	-
(Increase) decrease in payables on purchases of plant and equipment	13,362,304	(2,899,951)	6,829,480	(103,629)
(Increase) decrease in retention payables	4,353,548	(4,824,996)	28,396	(836,147)
Net purchase of plant and equipment paid by cash	133,562,508	303,702,756	22,106,263	71,239,234

The accompanying notes form an integral part of the financial statements.

Surapon Foods Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 20 February 2024.

1 General information

Surapon Foods Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in September 1989. The Company has its registered offices located at the following addresses:

- (a) Registered office : 247 Moo 1, Teparak Road, Tambon Teparak, Amphur Muang, Samutprakarn Province.
- (b) Factory : 247 Moo 1, Teparak Road, Tambon Teparak, Amphur Muang, Samutprakarn Province.

The Company’s major shareholders during the financial year are as follows:

- Pokai Holdings Company Limited and Vongvadhanaroj Family Hold total 44% shareholding which Pokai Holdings Company Limited was incorporated in Thailand
- Kraisithisirin Family Hold 13 % shareholding
- Jiengwareewong Family Hold 13 % shareholding

The principal activities of the Company and its subsidiaries are the manufacturing and distribution of seafood, finished and semi-finished frozen foods; and cold storage warehouse and logistic services. Details of the Company’s direct subsidiaries as at 31 December 2023 and 2022 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate.

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Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Associate is the entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognised investment in associate using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associate are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) *Investments in subsidiaries and associate*

Investments in subsidiaries and associate in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currencies*

Transactions in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(d) *Financial instruments*

(d.1) *Classification and measurement*

Financial assets and financial liabilities (except trade accounts receivables (see note 3(f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

Surapon Foods Public Company Limited and its Subsidiaries
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On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in the operating results of the debtor and existing or forecast changes in economic environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.5) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition.

Deposits at financial institution that have a restriction of use are presented separately as “Non-current non-cash financial assets pledged as collateral” in the statement of financial position.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Raw materials, packing materials and supplies are calculated using the first-in, first-out method. Work in progress and finished goods are calculated using the average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each property and recognised in profit or loss. The estimated useful lives are as follows:

Land improvement	5 to 20 years
Buildings and shrimp farm equipment	3 to 20 years

No depreciation is charged on freehold land.

Surapon Foods Public Company Limited and its Subsidiaries
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Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land which are measured stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Revaluations of assets are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date. Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the "revaluation reserve" in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset, the increase is recognised in profit or loss. A decrease in value is recognised in profit or loss to the extent it exceeds the revaluation reserve previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any remaining related revaluation reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Land improvements	5 to 20 years
Buildings and improvements	5 to 30 years
Freezing buildings and equipment	5 to 30 years
Machinery and equipment	5 to 20 years
Electrical and water systems	5 to 25 years
Transportation equipment	5 to 10 years
Furniture, fixtures and office equipment	3 to 10 years

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(j) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives is as follow:

Computer software	1 to 10 years
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The amortisation of intangible assets is included in cost of sale of goods, distribution costs and administrative expenses. No amortisation is provided on intangible assets under development and installation.

(k) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Defined Contribution plan

Obligations for contributions to the Group's provident funds are expensed in profit and loss as the related service is provided.

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Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

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The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(p) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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4 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

Relationships with subsidiaries and associate are described in notes 8 and 9. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Nichirei Foods Inc.	Japan	Shareholder of a subsidiary
Nichirei Australia Pty, Ltd.	Australia	Shareholding by Nichirei Foods Inc.
Nichirei Foods U.S.A. Inc.	U.S.A.	Shareholding by Nichirei Foods Inc.
GFPT Nichirei (Thailand) Company Limited	Thailand	Shareholding by Nichirei Foods Inc.
Nichirei Suco Vietnam Company Limited	Vietnam	Shareholding by Nichirei Foods Inc.
SCG Nichirei Logistics Company Limited	Thailand	Shareholding by Nichirei Foods Inc.
Pokai Holdings Company Limited	Thailand	Shareholding by Vongvadhanaroj family and joint director
BSC So In Company Limited	Thailand	Joint director of a subsidiary
I.D.F. Company Limited	Thailand	Shareholder of a subsidiary
Saha Pathanapibul Public Company Limited	Thailand	Shareholder of a subsidiary
I.C.C. International Public Company Limited	Thailand	Shareholder of a subsidiary
International Laboratory Company Limited	Thailand	Shareholder of a subsidiary
Saha Pathana-Interholding Public Company Limited	Thailand	Shareholder of a subsidiary

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of raw materials and goods	-	-	300,399	278,191
Dividend income	-	-	226,612	257,420
Management, selling and marketing assistance income	-	-	43,107	32,490
Guarantee income	-	-	6,868	7,243
Storage warehouse income	-	-	4,112	1,413
Rental income	-	-	780	780

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Transportation income	-	-	162	175
Service income	-	-	635	785
Interest income	-	-	6,729	4,915
Other income	-	-	586	1,251
Purchases of raw materials and goods	-	-	1,728	5,203
Purchase plant and equipment	-	-	-	200
Other expenses	-	-	253	232
Associate				
Interest expense	113	113	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	31,338	33,541	28,223	30,421
Post-employment benefits	455	1,769	455	1,769
Total key management personnel compensation	31,793	35,310	28,678	32,190
Other related parties				
Sales of raw materials and goods	3,766,487	4,187,552	53,225	116,156
Dividend income	650	800	650	800
Purchases of raw materials and goods	16,305	48,507	-	-
Technical assistance fee	14,698	15,858	-	-
Management assistance fee	3,686	3,967	-	-
Rental expense	1,998	1,832	-	-
Interest expense	598	598	-	-
Other expense	8,649	3,543	-	-

In February and December 2023, a subsidiary (Surapon Nichirei Foods Company Limited) declared dividend totaling Baht 320.2 million. Such dividend was paid to the Company of Baht 156.9 million and non-controlling interests of Baht 163.3 million in March 2023 and January 2024.

In May and December 2023, a subsidiary (Surat Seafoods Company Limited) declared dividend totaling Baht 73.4 million. Such dividend was paid to the Company of Baht 69.7 million and non-controlling interests of Baht 3.7 million in June and December 2023.

In February 2022, a subsidiary (Surapon Nichirei Foods Company Limited) declared dividend totaling Baht 467.3 million. Such dividend was paid to the Company of Baht 228.9 million and non-controlling interests of Baht 238.3 million in March 2022.

In December 2022, a subsidiary (Surat Seafoods Company Limited) declared dividend totaling Baht 30.0 million. Such dividend was paid to the Company of Baht 28.5 million and non-controlling interests of Baht 1.5 million in December 2022.

As at 31 December 2023, the Company had commitments for the purchase of investment in a subsidiary (Surapon Prime Company Limited) which have not yet been called-up totaling Baht 6.8 million (31 December 2022: Baht 6.8 million).

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<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	57,753	43,953
Other related parties	171,534	201,180	-	12,901
Total	171,534	201,180	57,753	56,854
<i>Other receivables</i>				
Subsidiaries	-	-	86,822	1,502
Other related party	-	52	-	-
Total	-	52	86,822	1,502
<i>Loans to</i>				
Subsidiaries	-	-	180,750	180,250

In April and November 2023, the Company entered into short-term loan to agreement with 2 subsidiaries. This loan bears interest based on interest rate prescribed in the loan agreement. The loan will be repayable on-call and within February 2024. At 31 December 2023, the Company had loan balance of Baht 47.5 million (2022: Baht 47.0 million).

In August 2021, a subsidiary entered into a long-term loan agreement with the Company. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan will be repayable in monthly installment. In January 2022, the Company had the additional memorandum of agreement with the subsidiary which has the condition that such subsidiary will start the repayment of the remaining of loan to the Company in the next month from the month of completely repayment to a local financial institution and the principal will be repayable in monthly installment with amount specified in a memorandum. At 31 December 2023, a subsidiary had drawdown balance of loan of Baht 80 million. (2022: 80 million).

In July 2020, a subsidiary entered into a long-term loan agreement with the Company of Baht 53.25 million. This loan bears fixed interest rate prescribed in the agreement. The loan will be repayable in July 2022. The interest will be paid on monthly. In July 2022, the Company entered into a memorandum of extended loan repayment period with such a subsidiary to change the repayment schedule from within July 2022 to July 2024.

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable</i>				
Subsidiaries	-	-	72	116
Other related parties	1,080	2,735	-	-
Total	1,080	2,735	72	116
<i>Other payables</i>				
Subsidiaries	-	-	430	127
Other related parties	107,915	20,233	-	-
Total	107,915	20,233	430	127
<i>Lease liabilities</i>				
Other related parties	1,637	3,536	-	-

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<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Loans from</i>				
Associate	5,000	5,000	-	-
Other related parties	17,750	17,750	-	-
Total	22,750	22,750	-	-

In July and August 2020, a subsidiary entered into the long-term loan agreements with other related parties totalling of Baht 17.75 million. These loans bear fixed interest rate prescribed in the agreements. The loans will be repayable in July 2022. The interest will be paid on monthly. In July 2022, the subsidiary entered into a memorandum of agreement to extend the principal repayment period to change the loan repayment schedule from within July 2022 to within July 2024.

Significant agreements with related parties

On 7 October 1988, the Company entered into a sales agreement for main raw materials with a subsidiary (Surapon Nichirei Foods Company Limited) whereby the Company is the exclusive supplier of the main raw materials to such subsidiary at the agreed price which is close to the market price.

The Company has entered into management, selling and marketing assistance agreements with several subsidiaries for a period of one year, whereby the Company agreed to provide management assistance services to those subsidiaries. These agreements may be notified to terminate by either party giving 30 days advance written notices. Otherwise, these agreements shall be automatically renewed for successive periods of one year each. In consideration thereof, these subsidiaries agreed to pay management fees at the amounts prescribed in the agreements.

A subsidiary (Surapon Nichirei Foods Company Limited) has a technical support agreement with Nichirei Foods Inc. of Japan, whereby the latter provides technical know-how, and assistance including consultations in relation to the manufacture of certain products. Under this agreement, the subsidiary agrees to pay service fee at certain percentage of F.O.B. Bangkok port value for the export products to Japan except battered shrimp, frozen breaded, frozen battered shrimp and tempura shrimp. The agreement expired on 31 December 2002 and is automatically renewable for successive period of one year each unless either party notifies to terminate or amend the agreement one month prior to the expiry date.

On 10 July 1995, a subsidiary (Surapon Nichirei Foods Company Limited) entered into a management assistance agreement with Nichirei Foods Inc. of Japan, whereby the latter provides management and administration assistances to the subsidiary. Under the term of the agreement, the subsidiary agrees to pay service fee as specified in the agreement. This agreement is effective until terminated by either party by giving advance written notice.

A subsidiary (Surapon Nichirei Foods Company Limited) has a marketing support agreement with Nichirei Foods Inc. of Japan. Under the term of the agreement, the subsidiary agrees to pay service fee at certain percentage of F.O.B. Bangkok value for products sold to countries in North America area.

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	189	187	30	30
Cash at banks - current accounts	22,962	27,479	285	248
Cash at banks - savings accounts	92,919	86,449	5,510	4,275
Cash at banks - fixed deposits	342,025	211,525	-	-
Total	458,095	325,640	5,825	4,553

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>At 31 December</i>				
Within credit terms	250,244	280,361	28,637	38,437
Overdue:				
1-30 days	21,483	26,682	30,265	21,054
31-60 days	183	333	-	-
61-90 days	30	350	-	-
More than 90 days	2,296	3,226	-	-
Total	274,236	310,952	58,902	59,491
Less allowance for expected credit loss	(925)	(1,182)	-	-
Net	273,311	309,770	58,902	59,491

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Allowance for expected credit loss</i>				
At 1 January	1,182	1,555	-	-
Reversal	(257)	(373)	-	-
At 31 December	925	1,182	-	-

Information of credit risk is disclosed in note 27 (b.1).

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7 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	291,730	318,550	13,106	20,120
Work in progress	15,474	14,963	3,920	10,274
Raw materials	299,625	261,063	101,241	106,541
Packing materials and supplies	50,514	52,065	11,521	11,791
Goods in transit	2,645	16,347	2,561	12,145
Total	659,988	662,988	132,349	160,871
Less allowance for decline in value of inventories	(6,304)	(10,894)	(2,239)	(1,972)
Net	653,684	652,094	130,110	158,899
Inventories recognised in ‘cost of sales of goods’:				
- Cost	4,387,688	5,105,380	508,526	561,224
- Write-down to net realisable value	2,722	1,067	1,137	1,006
- Reversal of write-down	(7,312)	(2,822)	(870)	(256)
Net	4,383,098	5,103,625	508,793	561,974

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8 Investment in an associate

Investment in an associate as at 31 December 2023 and 2022 was as follow:

		Consolidated financial statements				Separate financial statements			
Type of business	Ownership interest	At equity method		Cost	Impairment		At cost - net		
		2023	2022		2023	2022	2023	2022	
		(in thousand Baht)							
BJC Marine Resources Development Company Limited	50	50	21,798	21,729	50,590	(33,800)	(33,800)	17,150	17,150
			<u>21,798</u>	<u>21,729</u>	<u>50,590</u>	<u>(33,800)</u>	<u>(33,800)</u>	<u>17,150</u>	<u>17,150</u>
	Total								

An associate was incorporated and mainly operate in Thailand.

None of the Group's associate is publicly listed and consequently do not have published price quotations.

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Material Associate

The following table summarises the financial information of the material associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company:

	BJC Marine Resources Development Company Limited	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenue	385	379
Profit from continuing operations	139	127
Total comprehensive income (100%)	139	127
Percentage hold	50	50
Group's share of total comprehensive income	70	64
Current assets	17,778	17,606
Non-current assets	25,947	25,947
Current liabilities	(129)	(96)
Net assets (100%)	43,596	43,457
Percentage hold	50	50
Group's share of net assets	21,798	21,729
Carrying amount of interest in associate	21,798	21,729

9 Investments in subsidiaries

	Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
At 1 January	1,267,560	1,267,560
Less impairment losses	(423,432)	(423,432)
At 31 December	844,128	844,128

During 2022, the shareholders of 2 subsidiaries, Chantaburi Marine Farm Company Limited and Surapon Aquaculture Company Limited, approved the amalgamation of these 2 companies and established a new subsidiary named of Surapon Prime Company Limited, which has a registered capital of Baht 107.60 million. The Company has 97.54% shareholding. The subsidiary was registered with the Ministry of Commerce on 1 November 2022.

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Investments in subsidiaries as at 31 December 2023 and 2022, and dividend income from those investments for the years then ended were as follows:

Separate financial statements													
	Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment <i>(in thousand Baht)</i>		At cost - net		Dividend income for the year	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Subsidiaries													
Surapon Supreme Foods Company Limited	Manufacturing and distribution of finished and semi-finished frozen food	100	100	400,000	400,000	400,000	400,000	(18,692)	(18,692)	381,308	381,308	-	-
Surapon Finest Company Limited	Distribution of finished and semi-finished frozen food	100	100	30,000	30,000	30,000	30,000	-	-	30,000	30,000	-	-
Surat Seafoods Company Limited	Frozen seafoods exporter	95	95	40,000	40,000	79,949	79,949	-	-	79,949	79,949	69,730	28,481
Mobile Logistics Company Limited	Cold storage warehouse and logistic service	75	75	300,000	300,000	224,999	224,999	-	-	224,999	224,999	-	-
Surapon Nichirei Foods Company Limited	Frozen foods exporter	49	49	100,000	100,000	49,065	49,065	-	-	49,065	49,065	156,882	228,939
Surapon Prime Company Limited	Assets lessor	98	98	100,840	100,840	483,547	483,547	(404,740)	(404,740)	78,807	78,807	-	-
Total						1,267,560	1,267,560	(423,432)	(423,432)	844,128	844,128	226,612	257,420

The Company has de facto control over Surapon Nichirei Foods Company Limited.

All subsidiaries were incorporated and operated in Thailand.

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10 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	Surapon Nichirei Foods Company Limited	31 December 2023 Other individually immaterial subsidiaries (in thousand Baht)	Total
Non-controlling interest percentage	51		
Current assets	799,631		
Non-current assets	768,147		
Current liabilities	(573,124)		
Non-current liabilities	(137,850)		
Net assets	856,804		
Carrying amount of non-controlling interest	436,970	67,207	504,177
Revenue	2,919,670		
Profit	324,031		
Total comprehensive income	324,031		
Profit allocated to non-controlling interest	165,256	7,774	173,030
Cash flows from operating activities	478,353		
Cash flows from investing activities	(25,230)		
Cash flows from financing activities (dividends to non-controlling interest: Baht 75.08 million)	(332,381)		
Net increase in cash and cash equivalents	120,742		
	Surapon Nichirei Foods Company Limited	31 December 2022 Other individually immaterial subsidiaries (in thousand Baht)	Total
Non-controlling interest percentage	51		
Current assets	705,293		
Non-current assets	896,412		
Current liabilities	(600,096)		
Non-current liabilities	(148,365)		
Net assets	853,244		
Carrying amount of non-controlling interest	435,154	63,030	498,184

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	Surapon Nichirei Foods Company Limited	31 December 2022 Other individually immaterial subsidiaries (in thousand Baht)	Total
Revenue	3,220,962		
Profit	145,765		
Other comprehensive income	174		
Total comprehensive income	145,939		
Profit allocated to non-controlling interest	74,518	8,749	83,267
Cash flows from operating activities	235,457		
Cash flows from investing activities	(18,123)		
Cash flows from financing activities (dividends to non-controlling interest: Baht 238.33 million)	(288,255)		
Net decrease in cash and cash equivalents	(70,921)		

11 Investment properties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Cost				
At 1 January	318,932	318,932	5,000	5,000
At 31 December	318,932	318,932	5,000	5,000
Accumulated depreciation and impairment losses				
At 1 January	172,376	172,376	-	-
At 31 December	172,376	172,376	-	-
Net book value				
At 31 December	146,556	146,556	5,000	5,000
Year ended 31 December				
Amounts recognised in profit or loss				
Rental income			2,200	2,200

Investment properties comprise a number of commercial properties, plant and equipment of prawn farm that are leased to third parties and land held for future project.

Information relating to leases are disclosed in note 13 and note 14, respectively

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The fair value of investment properties as at 31 December 2023 of Baht 240.6 million for consolidated financial statements and Baht 17.1 million for separate financial statements (*2022: Baht 240.6 million for consolidated financial statements and Baht 17.1 million for separate financial statements*) was determined by General Valuation and Consultants Company Limited, an independent professional valuer, at open market values of land and replacement cost on an existing of constructions as shown in the appraiser's report in June 2021. The fair value of investment properties has been categorised as a Level 3 fair value.

Valuation techniques and significant unobservable inputs

Type of asset	Valuation technique
Land	Market Comparison Approach
Constructions	Cost approach; estimating current cost to replace the existing asset, called replacement cost, deduct depreciated replacement cost which is from physical depreciation, functional depreciation and economic obsolescence depreciation to obtain value at appraisal date.

The significant unobservable inputs used in measuring the fair value of investment properties is quoted prices and the purchasing and selling price of comparable investment properties, adjusted with other different factors.

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12 Property, plant and equipment

	Consolidated financial statements								
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems <i>(in thousand Baht)</i>	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Revaluation									
At 1 January 2022	942,258	-	-	-	-	-	-	-	942,258
At 31 December 2022									
and 1 January 2023	942,258	-	-	-	-	-	-	-	942,258
At 31 December 2023	942,258	-	-	-	-	-	-	-	942,258
Cost									
At 1 January 2022	57,166	849,114	529,339	2,816,994	379,030	45,659	277,625	42,870	4,997,797
Additions	-	4,751	4,042	42,578	5,236	438	4,402	281,358	342,805
Transfers	-	9,455	9,870	49,978	8,335	-	332	(77,970)	-
Transfers from right-of-use asset	-	-	-	2,040	-	2,932	-	-	4,972
Disposals / written-off	-	(7,380)	(233)	(138,349)	(3,627)	(2,100)	(4,977)	-	(156,666)
At 31 December 2022									
and 1 January 2023	57,166	855,940	543,018	2,773,241	388,974	46,929	277,382	246,258	5,188,908
Additions	-	2,621	1,624	25,713	851	124	5,336	84,338	120,607
Transfers	-	3,316	82,176	160,774	25,116	-	2,481	(273,863)	-
Transfers from right-of-use asset	-	-	-	103,050	-	1,322	-	-	104,372
Disposals / written-off	-	(2,545)	(195)	(18,579)	(602)	(769)	(3,415)	-	(26,105)
At 31 December 2023	57,166	859,332	626,623	3,044,199	414,339	47,606	281,784	56,733	5,387,782

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Accumulated depreciation and impairment losses

<i>Cost</i>									
At 1 January 2022	42,577	513,625	230,669	2,068,942	226,175	34,324	231,119	-	3,347,431
Depreciation charge for the year	1,577	32,029	22,165	196,162	20,106	4,348	21,633	-	298,020
Reversal of impairment losses	-	-	-	(166)	-	-	-	-	(166)
Transfers from right-of-use asset	-	-	-	1,755	-	2,185	-	-	3,940
Disposals / written-off	-	(7,013)	(193)	(136,843)	(3,582)	(2,079)	(4,885)	-	(154,595)
At 31 December 2022									
and 1 January 2023	44,154	538,641	252,641	2,129,850	242,699	38,778	247,867	-	3,494,630
Depreciation charge for the year	1,543	31,766	24,811	194,502	20,152	3,048	16,872	-	292,694
Transfers from right-of-use asset	-	-	-	101,496	-	1,053	-	-	102,549
Disposals / written-off	-	(2,448)	(193)	(17,784)	(596)	(760)	(3,410)	-	(25,191)
At 31 December 2023	45,697	567,959	277,259	2,408,064	262,255	42,119	261,329	-	3,864,682
<i>Net book value</i>									
At 31 December 2022									
Owned assets	955,270	317,299	290,377	643,391	146,275	8,151	29,515	246,258	2,636,536
At 31 December 2023									
Owned assets	953,727	291,373	349,364	636,135	152,084	5,487	20,455	56,733	2,465,358

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		Separate financial statements								
		Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems <i>(in thousand Baht)</i>	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Revaluation										
At 1 January 2022		372,777	-	-	-	-	-	-	-	372,777
At 31 December 2022 and 1 January 2023		372,777	-	-	-	-	-	-	-	372,777
At 31 December 2023		372,777	-	-	-	-	-	-	-	372,777
Cost										
At 1 January 2022		12,780	236,725	61,081	471,595	69,359	9,968	42,992	4,458	908,958
Additions		-	4,674	143	17,310	3,541	313	1,354	48,701	76,036
Transfers		-	6,030	-	30,570	-	-	-	(36,600)	-
Transfers from right-of-use asset		-	-	-	-	-	1,383	-	-	1,383
Disposals / written-off		-	(759)	(31)	(17,502)	(897)	-	(2,867)	-	(22,056)
At 31 December 2022 and 1 January 2023		12,780	246,670	61,193	501,973	72,003	11,664	41,479	16,559	964,321
Additions		-	1,842	58	4,199	336	-	1,179	8,758	16,372
Transfers		-	1,830	-	6,530	-	-	13	(8,373)	-
Transfers from right-of-use asset		-	-	-	-	-	808	-	-	808
Disposals / written-off		-	(2,377)	(143)	(5,362)	(483)	-	(413)	-	(8,778)
At 31 December 2023		12,780	247,965	61,108	507,340	71,856	12,472	42,258	16,944	972,723

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	Separate financial statements						
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems (in thousand Baht)	Transportation equipment	Furniture, fixtures and office equipment
							Assets under construction and installation
							Total
<i>Accumulated depreciation and impairment losses</i>							
<i>Cost</i>							
At 1 January 2022	10,869	121,951	56,676	329,982	40,725	9,125	607,412
Depreciation charge for the year	273	13,046	2,262	37,910	6,132	1,075	63,640
Reversal of impairment losses	-	-	-	(166)	-	-	(166)
Transfers from right-of-use asset	-	-	-	-	-	1,114	1,114
Disposals / written-off	-	(598)	(29)	(17,288)	(898)	-	(21,675)
At 31 December 2022 and 1 January 2023	11,142	134,399	58,909	350,438	45,959	11,314	650,325
Depreciation charge for the year	239	12,939	1,223	35,327	5,544	182	57,294
Transfers from right-of-use asset	-	-	-	-	-	640	640
Disposals / written-off	-	(2,377)	(143)	(5,214)	(477)	-	(8,624)
At 31 December 2023	11,381	144,961	59,989	380,551	51,026	12,136	699,635
<i>Net book value</i>							
At 31 December 2022	374,415	112,271	2,284	151,535	26,044	350	686,773
Owned assets							
At 31 December 2023	374,176	103,004	1,119	126,789	20,830	336	645,865
Owned assets							

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The fair value of land was determined by General Valuation and Consultant Company Limited, an independent professional valuer, at market comparison approach as shown in the appraiser's report dated 8 to 14 June 2021. The fair value of land has been categorised as a Level 3 fair value. The land stated at appraised value is detailed as follows:

Company	Latest appraised year	Revaluation method	Consolidated financial statements		Separate financial statements	
			Appraised value	Cost model <i>(in thousand Baht)</i>	Appraised value	Cost model
Surapon Foods Public Company Limited	2021	Market comparison method	372,777	14,950	372,777	14,950
Surat Seafoods Company Limited	2021	Market comparison method	18,000	1,546	-	-
Surapon Nichirei Foods Company Limited	2021	Market comparison method	327,510	43,765	-	-
Mobile Logistic Company Limited	2021	Market comparison method	163,071	113,733	-	-
Surapon Supreme Foods Company Limited	2021	Market comparison method	60,900	25,970	-	-
			942,258	199,964	372,777	14,950

The significant unobservable inputs used in measuring the fair value of land is quoted prices and the purchasing and selling price of comparable land, adjusted with other different factors.

	Consolidated		Separate	
<i>Right-of-use assets</i>	financial statements		financial statements	
<i>At 31 December</i>	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Buildings	11,537	3,525	-	-
Machinery and equipment	1,407	20,167	1,407	-
Vehicle	20,380	17,633	4,180	4,493
Total	33,324	41,325	5,587	4,493

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In 2023, the right-of-use assets of the Group and the Company decreased Baht 8.00 million and increased Baht 1.09 million, respectively (2022: *reductions to Baht 18.67 million and Baht 1.48 million, respectively*).

The Group leases building and warehouse for 2 - 3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

During 2023 and 2022, the Group leased machine, equipment and vehicles. Most of the lease agreements are repayable at fixed lease payment in 48 months and 60 months. These payment terms are common in Thailand.

Extension options

Some property leases contain extension options exercisable by the Group up to 30 days before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	7,556	1,738	-	-
- Machinery and equipment	256	20,485	256	-
- Vehicles	6,592	5,669	1,887	2,143
Interest on lease liabilities	1,738	1,720	169	193
Expenses relating to short-term leases	1,966	1,714	464	534
Expenses relating to leases of low-value assets	1,742	1,457	480	636

In 2023, total cash outflow for leases of the Group and the Company were Baht 41.7 million and Baht 3.4 million, respectively (2022: *Baht 36.2 million and Baht 3.7 million, respectively*).

14 Leases (as a lessor)

The leases of investment properties comprise a number of properties, plant and equipment of prawn farm that are leased to third parties. Each of the leases contains an initial period of 2 years and the rental income is fixed under the contracts. These agreements are effective until terminated by either party by giving advance written notice as prescribed in the agreements.

<i>Lease payments to be received from operating leases At 31 December</i>	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
1 st year	2,017	2,200
2 nd year	-	2,017
Total	2,017	4,217

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15 Intangible assets

	Consolidated financial statements	Separate financial statements
	Computer software (in thousand Baht)	
<i>Cost</i>		
At 1 January 2022	68,442	33,658
Additions	6,540	394
At 31 December 2022 and 1 January 2023	74,982	34,052
Additions	6,247	57
At 31 December 2023	81,229	34,109
<i>Accumulated amortisation</i>		
At 1 January 2022	48,228	26,989
Amortisation charge for the year	3,617	1,174
At 31 December 2022 and 1 January 2023	51,845	28,163
Amortisation charge for the year	3,629	1,036
At 31 December 2023	55,474	29,199
<i>Net book value</i>		
At 31 December 2022	23,137	5,889
At 31 December 2023	25,755	4,910

16 Interest-bearing liabilities

Consolidated financial statements							
	<i>Note</i>	Secured	2023 Unsecured	Total (in thousand Baht)	Secured	2022 Unsecured	Total
Short-term loans from financial institutions		336,342	288,500	624,842	273,060	402,271	675,331
Loans from related parties	4	-	22,750	22,750	-	22,750	22,750
Long-term loans from financial institutions		265,992	15,341	281,333	288,291	37,972	326,263
Lease liabilities		-	33,358	33,358	-	41,192	41,192
Total interest-bearing liabilities		602,334	359,949	962,283	561,351	504,185	1,065,536
Separate financial statements							
		Secured	2023 Unsecured	Total (in thousand Baht)	Secured	2022 Unsecured	Total
Short-term loans from financial institutions		-	88,500	88,500	-	72,271	72,271
Long-term loans from financial institutions		-	15,342	15,342	-	11,524	11,524
Lease liabilities		-	5,555	5,555	-	4,375	4,375
Total interest-bearing liabilities		-	109,397	109,397	-	88,170	88,170

As at 31 December 2023, short-term loans from financial institutions of the Group and the Company bore interest at rates ranging from 1.00% to 3.60% per annum (2022: ranging from 1.36% to 2.20% per annum).

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Long-term loans from financial institutions

In October 2023, a subsidiary entered into long-term loan agreement with a local financial institution for Baht 14.83 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement and repayable in monthly installment. The first repayment of loan will commence in the 7th month from the first drawdown month and the loan should be fully paid within 84 months commencing since the first drawdown date. The Company has to comply with certain conditions and restrictions prescribed in the loan agreement.

In March 2023, a subsidiary entered into long-term loan agreement with a local financial institution for Baht 20.5 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement and repayable in monthly installment. The first repayment of loan will commence in the 7th month from the first drawdown month and the loan should be fully paid within 96 months commencing since the first drawdown date. The Company has to comply with certain conditions and restrictions prescribed in the loan agreement.

In June 2022, the Company entered into long-term loan agreement with a local financial institution for Baht 19.42 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement and repayable in monthly installment. The first repayment of loan will commence in the 7th month from the first drawdown month and the loan should be fully paid within 96 months commencing since the first drawdown date. The Company has to comply with certain conditions and restrictions prescribed in the loan agreement.

In January 2022, a subsidiary entered into long-term loan agreement with a local financial institution for Baht 170 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement and repayable in monthly installment which will be fully paid in 7 years commencing from the first drawdown date. The interest will be paid on monthly. The loan is guarantee by the Company. The subsidiary has to comply with certain condition to make fully payment of this loan before starting to repay loans from the Company.

In March 2017, a subsidiary entered into a long-term loan agreement with a local financial institution for loan facility of Baht 276 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan is repayable every three-month period totaling twenty-four installments. However, in August 2017 and December 2018, the subsidiary requested such financial institution to amend repayment term to monthly installment and amend repayment amount of each installment according to new repayment schedule which will be fully paid within March 2024. The interest will be paid on monthly. The loan is guaranteed by the Company. The subsidiary has to comply with certain conditions and restrictions prescribed in the loan agreement.

In January 2016, a subsidiary entered into long-term loan agreement with a local financial institution for Baht 225 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan is repayable in monthly for each installment which will be fully paid in 73 months commencing from the first drawdown date. However, in January 2018, such subsidiary requested to amend repayment term and schedule and repayment amount of each installment with such financial institution. The loan is collateralised by the Company and other shareholders of such subsidiary. The subsidiary is committed to comply with certain conditions and restrictions prescribed in the loan agreement. In February 2021, the subsidiary requests to amend repayment term and schedule of such loan agreement which will be fully paid within October 2025.

As at 31 December 2023, unutilised credit facilities totaled Baht 1,764.1 million and U.S. Dollars 15.6 million for the Group and Baht 1,050.6 million for the Company (2022: Baht 1,767.6 million and U.S. Dollars 9.9 million for the Group and Baht 1,023.4 million).

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The Company and subsidiaries are committed to comply with certain conditions and restrictions prescribed in the loan agreements such as mortgages of land and buildings are not allowed, no authorised capital decrease (see note 12), etc.

The credit facilities of subsidiaries are principally collateralised by the Company and related companies.

As at 31 December 2023, the Company and subsidiaries had entered into lease agreements with several local leasing companies to purchase vehicles, forklifts, machinery and equipment. Such lease agreements have terms expiring up to 2028 and bear interest at rates ranging from 3.32% to 5.77% per annum. Most of the agreements are repayable in 48 months installments and 60 months installments starting from March 2020 (2022: such leases agreements have terms expiring up to 2027, and bear interest at rates ranging from 1.70% to 12.57% per annum. Most of the agreements are repayable in 48 months installments and 60 months installments starting from February 2018).

The ownership of the vehicles, forklifts, machinery and equipment purchased under lease agreements will be transferred to the Company and its subsidiaries when the last installments are made.

Changes in liabilities arising from financing activities

	Consolidated financial statements			
	Short-term loans	Long-term loans	Lease liabilities	Total
	<i>(in thousand Baht)</i>			
2023				
Balance at 1 January 2023	680,331	344,013	41,192	1,065,536
Changes from financing cash flows	(50,775)	(44,930)	(37,969)	(133,674)
The effect of changes in foreign exchange rates	286	-	-	286
Other changes:				
Leases	-	-	30,135	30,135
Balance at 31 December 2023	629,842	299,083	33,358	962,283
2022				
Balance at 1 January 2022	260,821	408,215	60,537	729,573
Changes from financing cash flows	419,510	(56,407)	(33,020)	330,083
The effect of changes in foreign exchange rates	-	(7,795)	-	(7,795)
Other changes:				
Leases	-	-	13,675	13,675
Balance at 31 December 2022	680,331	344,013	41,192	1,065,536

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	Short-term loans	Separate financial statements Long-term loans Lease liabilities (in thousand Baht)		Total
2023				
Balance at 1 January 2023	72,271	11,524	4,375	88,170
Changes from financing cash flows	16,229	3,818	(2,453)	17,594
Other changes:				
Leases	-	-	3,633	3,633
Balance at 31 December 2023	88,500	15,342	5,555	109,397
2022				
Balance at 1 January 2022	51,813	31,400	5,757	88,970
Changes from financing cash flows	20,458	(19,876)	(2,569)	(1,987)
Other changes:				
Leases	-	-	1,187	1,187
Balance at 31 December 2022	72,271	11,524	4,375	88,170

17 Other payables

	Consolidated financial statements		Separate financial statements	
Note	2023	2022	2023	2022
		(in thousand Baht)		
Related parties	4	107,915	20,233	430
Other parties				127
Accrued wage and bonus expenses		90,662	105,034	17,108
Other payables		37,504	36,839	11,400
Accrued operating expenses		38,972	46,919	4,704
Asset payables		12,100	25,611	1,502
Retention payables		4,423	8,777	821
Others		23,181	22,816	7,058
		206,842	245,996	42,593
Total		314,757	266,229	66,696

18 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
At 31 December	2023	2022	2023	2022
		(in thousand Baht)		
Post-employment benefits		143,641	158,362	27,738
Other long-term benefits		6,399	5,714	489
Total		150,040	164,076	28,227

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Defined benefit plan

The Group and the Company operate defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on right and length of service and long service award according to the Group's policy. The defined benefit plan exposes the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	164,076	158,565	29,500	24,839
<i>Recognised in profit or loss:</i>				
Current service cost	17,313	11,015	2,908	1,456
Interest on obligation	4,462	4,007	847	677
	<u>21,775</u>	<u>15,022</u>	<u>3,755</u>	<u>2,133</u>
<i>Recognised in other comprehensive income:</i>				
Actuarial (gain) loss				
Demographic assumptions	-	808	-	8,232
Financial assumptions	-	(19,671)	-	(5,864)
Experience adjustment	-	31,709	-	6,294
	<u>-</u>	<u>12,846</u>	<u>-</u>	<u>8,662</u>
Benefit paid	(35,811)	(22,357)	(5,028)	(6,134)
At 31 December	<u>150,040</u>	<u>164,076</u>	<u>28,227</u>	<u>29,500</u>

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in percentage)</i>			
Discount rate	2.84 - 3.47	2.84 - 3.47	3.10	3.10
Future salary growth	1.00 - 7.00	1.00 - 7.00	1.00 - 4.60	1.00 - 4.60
Employee turnover rate	4.00 - 60.00	4.00 - 60.00	5.00 - 55.00	5.00 - 55.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of the defined benefit obligations was 17 years (2022: 17 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

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<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	increase in assumption		decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate (Changed 1.00%)	(9,664)	(10,008)	10,869	11,255
Future salary growth (Changed 1.00%)	11,989	10,895	(10,823)	(9,887)
Employee turnover rate (Changed 10.00%)	(6,678)	(6,950)	7,271	7,577
	Separate financial statements			
	increase in assumption		decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate (Changed 1.00%)	(1,585)	(1,679)	1,747	1,855
Future salary growth (Changed 1.00%)	2,024	1,844	(1,861)	(1,701)
Employee turnover rate rate (Changed 10.00%)	(1,628)	(1,751)	1,785	1,927

19 Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

20 Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Revaluation surplus

The revaluation surplus account within equity comprises the cumulative net change in the valuation of land included in the financial statements at valuation until such land is sold or otherwise disposed of.

21 Segment information and disaggregation of revenue

Management determined that the Company operates in a single line of business which is manufacturing and distribution of finished and semi-finished frozen foods and the Group has two reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1 Manufacturing and distribution of seafood, finished and semi-finished frozen foods.
- Segment 2 Cold storage warehouse and logistic service.

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Consolidated financial statements

<i>Year ended 31 December</i>	Manufacturing and distribution of seafood, finished and semi-finished frozen foods		Cold storage warehouse and logistic service		Total	
	2023	2022	2023	2022	2023	2022
<i>(in thousand Baht)</i>						
Information about reportable segments						
External revenue	5,074,685	5,718,201	174,151	130,291	5,248,836	5,848,492
Inter-segment revenue	343,498	331,686	44,822	48,054	388,320	379,740
Total revenue	5,418,183	6,049,887	218,973	178,345	5,637,156	6,228,232
Disaggregation of revenue						
Timing of revenue recognition						
At a point in time	5,418,183	6,049,887	-	-	5,418,183	6,049,887
Over time	-	-	218,973	178,345	218,973	178,345
Total revenue	5,418,183	6,049,887	218,973	178,345	5,637,156	6,228,232
Segment profit before income tax	310,953	171,045	23,337	17,893	334,290	188,938
Tax expense (income)	31,724	20,575	(57)	(30)	31,667	20,545
Total segment profit	279,229	150,470	23,394	17,923	302,623	168,393
Segment assets	3,704,143	3,784,161	451,975	441,376	4,156,118	4,225,537
Segment liabilities	1,663,556	1,724,759	118,378	133,033	1,781,934	1,857,792

Reconciliation of reportable segment revenue and profit or loss

	Consolidated financial statements			
	Revenue		Profit or loss	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
Reportable segments	5,637,156	6,228,232	302,623	168,393
Elimination of inter-segment transactions	(388,320)	(379,740)	759	(1,727)
Unallocated amounts:				
- Share of profit of associate	-	-	70	64
Total	5,248,836	5,848,492	303,452	166,730

Geographical segments

The Group presented segment revenue based on the geographical location of customers. However, the Group has no assets located in foreign countries.

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<i>Geographical information</i>	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenue from third parties		
Japan	4,092,391	4,700,191
Thailand	764,458	698,212
Australia	131,554	190,529
Taiwan	118,332	72,674
United Kingdom	63,472	74,800
South Korea	32,683	59,329
United Arab Emirates	27,465	37,099
Other countries	18,481	15,658
Total	5,248,836	5,848,492

Major customer

Revenues from one customer of the Group's segment 1 represents approximately Baht 3,714 million (2022: Baht 4,084 million) of the Group's total revenue.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for manufacturing of ready-to-eat frozen foods, finished and semi-finished frozen foods, aquatic animals frozen and cold storage warehouse and logistic service. The Group has been granted several privileges including exemption and reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates, which the Company must comply with.

22 Other income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Income from sales of raw material scraps		45,784	71,595	520	494
Management, selling and marketing assistance income	4	-	-	43,107	32,490
Rental / services income		2,734	3,463	6,075	4,314
Gain on disposal of fixed assets		388	3,305	25	626
Others		21,297	26,416	8,153	10,588
Total		70,203	104,779	57,880	48,512

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23 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress	26,309	(37,069)	13,368	4,679
Raw materials and consumables used	2,632,505	3,325,407	221,698	256,904
Employee benefit expenses	1,134,031	1,167,373	223,192	238,362
Depreciation	325,711	325,912	59,436	65,783
Amortisation	3,821	3,853	1,220	1,403
Others	885,887	1,019,524	125,411	135,002
Total cost of sale of goods, rendering of services, distribution costs and administrative expenses	5,008,264	5,805,000	644,325	702,133

During 2023, the Group and the Company have contributed provident funds for its employees amounting to Baht 6.5 million and Baht 1.6 million, respectively (2022: Baht 6.2 million and Baht 1.6 million, respectively), which is included in employee benefit expenses.

24 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	29,485	17,170	-	-
	29,485	17,170	-	-
Deferred tax expense				
Movements in temporary differences	2,182	3,374	54	158
Total tax expense	31,667	20,544	54	158

Consolidated financial statements						
		2023			2022	
<i>Income tax Recognised in other comprehensive income</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	-	-	-	(12,846)	2,736	(10,110)
Total	-	-	-	(12,846)	2,736	(10,110)

Separate financial statements						
		2023			2022	
<i>Income tax Recognised in other comprehensive income</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	-	-	-	(8,662)	1,732	(6,930)
Total	-	-	-	(8,662)	1,732	(6,930)

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<i>Reconciliation of effective tax rate</i>	Consolidated financial statements				Separate financial statements			
	2023		2022		2023		2022	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before tax expense		<u>335,119</u>		<u>187,275</u>		<u>154,173</u>		<u>186,433</u>
Income tax using the Thai corporation tax rate	20	67,024	20	37,455	20	30,835	20	37,287
Profit from promotional privileges		(48,579)		(30,890)		-		-
Current year tax losses for which no deferred tax assets was recognised		18,932		19,274		14,616		14,062
Dividend income not subject to tax		(130)		(160)		(45,452)		(51,644)
Additional expenses for tax purposes		(834)		(633)		(73)		(102)
Expenses not deductible for tax purposes		(362)		5,053		128		555
Recognition of previously unrecognised tax losses		(4,384)		(9,555)		-		-
Total tax expense	9	<u>31,667</u>	11	<u>20,544</u>	0.04	<u>54</u>	0.1	<u>158</u>

<i>Deferred tax At 31 December</i>	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022
				(in thousand Baht)				
Total	21,116	22,807	(149,259)	(148,768)	6,058	6,286	(71,601)	(71,775)
Set off of tax	(19,891)	(21,226)	19,891	21,226	(6,058)	(6,286)	6,058	6,286
Net deferred tax Assets (liabilities)	<u>1,225</u>	<u>1,581</u>	<u>(129,368)</u>	<u>(127,542)</u>	<u>-</u>	<u>-</u>	<u>(65,543)</u>	<u>(65,489)</u>

Consolidated financial statements				
(Charged) / Credited to:				
<i>Deferred tax</i>	At 1 January	Other comprehensive income		At 31 December
		Profit or loss		
		(in thousand Baht)		
2023				
<i>Deferred tax assets</i>				
Trade accounts receivable (allowance for expected credit loss)	236	(51)	-	185
Inventories (allowance for decline in value)	992	(314)	-	678
Property, plant and equipment (depreciation gap)	250	(11)	-	239
Right-of-use assets (depreciation gap)	37	(37)	-	-
Derivatives	22	17	-	39
Provision for employee benefit obligations	21,270	(1,295)	-	19,975
Total	<u>22,807</u>	<u>(1,691)</u>	<u>-</u>	<u>21,116</u>

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<i>Deferred tax</i>	Consolidated financial statements (Charged) / Credited to:		
	At 1 January	Profit or loss (in thousand Baht)	Other
			comprehensive income
			At 31 December
2023			
Deferred tax liabilities			
Right-of-use assets (<i>depreciation gap</i>)	(43)	(412)	-
Property, plant and equipment (<i>revaluation</i>)	(148,458)	-	-
Derivatives	(75)	(240)	-
Equity instruments	(192)	161	-
Total	(148,768)	(491)	-
Net	(125,961)	(2,182)	-

<i>Deferred tax</i>	Consolidated financial statements (Charged) / Credited to:		
	At 1 January	Profit or loss (in thousand Baht)	Other
			comprehensive income
			At 31 December
2022			
Deferred tax assets			
Trade accounts receivable (<i>allowance for expected credit loss</i>)	311	(75)	-
Inventories (<i>allowance for decline in value</i>)	1,296	(304)	-
Property, plant and equipment (<i>impairment losses</i>)	27	(27)	-
Property, plant and equipment (<i>depreciation gap</i>)	281	(31)	-
Right-of-use assets (<i>depreciation gap</i>)	34	3	-
Derivatives	-	22	-
Provision for employee benefit obligations	22,539	(4,005)	2,736
Total	24,488	(4,417)	2,736
Deferred tax liabilities			
Right-of-use assets (<i>depreciation gap</i>)	(102)	59	-
Property, plant and equipment (<i>revaluation</i>)	(148,458)	-	-
Derivatives	(714)	639	-
Equity instruments	(537)	345	-
Total	(149,811)	1,043	-
Net	(125,323)	(3,374)	2,736

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	At 1 January	Separate financial statements (Charged) / Credited to:		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2023				
Deferred tax assets				
Inventories (allowance for decline in value)	373	40	-	413
Provisions for employee benefits	5,900	(255)	-	5,645
Derivatives	13	(13)	-	-
Total	6,286	(228)	-	6,058
Deferred tax liabilities				
Right-of-use assets (depreciation gap)	(18)	17	-	(1)
Property, plant and equipment (revaluation)	(71,565)	-	-	(71,565)
Derivatives	-	(4)	-	(4)
Equity instruments	(192)	161	-	(31)
Total	(71,775)	174	-	(71,601)
Net	(65,489)	(54)	-	(65,543)

	At 1 January	Separate financial statements (Charged) / Credited to:		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2022				
Deferred tax assets				
Inventories (allowance for decline in value)	108	265	-	373
Property, plant and equipment (depreciation gap)	27	(27)	-	-
Provisions for employee benefits	4,968	(800)	1,732	5,900
Derivatives	-	13	-	13
Total	5,103	(549)	1,732	6,286
Deferred tax liabilities				
Right-of-use assets (depreciation gap)	(35)	17	-	(18)
Property, plant and equipment (revaluation)	(71,565)	-	-	(71,565)
Derivatives	(29)	29	-	-
Equity instruments	(537)	345	-	(192)
Total	(72,166)	391	-	(71,775)
Net	(67,063)	(158)	1,732	(65,489)

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<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Tax losses	<u>163,946</u>	<u>154,237</u>	<u>92,187</u>	<u>87,586</u>

The Group incurred a tax loss which will be expire in 2024 - 2027. Management estimates the probable of future taxable profits and ability of the Group to utilise those losses in the future to support the recognition of deferred tax assets and it is uncertain that future taxable profits would be available against which such tax losses can be utilised. Therefore, the Group had not recognised deferred tax assets from tax losses.

25 Basic earnings per share

	Consolidated financial statements		Separate Financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht/ thousand shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit for the year attributable to ordinary shareholders of the Company (Basic)	<u>130,421</u>	<u>83,471</u>	<u>154,119</u>	<u>186,275</u>
Number of ordinary shares outstanding	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.48</u>	<u>0.31</u>	<u>0.57</u>	<u>0.69</u>

26 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<i>2023</i>				
2022 Annual dividend	26 April 2023	May 2023	<u>0.4814</u>	<u>130.0</u>
<i>2022</i>				
2021 Annual dividend	27 April 2022	May 2022	<u>0.5185</u>	<u>140.0</u>

27 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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	Carrying amount Financial instruments measured at FVTPL	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
2023					
Financial assets					
Other financial assets:					
Investment in equity instruments	354	-	-	354	354
Derivative assets	2,520	-	2,520	-	2,520
Total financial assets	2,874				
2022					
Financial assets					
Other financial assets:					
Investment in equity instruments	1,157	-	-	1,157	1,157
Derivative assets	475	-	475	-	475
Total financial assets	1,632				
		Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
2023					
Financial assets					
Other financial assets:					
Investment in equity instruments	354	-	-	354	354
Derivative assets	95	-	95	-	95
Total financial assets	449				
2022					
Financial assets					
Other financial assets:					
Investment in equity instruments	1,157	-	-	1,157	1,157
Total financial assets	1,157				
Financial liabilities					
Other financial liabilities:					
Derivative liabilities	85	-	85	-	85
Total financial liabilities	85				

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non-marketable equity securities	Adjusted net asset method.

Most of financial assets and financial liabilities of the Group were short-term. The fair value of financial assets and financial liabilities approximates to the carrying amount as determined in the statement of financial position.

The fair value of long-term loan receivables, long-term loans and lease liabilities approximates to the carrying amount due to interest rates specified in the contract approximate to market rate.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

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The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review includes financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed on six-month period.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of two months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 6.

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2023, the Company has issued a guarantee to certain banks in respect of credit facilities granted to the subsidiaries (see note 30).

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

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		Consolidated financial statements			
		Contractual cash flows			
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 years but less than 5 years (in thousand Baht)	Over 5 years	Total
2023					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	212,432	(212,432)	-	-	(212,432)
Other payables	314,757	(314,757)	-	-	(314,757)
Loans from financial institutions	906,176	(719,272)	(205,280)	(17,366)	(941,918)
Loans from related parties	22,750	(23,195)	-	-	(23,195)
Lease liabilities	33,358	(15,690)	(19,709)	-	(35,399)
Total	<u>1,489,473</u>	<u>(1,285,346)</u>	<u>(224,989)</u>	<u>(17,366)</u>	<u>(1,527,701)</u>
2022					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	225,077	(225,077)	-	-	(225,077)
Other payables	266,229	(266,229)	-	-	(266,229)
Loans from financial institutions	1,001,594	(818,934)	(203,981)	-	(1,022,915)
Loans from related parties	22,750	(5,711)	(18,083)	-	(23,794)
Lease liabilities	41,192	(29,235)	(13,641)	-	(42,876)
Total	<u>1,556,842</u>	<u>(1,345,186)</u>	<u>(235,705)</u>	<u>-</u>	<u>(1,580,891)</u>

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<i>At 31 December</i>	Carrying amount	Separate financial statements			
		Contractual cash flows			
		1 year or less	More than 1 years but less than 5 years (in thousand Baht)	Over 5 years	Total
2023					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	36,433	(36,433)	-	-	(36,433)
Other payables	43,023	(43,023)	-	-	(43,023)
Loans from financial institutions	103,842	(92,058)	(11,770)	(2,436)	(106,264)
Lease liabilities	5,555	(2,330)	(3,648)	-	(5,978)
Total	188,853	(173,844)	(15,418)	(2,436)	(191,698)
2022					
<i>Non-derivative financial liabilities</i>					
Trade accounts payable					
Other payables	40,497	(40,497)	-	-	(40,497)
Loans from financial institutions	66,823	(66,823)	-	-	(66,823)
Lease liabilities	83,794	(74,858)	(10,406)	-	(85,264)
Total	4,375	(2,156)	(2,436)	-	(4,592)
	195,489	(184,334)	(12,842)	-	(197,176)

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases, sales and loans which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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Exposure to foreign currency At 31 December	2023				2022				
	USD	JPY	AUD	Total (in thousand Baht)	USD	JPY	EUR	AUD	Total
Cash and cash equivalents	7	2	-	9	4	2	-	-	6
Trade accounts receivable	84,865	106,532	-	191,397	76,838	149,648	-	-	226,486
Trade accounts payable	(10,566)	(1,175)	-	(11,741)	(14,054)	(53,962)	-	-	(68,016)
Other payables	(1,305)	(18,636)	-	(19,941)	(12,108)	(20,217)	-	(678)	(33,003)
Short-term loans	-	(14,342)	-	(14,342)	-	-	-	-	-
Long-term loans	-	-	-	-	-	(26,448)	-	-	(26,448)
Gross statement of financial position exposure	73,001	72,381	-	145,382	50,680	49,023	-	(678)	99,025
Estimated forecast sales	229,138	459,942	5,880	694,960	201,900	751,594	-	-	953,494
Estimated forecast purchases of goods and assets	(7,951)	(483)	-	(8,434)	(9,308)	(2,022)	(2,497)	-	(13,827)
Gross exposure	294,188	531,840	5,880	831,908	243,272	798,595	(2,497)	(678)	1,038,692
Forward exchange purchase contracts	8,749	-	-	8,749	22,499	26,073	-	147	48,719
Forward exchange selling contracts	(128,576)	(56,468)	(4,632)	(189,676)	(59,792)	(147,716)	-	-	(207,508)
Net exposure	174,361	475,372	1,248	650,981	205,979	676,952	(2,497)	(531)	879,903

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			Separate financial statements			
			2023		2022	
<i>Exposure to foreign currency</i>						
<i>At 31 December</i>	USD	JPY	Total	USD	JPY	Total
			(in thousand Baht)			
Trade accounts receivable	1,149	-	1,149	12,904	2,532	15,436
Trade accounts payable	(9,574)	(10)	(9,584)	(8,155)	(475)	(8,630)
Other payables	(1,305)	-	(1,305)	(6,209)	-	(6,209)
Gross statement of financial position exposure	(9,730)	(10)	(9,740)	(1,460)	2,057	597
Estimated forecast sales	23,041	17,274	40,315	31,142	19,583	50,725
Estimated forecast purchases of goods and assets	(5,712)	-	(5,712)	(9,308)	-	(9,308)
Gross exposure	7,599	17,264	24,863	20,374	21,640	42,014
Forward exchange purchase contracts	8,749	-	8,749	20,374	-	20,374
Forward exchange selling contracts	(14,411)	(10,428)	(24,839)	(20,072)	(8,906)	(28,978)
Net exposure	1,937	6,836	8,773	20,676	12,734	33,410

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates (see note 16) are mainly variable. So the Group is primarily exposed to interest rate risk.

<i>Exposure to interest rate risk</i>	Consolidated		Separate	
	financial statements		financial statement	
	2023	2022	2023	2022
<i>At 31 December</i>				
			(in thousand Baht)	
Financial instruments with variable interest rates				
Financial liabilities	906,176	1,001,594	103,842	83,794
Net exposure	906,176	1,001,594	103,842	83,794

Cash flow sensitivity analysis of variable interest-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Impact to profit or loss</i>	Consolidated		Separate	
	financial statements		financial statement	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
			(in thousand Baht)	
2023				
Financial instruments with variable interest rate	(9,062)	9,062	(1,038)	1,038
2022				
Financial instruments with variable interest rate	(10,016)	10,016	(838)	838

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28 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Capital commitment				
Buildings and other constructions	1,003	531	-	-
Machinery and equipment	29,646	31,812	2,809	7,624
Total	30,649	32,343	2,809	7,624
Other commitments				
Short-term and low-value asset lease	17,211	5,080	724	1,426
Unused letters of credit for purchase goods and supplies	2,698	10,769	2,698	10,135
Bank guarantees	25,766	23,846	5,400	5,400
Total	45,675	39,695	8,822	16,961

Short-term and low-value asset lease commitments and lease agreements covered office equipment rental agreements and service agreement which related to lease for periods from one to four years expiring up to February 2028.

At 31 December 2023, non-current non-cash financial assets pledged as collateral are fixed deposits at financial institution of a subsidiary with a local financial institution of Baht 2 million which has been pledged as collateral for bank guarantees issued by such financial institution (2022: Baht 2 million).

As at 31 December 2023 and 2022, the Group had outstanding forward exchange contracts covering periods less than one year as follows:

	Consolidated financial statements		Separate financial statements	
	Amount in foreign currencies <i>(in million)</i>	Equivalent to Baht <i>(in million Baht)</i>	Amount in foreign currencies <i>(in million)</i>	Equivalent to Baht <i>(in million Baht)</i>
At 31 December 2023				
Forward contracts to sell foreign currencies				
Japanese Yen	233.00	56.47	43.00	10.43
United State Dollars	3.70	128.58	0.41	14.41
Australian Dollars	0.20	4.63	-	-
Total		189.68		24.84
Forward contracts to buy foreign currencies				
United State Dollars	0.25	8.75	0.25	8.75
Total		8.75		8.75

Surapon Foods Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Currencies	Consolidated financial statements		Separate financial statements	
	Amount in foreign currencies (in million)	Equivalent to Baht (in million Baht)	Amount in foreign currencies (in million)	Equivalent to Baht (in million Baht)
At 31 December 2022				
Forward contracts to sell foreign currencies				
Japanese Yen	561.06	147.72	34.28	8.91
United State Dollars	1.72	59.79	0.57	20.07
Total		207.51		28.98
Forward contracts to buy foreign currencies				
Japanese Yen	100.00	26.07	-	-
United State Dollars	0.63	22.50	0.57	20.37
Australian Dollars	0.01	0.15	-	-
Total		48.72		20.37

30 Contingent liabilities

As at 31 December 2023, the Company had contingent liabilities for joint guarantee for credit facilities which financial institution extended to certain subsidiaries totaling approximately Baht 1,615.2 million and USD 5.0 million (2022: Baht 1,562.0 million and USD 5.0 million).

31 Event after the reporting period

At the Board of Directors meeting of the Company held on 20 February 2024, the Board approved the appropriation of dividends based on the operating profit for the year 2023 of Baht 0.3704 per share, amounting to Baht 100.01 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2024.

Attachment 1 Details of Directors, Executives, Controlling Persons, the Person Assigned to Take the Highest Responsibility in Accounting and Finance, The Person Assigned to Take Direct Responsibility for Accounting Supervisions, and Company's Secretary

The Directors (Information as at December 31, 2023)

Name-surname	Age	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
1. Mr. Kosol Chantikul (to be appointed as the Directors on March 1997)	77	<ul style="list-style-type: none"> - Master degree in laws The University of Sydney, Australia - Master degree in laws, Chulalongkorn University, Thailand - Bachelor degree in laws (honor), Thammasat University, Thailand - DCP class 18/2002, IOD - The Role of Chairman Program class 13/2006, IOD 	0.00	-none-	1997 - now	Independent Director and Chairman of the Board	Surapon Foods PCL.
					April 27, 2023 - now	Nomination and Remuneration Committee	Surapon Foods PCL.
					2018 - now	Legal advisor	TEAM Group of Companies
					2004 - 2019	Legal advisor	HNP Counsellors Co., Ltd.
					December 13, 1977 - now	Authorized director	Surapon Foods PLC.
2. Mr. Surapon Vongvadhanaroj (to be appointed as the Directors on December 13, 1977)	78	<ul style="list-style-type: none"> - Master degree in Political Economics, Chulalongkorn University, Thailand - Bachelor degree in Political Science, Ramkhamhaeng University, Thailand - Role of the Chairman Program (RCP) class 7/2002, IOD - DCP class 41/2004, IOD - Developing Corporate Governance Policy 2008, IOD 	Self 3.00 Spouse 3.02	Between the Directors Sibling : Miss Malai Wongwatroj Between the Executives Father : Mr. Sorapon Vongvadhanaroj	1 January 2017 - now	Chairman of Executive Committee	Surapon Foods PLC.
					8 November 2012 - now	Nomination and Remuneration Committee	Surapon Foods PLC.
					21 December 2023 - now	Independent Director and Chairman of Audit Committee	Sompo Insurance (Thailand) PLC.
					June 1997- 20 December 2023	Independent Director and Audit Committee	Sompo Insurance (Thailand) PLC.

Name-surname	Age	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
3. Mr. Sithichai Kraithisrin (to be appointed as the Directors on December 13, 1977)		- Master degree in Business Administration, Chulalongkorn University, Thailand - Bachelor degree in laws, Chulalongkorn University, Thailand - DCP class 5/2001, IOD	5.35		March 1988 - now	Chairman of the Board and Authorized director	Surapon Nichirei Foods CO., Ltd.
					December 17, 1982 - now	Authorized director	Surat Seafoods Co., Ltd.
					November 25, - now	Authorized director	Mobile Logistics Co., Ltd.
					December 30, 2014 - now	Authorized director	Pokai Plus Co., Ltd.
					December 18, 2017 - now	Authorized director	Pokai Holding Co., Ltd.
					June 15, 1988 - 31 October 2022	Authorized director	Surapon Aquaculture Co., Ltd.
					June 18, 1990 - 31 October 2022	Authorized director	Chantaburi Marine Farm Co., Ltd.
					December 13, 1977 - now	Director Authorized director	Surapon Foods PLC.
					December 17, 1982 - now	Authorized director	Surat Seafoods Co., Ltd.
					June 15, 1988 - 31 October 2022	Authorized director	Surapon Aquaculture Co., Ltd.

Name-surname	Age	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
4. Mr. Chokchai Jiengwareewong (to be appointed as the Directors on December 13, 1977)	79	- Amnuaysilp Secondary School - DAP class 6/2003, IOD	Self :3.42 Spouse :3.33	-none-	June 18, 1990 - 31 October 2022	Authorized director	Chantaburi Marine Farm Co., Ltd.
					March 1988 - now	Authorized director	Surapon Nichirei Foods Co., Ltd.
					August 24, 2004 - now	Independent Director and Chairman	Lighting and Equipment PLC.
					December 13, 1977 - now	Authorized director	Surapon Foods PLC.
					December 17, 1982 - now	Authorized director	Surat Seafoods Co., Ltd.
					June 15, 1988 - 31 October 2022	Authorized director	Surapon Aquaculture Co., Ltd.
					June 18, 1990 - 31 October 2022	Authorized director	Chantaburi Marine Farm Co., Ltd.
					February 13, 2013 - now	Authorized director	S&J Universal Co., Ltd.
					May 15, 2018 - now	Chairman of Nomination and Remuneration Committee	Surapon Foods PLC.
					May 15, 2018 - July 26, 2023	Chairman of Corporate Governance Committee	Surapon Foods PLC.

Name-surname	Age	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
5. Mr. Sathaporn Kotheeranurak (to be appointed as May 14, 2009)	67	<ul style="list-style-type: none"> - Master degree in Business Administration (for the Executive), Chulalongkorn University, Thailand - Diploma in Accounting, Thammasat University, Thailand - Bachelor degree in Accounting, Rajamangala University of Technology Thanyaburi, Thailand - DAP class 34/2005, IOD - Advanced Audit Committee Program class 13/2013, IOD - Board Matters and Trends (BMT) class 6/2018, IOD - Ethical Leadership Program (ELP) class 17/2019, IOD 	0.00	-none-	May 14, 2009 - now	Independent Director and Chairman of Audit Committee	Surapon Foods PLC.
					2012 - now	Independent Director and Audit Committee	Kaset Thai International Sugar Corporation Public Company Limited
					2015 - 2020	Independent Director and Chairman of Audit Committee	A A Electri Li PLC.
					1993 - now	Managing Director	DMBT Co., Ltd.
					1995 - now	Managing Director	Sahaporn and Co Co., Ltd.
6. Mr. Paiboon Kangvonkit (to be appointed as April 8, 2010)	56	<ul style="list-style-type: none"> - Master degree in International Trade, Texas A and M International University, USA - Bachelor degree in Accounting, The University of Thai Chamber of Commerce, Thailand - DAP class 75/2010, IOD - DCP class 148/2011, IOD 	0.00	-none-	April 8, 2010 - now	Director	Surapon Foods PLC.
					1 November 2022 - now	Risk Management Committee	Surapon Foods PLC.
					April 8, 2010 - 31 October 2022	Chairman of Risk Management Committee	Surapon Foods PLC.
					January 2010 - now	Managing Director and Authorized Director	Surapon Nichirei Foods Co., Ltd.

Name-surname	Age	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
7. Miss Malai Wongwatroj (to be appointed as April 8, 2010)	68	<ul style="list-style-type: none"> - Bachelor degree in International Marketing, Baruch College, USA - DCP class 135/2010, IOD 	0.03	Between the Directors Sibling: Mr. Surapon Vongvadhanaroj	April 8, 2010 - now	Authorized Director and Risk Management Committee	Surapon Foods PLC.
					February 17, 2009 - now	Authorized Director	Surat Seafoods Co., Ltd.
8. Mr. Sorapon Vongvadhanaroj (to be appointed as April 4, 2012)	41	<ul style="list-style-type: none"> - Master degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand - Bachelor degree in Business Administration, Babson College, USA - DCP class 163/2012, IOD - CFO's Orientation course for new IPOs class 3/2019, The Stock Exchange of Thailand - CFO Refresher class 2/2021, The Stock Exchange of Thailand - CFO Refresher class 3/2022, The Stock Exchange of Thailand 	2.00	Between the Directors Son : Mr. Surapon Vongvadhanaroj	April 4, 2012 - now	Authorized Director, Corporate Governance Committee	Surapon Foods PLC.
					1 November 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
					1 November 2022 - now	Chairman of Risk Management Committee	Surapon Foods PLC.
					April 4, 2012 - October 31, 2022	Risk Management Committee	Surapon Foods PLC.
					January 1, 2017 - now	Chief Executive Officer	Surapon Foods PLC.
					December 21, 2016 - now	Authorized Director and Chairman of the Board	Surapon Supreme Foods Co., Ltd.
					December 23, 2016 - now	Authorized Director and Chairman of the Board	Surapon Finest Co., Ltd.
					February 24, 2014 - December 31, 2016	Managing Director	Surapon Foods PLC.

Name-surname	Age	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
9. Mr. Kanett Chatthamrak (to be appointed as April 25, 2019)					November 25, 2014 - now	Authorized Director and Chairman of the Board	Mobile Logistics Co., Ltd.
					December 23, 2011 - now	Authorized Director and Chairman of the Board	Surat Seafoods Co., Ltd.
					April 2012 - October 31, 2022	Authorized Director	Surapon Aquaculture Co., Ltd.
					April 26, 2012 - October 31, 2022	Authorized Director	Chantaburi Marine Farm Co., Ltd.
					April 30, 2013 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.
					December 30, 2014 - now	Authorized Director	Pokai Plus Co., Ltd.
					December 18, 2017 - now	Authorized Director	Pokai Holding Co., Ltd.
					July 27, 2023 - now	Chairman of Corporate Governance Committee	Surapon Foods PLC.
					May 9, 2019 - July 26, 2023	Corporate Governance Committee	Surapon Foods PLC.
					April 25, 2019 - now	Independent Director and Audit Committee	Surapon Foods PLC.
					2002 - now	Managing Director	Rosso Co., Ltd.

Name-surname	Age	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
10. Miss Suree Kitipongsamarn	54	<ul style="list-style-type: none"> - Master Degree in Management, The University of Thai Chamber of Commerce - Bachelor degree in Finance and Banking, Ramkhamhaeng University - Certified Internal Auditor, CPIAT no.70, Institute of Internal Auditors, Thailand - DCP class 348/2023, IOD 	0.00	-none-	2002 - now	Managing Director	IT Grand Co., Ltd.
					2007 - now	Managing Director	Thammrak Property Co., Ltd.
					2018 - now	Managing Director	Touch Point Solution Co., Ltd.
					April 26, 2023 - now	Independent Director and Audit committee	Surapon Foods PLC.
					July 27, 2023 - now	Corporate Governance Committee	Surapon Foods PLC.
					2017 - now	Managing Director and Partner	VRIA Co., Ltd./ Business Consultant
					2017 - now	Director and Partner	DEIC Audit and Consulting Co., Ltd./ Business Consultant

The Directors' Shareholding in the Company's Stock (Information as at February 2, 2024)

Name-surname		Shareholding in the Company's Shares				
		February 7, 2023	Proportion (%)	February 2, 2024	Proportion (%)	Change
1.	Mr. Kosol Chantikul	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
2.	Mr. Surapon Vongvadhanaroj	8,099,970	3.00	8,099,970	3.00	-
	Spouse and minor child	8,141,260	3.02	8,141,260	3.02	-
3.	Mr. Sithichai Kraisthisirin	14,436,000	5.35	14,436,000	5.35	-
	Spouse and minor child	0	-	0	-	-
4.	Mr. Chokchai Jiengwarewong	9,235,090	3.42	9,235,090	3.42	-
	Spouse and minor child	9,000,000	3.33	9,000,000	3.33	-
5.	Mr. Sathaporn Kootheeranurak	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
6.	Mr. Paiboon Kangvonkit	0	-	0	-	-
	Miss Malai Wongwatroj	77,000	0.03	77,000	0.03	-
8.	Mr. Sorapon Vongvadhanaroj	5,399,980	2.00	5,399,980	2.00	-
	Spouse and minor child	0	-	0	-	-
9.	Mr. Kanett Chathamrak	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
10.	Miss Suree Kitipongsamarn	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-

The Managements (Information as at December 31, 2023)

Name-surname	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
1. Mr. Sorapon Vongvadhanaroj	<ul style="list-style-type: none"> - Master degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand - Bachelor degree in Business Administration, Babson College, USA - DCP class 163/2012, IOD - CFO's Orientation course for new IPOs class 3/2019, The Stock Exchange of Thailand - CFO Refresher class 2/2021, The Stock Exchange of Thailand - CFO Refresher class 3/2022, The Stock Exchange of Thailand 	2.00	Son : Mr. Sorapon Vongvadhanaroj	January 1, 2017 - now	Chief Executive Officer	Surapon Foods PLC.
				January 1, 2017 - December 15, 2022	Chief Financial Officer	Surapon Foods PLC.
				November 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
				December 21, 2016 - now	Authorized Director and Chairman of the Board	Surapon Supreme Foods Co., Ltd.
				December 23, 2016 - now	Authorized Director and Chairman of the Board	Surapon Finest Co., Ltd.
				December 23, 2011 - now	Authorized Director and Chairman of the Board	Surat Seafoods Co., Ltd.
				April 2012 - October 31, 2022	Authorized Director	Surapon Aquaculture Co., Ltd.
				April 26, 2012 - October 31, 2022	Authorized Director	Chantaburi Marine Farm Co., Ltd.
				November 25, 2014 - now	Authorized Director and Chairman of the Board	Mobile Logistics Co., Ltd.
				April 30, 2013 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.

Name-surname	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
2. Mr. Montai Chulatitta	- Bachelor degree in Sciences, Mahidol University, Thailand - DCP class 243/2017, IOD	0.00	- none -	December 30, 2014 - now	Authorized Director	Pokai Plus Co., Ltd.
				December 18, 2017 - now	Authorized Director	Pokai Holding Co., Ltd.
				February 24, 2014 - December 31, 2016	Managing Director	Surapon Foods PLC.
				January 1, 2011 - December 31, 2016	General Manager - Finance and Corporate Services	Surapon Foods PLC.
				January 1, 2017 - now	Senior Vice President -Operations	Surapon Foods PLC.
				November 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
				December 21, 2016 - now	Authorized Director	Surapon Supreme Foods Co., Ltd.
				November 25, 2014 - now	Authorized Director	Mobile Logistics Co., Ltd.
				January 3, 2012 – October 31, 2022	Authorized Director	Surapon Aquaculture Co., Ltd.
				April 30, 2013 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.
				November 25, 2014 - December 31, 2016	Managing Director	Mobile Logistics Co., Ltd.

Name-surname	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
3. Mr. Thomas Ung	- Bachelor degree in Sociology, Polhems Skolan College, Sweden - DAP class 146/2018, IOD	0.00	- none -	January 1, 2019 - now	Senior Vice President – Export Sales	Surapon Foods PLC.
				February 1, 2018 – December 31, 2018	Vice President - Operations	Surapon Foods PLC.
				January 1, 2017 – January 31, 2018	Vice President – Export Sales	Surapon Foods PLC.
4. Mr. Patt Somchaikulsup	- Master degree in Economics, Thammasat University, Thailand - Bachelor degree in Economics, Thammasat University, Thailand <u>Professional Trainings on Company Secretary</u> - Company Secretary Program (CSP) class 27/2008, IOD - Developing Corporate Governance Policy 2008, IOD - Effective Minute Taking (EMT) class 15/2009, IOD - Fundamental Practice for Corporate Secretary (FPCS 18), Thai Listed Companies Association - DCP class 255/2018, IOD	0.00	- none -	November 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
				March 2019 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.
				January 1, 2019 - now	Corporate Human Resources Development Department	Surapon Foods PLC.
				February 1, 2018 - now	Vice President, and Company Secretary	Surapon Foods PLC.
				January 1, 2017 - January 31, 2018	Assistant Vice President, and Company Secretary	Surapon Foods PLC.
				August 2008 - December 31, 2016	Company Secretary Department Manager, and Company Secretary	Surapon Foods PLC.
				2009 - December 20, 2016	Authorized Director	Punpin Co., Ltd.

Name-surname	Educational Qualifications/ Professional Trainings	%Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
5. Mr. Sriprasert Sriprawatkul	<ul style="list-style-type: none"> - Master degree in Business Administration, Chulalongkorn University, Thailand - Bachelor degree in Accounting, Chulalongkorn University, Thailand - DCP class 330/2020, IOD - Professional Investor Relations Development Program 2021, Thai Listed Companies Association - E-learning CFO's Orientation Course, The Stock Exchange of Thailand - TLCA CFO Professional Development Program no. 2/2023, Thai Listed Companies' Association - TLCA CFO Professional Development Program no. 1/2023, Thai Listed Companies' Association - Risk Management for CFOs, The Stock Exchange of Thailand - MD&A Best Practice – Learn from the Pros, The Stock Exchange of Thailand 	0.00	-none-	December 15, 2022 - now	Chief Financial Officer	Surapon Foods PLC.
				November 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
				January 1, 2019 - now	Vice President - Corporate Accounting and Finance	Surapon Foods PLC.
				June 25, 2018 - December 31, 2018	Vice President - Finance and Corporate Services	Surapon Foods PLC.
				October 12, 2018 - now	Authorized Director	Surapon Supreme Foods Co., Ltd.
				May 7, 2018 - now	Authorized Director	Surat Seafoods Co., Ltd.
				April 2000 - May 2017	Senior Manager	EY Office Co., Ltd.

The Managements' Shareholding in the Company's stock (Information as at February 2, 2024)

Name-surname		Shareholding in the Company's Stock				
		February 7, 2023	Proportion (%)	February 2, 2024	Proportion (%)	Change
1.	Mr. Sorapon Vongvadhanaroj	5,399,980	2.00	5,399,980	2.00	-
	Spouse and minor child	0	-	0	-	-
2.	Mr. Montai Chhulatitta	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
3.	Mr. Thomas Ung	0	-	0	-	-
4.	Mr. Patt Somchaikulsup	0	-	0	-	-
5.	Mr. Sriprasert Sriprawatkul	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-

The Person Assigned to Take Direct Responsibility for Accounting Supervision (Information as at December 31, 2023)

The Company has assigned Miss Somjai Manodamrongtham to be responsible for supervising the accounting, who is qualified according to the criteria as stipulated in the notifications of Department of Business Development. In the year 2023, Miss Somjai Manodamrongtham attended professionally accounting training and development, accounted for 18 hours.

Name-surname	Educational Qualifications/ Professional Trainings	% Shareholding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
Miss Somjai Manodamrongtham	- Bachelor degree in Accounting, Sukothai Thammathirat Open University, Thailand - Preparation of the Change in Financial Reporting Standard regarding Financial Instrument, The Stock Exchange of Thailand	0.00	-none-	2017 - now	Accounting Department Manager	Surapon Foods PLC.
				1991 - 2016	Accounting Department Assistant Manager	Surapon Foods PLC.

Name-surname	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
	<ul style="list-style-type: none"> - TFRS 15 for General Business, Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Preparation of the Change in Financial Reporting Standard on TFRS15 and TFRS16, The Stock Exchange of Thailand - Accounting Standards that affect to Financial Statements in the year 2020, The Stock Exchange of Thailand - Risk Managements in Finance and Accounting System, Dharmniti Seminar and Training Co., Ltd. - Accounting and Tax Planning for General Business, Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Workshop on Cost Management, Federation of Accounting Professions under the Royal Patronage of His Majesty the King 			1988 - 1990	Accounting Officer	Surapon Foods PLC.

Attachment 2 Details of Directors and Controlling Persons

Names of Directors/ Controlling Persons		Surapon Foods PLC.	Surat Seafoods	Surapon Nichirei Foods	Surapon Supreme Foods	Surapon Finest	Mobile Logistics	Surapon Prime
Mr. Kosol	Chantikul	I, III, V, VI						
Mr. Surapon	Vongvadhanaroj	I, II, IV	I, II	I, II, III			I, II	
Mr. Sithichai	Kraisithisirin	I, II, VI	I, II	I, II				
Mr. Chokchai	Jiengwareewong	I, II, VI	I, II					
Mr. Sathaporn	Kootheeranurak	I, O, V, VI						
Miss Malai	Wongwatroj	I, II, VI	I, II					
Mr. Paiboon	Kangvonkit	I, VI		I, II, X				
Mr. Sorapon	Vongvadhanaroj	I, II, X, IV	I, II, III	I, II	I, II, III	I, II, III	I, II, III	I, II, III
Mr. Kanett	Chatthammarak	I, O, V, VI						
Miss Suree	Kitipongsamarn	I, O, V, VI						
Mr. Chatuporn	Watcharanat		I, II					
Mr. Jittakorn	Chairach		I, II, X					
Miss Soranee	Vongvadhanaroj					I, II, X	I, II	
Mrs. Soraya	Sorakraikitikul						I, II, X	
Mr. Montai	Chulatitta				I, II		I, II	I, II
Mr. Sorapoom	Vongvadhanaroj				I, II, X			
Miss Yardphon	Comnungnat				I, II			
Mr. Kittikorn	Chongchere		I, II		I, II			
Mr. Sriprasert	Sriprawatkul		I, II		I, II			I, II
Mr. Bundit	Ruangratkul					I, II		
Mr. Auhtaphon	Ratana-arporn					I, II		
Miss Yupha	Fuangraya					I, II		
Mr. Patt	Somchaikulsup							I, II

Remark / = Director // = Authorized Director /// = Chairman
 IV = Executive Director V = Independent Director VI = Non-executive Director
 X = Chief Executive Officer/Managing Director O = Audit Committee

Attachment 3 : Details of Internal Audit Head

The Company appointed Mr. Wichian Roruksa performs the duty of manager of internal audit function; directly report to Audit Committee. The Audit Committee has duties to consider and approve the appointment or disposal of internal audit head. The Audit Committee has viewed that Mr. Wichian Roruksa is appropriate and qualified to perform the position of internal audit head.

1. Name of Internal Audit Head : Mr. Wichian Roruksa
2. Position : Manager of Internal Audit Department
3. Shareholding (including spouse and minor child) : – None –
4. Educations :
 - Bachelor degree in Accounting, Ratanabundit University
 - CPIAT No.718 : Certified Professional Internal Audit of Thailand, The Institute of Internal Auditors, Thailand
5. Experiences in the Company :

Year	Position
2021 – now	Secretary of the Board of Directors
2020 – now	Manager of Internal Audit Department and Secretary of Audit Committee
2017 - 2019	Assistant Manager of Internal Audit Department and Secretary of Audit Committee
2015 - 2016	Senior Supervisor of Internal Audit Department and Secretary of Audit Committee
2005 - 2014	Senior Supervisor of Internal Audit Department

6. Professional Trainings :

Training Course	Institute
Effective Minutes Taking (EMT) class 52/2022	Thai Institute of Directors' Association
Company Secretary Program (CSP) class 132/2022	Thai Institute of Directors' Association
Professional Training of Company Secretary (2021)	The Stock Exchange of Thailand
Board Reporting Program (BRP) class 26/2018	Thai Institute of Directors' Association
Certified Professional Internal Audit of Thailand class 30	The Institute of Internal Auditors, Thailand
COSO : Enterprise Risk Management	Federation of Accounting Professions under The Royal Patronage of His Majesty the King
Information Technology Audit	Federation of Accounting Professions under The Royal Patronage of His Majesty the King
Audit Process	Federation of Accounting Professions under The Royal Patronage of His Majesty the King

Attachment 4 : Assets for Business Undertaking and Details of Assets Appraisal

1. Surapon Foods PLC.

- Head-office and factory : address no. 247, Theparak road, Muang district, Samutprakarn province, Thailand
- Area : 14 rai, 3 ngan, 36 sq. wah. The Company fully owns the whole land and buildings.
- Net book value of lands, property, and equipment as at December 31, 2023 amounting Baht 650,864,877.
- Net book value of right-of-use assets as at December 31, 2023 amounting Baht 5,587,372.
- Main Production Machines and Equipment : Refrigerators, temperature controlling machines, freezers, Gyoza producing machines, top sealed product machines, weight checkers, flour rolling machines, stir machines, X-Ray machine, ice making machines, water supply system, generators, and water treatment system. No any machine or equipment, valued more than 10% of total assets.

2. Surapon Supreme Foods Co., Ltd.

- Head-office : address no. 247, Theparak road, Muang district, Samutprakarn province, Thailand.
- Branch office and factory : address no. 509, moo.9, Kabinburi-Nakornrachasima road, Kabinburi district, Prachinburi province, Thailand.
- Area : 30 rai, 1 ngan, 80 sq.wah. The Company fully owns the whole land and buildings.
- Net book value of lands, property, and equipment as at December 31, 2023 amounting Baht 576,770,003.
- Net book value of right-of-use assets as at December 31, 2023 amounting Baht 2,101,386.
- Main Production Machines and Equipment : Refrigerators, temperature controlling machines, freezers, weight checkers, fryers, water supply system, ice making machines, generator, chicken cutting machines, X-Ray machines, water treatment system. No any machine or equipment, valued more than 10% of total assets.

3. Surat Seafoods Co., Ltd.

- Head-office : address no. 247, Theparak road, Muang district, Samutprakarn province, Thailand.
- Branch office and factory : address no. 21, Charoenlap road, Thakham sub-district, Punpin district, Suratthani province, Thailand.
- Area : 10 rai, 1.6 sq. wah. The Company fully owns the whole land and buildings.
- Net book value of lands, property, and equipment as at December 31, 2023 amounting Baht 135,285,833.
- Net book value of right-of-use assets as at December 31, 2023 amounting Baht 1,883,574.
- Main Production Machines and Equipment : Refrigerators, temperature controlling machines, freezers, sizing measurement machines, shrimp sorting machines, weight checkers, ice producing machines, water supply system, generator, and water treatment system. No any machine or equipment, valued more than 10% of total assets.

4. Surapon Nichirei Foods Co., Ltd.

- Head office and factory : address no. 22/5, moo.1, Theparak road, Bangphli-yai sub-district, Bangphli district, Samutprakarn province, Thailand. Area : 10 rai, 3 ngan, 97 sq. wah. The Company fully owns the whole land and buildings.
- Branch office and factory : address no. 509/1, moo.9, Kabinburi-Nakornrachasima road, Kabinburi district, Prachinburi province, Thailand. Area : 31 rai, 3 ngan, 38 sq. wah. The Company fully owns the whole land and buildings.
- Net book value of lands, property, and equipment as at December 31, 2023 amounting Baht 751,255,165.
- Net book value of right-of-use assets as at December 31, 2023 amounting Baht 0.
- Main Production Machines and Equipment : Refrigerators, ice producing machines, fryer, auto packing machines, X-Ray machines, rotary mixer, weight checker, metal detector, buttering machines, vacuum stuffer machines, forming machines, steam kettle machines, robot rejecter, chicken cutting machines, auto sealer, oil filter, water treatment system. No any machine or equipment, valued more than 10% of total assets.

5. Mobile Logistics Co., Ltd.

- Head office : address no. 247, moo.1, Theparak road, Bangphli-yai sub-district, Bangphli district, Samutprakarn province, Thailand.
- Branch office : address no. 279, moo.9, Bangchalong sub-district, Bangphli district, Samutprakarn province, Thailand. Area : 9 rai, 2 ngan, 19 sq. wah. The Company fully owns the whole land and buildings.

- Net book value of lands, property, and equipment as at December 31, 2023 amounting Baht 383,237,924.
- Net book value of right-of-use assets as at December 31, 2023 amounting Baht 15,308,273.
- No any machine or equipment, valued more than 10% of total assets.

6. Surapon Finest Co., Ltd.

- Head office : address no. 247, moo.1, Theparak road, Theparak sub-district, Muang district, Samutprakarn province, Thailand.
- Branch office : address no. 589/131, Bangna tower 1 building, 24 fl., Theparatna road, Bangna district, Bangkok, Thailand.
- Net book value of lands, property, and equipment as at December 31, 2023 amounting Baht 3,587,277.
- Net book value of right-of-use assets as at December 31, 2023 amounting Baht 8,443,783.

7. Surapon Prime Co., Ltd.

- Head office : address no. 247, moo.1, Theparak road, Theparak sub-district, Muang district, Samutprakarn province, Thailand.
- Address no. 40, moo.1, Klongnamkaem sub-district, Laemsingha district, Chantaburi province, Thailand. Area : 480 rai, 3 ngan, 22 sq. wah. The Company fully owns the whole assets.
- Address no. 89/1, moo.15, Tagardngaw sub-district, Thamai district, Chantaburi province, Thailand. Area : 1,495 rai, 3 ngan, 43 sq. wah. The Company fully owns the whole assets.
- Net book value of investment properties such as lands, property, and equipment as at December 31, 2023 amounting Baht 127,384,311.
- Main Machines and Equipment : Water pump, water mixer, oxygen producing machines. No any machine or equipment, valued more than 10% of total assets.

Surapon Food Public Company Limited establishes Corporate Governance policy since August 9, 2005. Then, there are all together 16 times revisions of the policy. Essence of the policy is as follows:-

Article 1 : Board of Directors

1.1 The Board's Composition

The Board shall be comprised of appropriate numbers, which are at least five persons but no more than eleven persons. All of the Board member must be residence in Thailand.

Independent Directors shall be comprised of at least one-third of total Directors and at least three persons. Independent Directors must hold the Company's share no more than one percent, which includes their related persons.

1.2 The Board's Qualifications

- 1.2.1 Possess the required qualifications and not be untrustworthy qualifications as stipulated in the relevant laws
- 1.2.2 Possess knowledges or experiences; industry, commerce, service, legal, accounting, finance, or public administration
- 1.2.3 Not be untrustworthy qualifications as stipulated in the relevant regulations
- 1.2.4 Possess knowledge, capability, experience, loyalty, honesty, and ethics as well as be able to devote sufficient time to perform their directorship duty.

1.3 The Board's Duties and Responsibilities

The Board is responsible for governing and supervising the business management by concerning the Shareholders' benefits and good business ethics. The Board shall perform their directorship duty, which is in accordance with fiduciary duties; duty of care, duty of loyalty, duty of obedience, and duty of disclosure.

The Board shall appoint Chief Executive Officer to be responsible for managing the business' operations and supervising the corporate governance. The Board shall also appoint the sub-committees to be responsible for governing and supervising some matters on the Board's behalf.

The Board's duties and responsibilities are as follows:

- 1.3.1 Consider and approve vision, mission, and important business management policies
- 1.3.2 Consider and approve annual business plan and budget
- 1.3.3 Consider the quarterly business performance results
- 1.3.4 Consider and approve important transactions such as significant investments, significant assets' acquisition or disposal, or other matters as specified by the laws and the regulations
- 1.3.5 Consider important related parties' transactions of the Company and the subsidiary companies to be in compliance with the regulations
- 1.3.6 Consider the Board's performance assessment
- 1.3.7 Consider CEO's performance assessment
- 1.3.8 Establish the written good corporate governance policy as well as review the policy regularly at least once a year
- 1.3.9 Other matters which are in compliance with the laws, the Company's objectives, the Company's articles of association, the Shareholders' resolutions, and the Board's resolutions
- 1.3.10 In consideration of conflict of interest transaction, Independent Directors must attend and consider such transaction
- 1.3.11 Appoint the specific Sub-committees to be responsible for some specific matters on the Board's behalf
- 1.3.12 Consider the duties, responsibilities, and power of authorities of the Executive Committee and CEO
- 1.3.13 Establish the important policies to be the business management's guidelines.

1.4 The Board's Meeting

- 1.4.1 The Board shall convene the Board's meeting at least six times in each year. The meeting agenda and the meeting documents shall be informed in advance. In consideration of each agenda, the Board shall consider carefully by concerning the

Shareholders' benefits as well as each Board member shall express their opinion independently. Chairman of the Board shall conduct the meeting with appropriate time allocation. Number of each Board member's meeting attendance shall be disclosed in the Company's annual report

1.4.2 The Sub-committees' meeting shall convene their meetings regularly by concerning the necessity and the jobs assigned by the Board

1.4.3 The annual Board's meeting schedule shall be fixed and informed in advance

1.4.4 The Board shall consider the quarterly business performance report in the Board's meeting. In addition, the Company shall submit the monthly business report to the Board once a month

1.4.5 Chairman of the Board and CEO shall together consider and set the Board's meeting agenda. However, Chairman of the Board might discuss with other Directors in some case

1.4.6 The Company shall inform the meeting agenda as well as submit the completed meeting documents to the Board in advance more than seven days prior to the meeting date in order to ensure the Board shall have sufficient time to study the meeting information prior to the meeting date

1.4.7 At the time of approval, the Board's member must present and vote such agenda at least two-third of total Board's members

1.4.8 Chairman of the Board shall allocate sufficient and appropriate time for discussion

1.4.9 Non-executive Directors can meet one another without the Management to discuss any interesting matter and submit the meeting results to Chairman of the Board and CEO

1.4.10 The Board promotes the Management to attend the Board's meeting in order to provide important information for the Board's considerations as well as the Board can familiarize the Management. Chairman of the Board and CEO shall discuss the invitation of the Management to attend the Board's meeting

1.4.11 The Board assigns Company Secretary to record the minutes of the Board's meeting by concerning accuracy and completeness of the Board's important opinions. Company Secretary shall submit the minutes to the Board for their consideration prior to official approval in the next Board's meeting.

1.5 Financial Reports

The Board shall provide annual financial statements, which shall be disclosed in the Company's annual report reports, submit to the Shareholders.

The Board assigns Audit Committee to govern and supervise the preparation of financial reports to be in compliance with accepted accounting standards and the relevant regulations.

1.6 Chairman of the Board

By concerning different roles of Chairman of the Board on behalf of the leader of policy matters and CEO on behalf of the leader of business management, the Company has determined that Chairman of the Board and CEO must be different person as well as set up the segregation of clear and balanced duties and authorities.

Chairman of the Board shall not be Executive director, presiding chairman of the Board's meeting and the Shareholders' meeting.

1.7 The Sub-committees

The Board appoints the specific Sub-committees to be responsible for governing and supervising some specific matters. Currently, the Board appoints five sub-committees; comprised of Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee. The Sub-committees shall submit their performance reports to the Board.

1.7.1 Executive Committee

Executive Committee shall be comprised of at least three persons from the Directors and the Executive Committee. The Board shall appoint chairman of Executive Committee from one of the Directors. Executive Committee is responsible for governing and supervising the business operations and managements to be in accordance with the policies, vision, and business targets. Executive Committee is also responsible for considering important policies and working procedures. Executive Committee shall be able to appoint any working committee or group in support of business management and business supervision.

1.7.2 Audit Committee

Audit Committee shall be comprised of at least three Independent Directors. Audit Committee is responsible for auditing the business operations to be in compliance with the policies, the regulations, the laws, the procedures as well as promoting the development of financial reports' system to be in line with accounting standards, and reviewing the efficiencies of internal control system, internal audit system, and risk management system

Audit Committee shall perform their duties independently with internal audit function shall support Audit Committee. Audit Committee has authority to ask for independent advisor's opinion in some matters as well as shall convene the meeting with the independent auditor without the Management at least once a year.

1.7.3 Nomination and Remuneration Committee

Nomination and Remuneration Committee shall be comprised of at least three persons. Nomination and Remuneration Committee is responsible for considering the suitable person to be appointed as the Board, the Sub-committees, and CEO as well as considering the Boards and CEO's remunerations. Nomination and Remuneration Committee shall discuss with CEO to consider the criteria and procedure of the Management's appointment.

1.7.4 Corporate Governance Committee

Corporate Governance Committee shall be comprised of at least three persons from the Independent Directors and the Managements. Corporate Governance Committee is responsible for governing and supervising the implementations according to corporate governance policy.

1.7.5 Risk Management Committee

Risk Management Committee shall be comprised of the Directors and the Managements. Risk Management Committee is responsible for considering risk management system, risk management procedure, and reviewing and auditing the efficiency of risk management system.

1.8 Chief Executive Officer

The Board shall appoint Chief Executive Officer to be responsible for overall business managements and operations in order to ensure the achievements of business targets. The Board shall delegate their powers of authority to CEO to be able to appoint any group or person in support of the business managements.

1.9 Company Secretary

The Board appoints Company Secretary to be responsible for following-up and giving preliminary recommendations of the laws and the regulations related to listed companies, the Company's articles of association, the Company's resolutions of the Board's and the Shareholders' meetings. Company Secretary is also responsible for convening the Board's and the Shareholders' meetings.

1.10 Qualifications and Nomination of the Directors

Nomination and Remuneration Committee is responsible for nominating the suitable person to be elected as the Directors. Nomination and Remuneration Committee shall consider the Directors' nomination by concerning the qualifications, knowledge, capability, experiences, working history, and other specific characteristics which are of benefits to the achievement of business targets and strategies.

1.11 The Directors' Term in the Office

The Directors' term in the office as stipulated in the Company's articles of associations is one-third of total directors shall retire by rotation at the AGM. The Director who retires by rotation shall be able to re-elect for another term.

The Sub-committees' term in the office is two-year period since the appointment date or according to the Board's resolution. The Sub-committee, who retires by rotation, shall be able to re-elect for another term.

1.12 The Directors' Remunerations

The Board shall propose the Directors' remunerations for the Shareholders' approval by concerning duties, responsibilities, and

working performance. Nomination and Remuneration Committee shall propose the remunerations by concerning nomination policy and shall disclose the actual payment of the remuneration in the Company's annual report.

The Management's remunerations shall be considered and approved by CEO by concerning duties, responsibilities, working performance, the Company's operating results in short-term and long-term, and competitive level in order to retain the capable persons.

The remunerations of the Board and CEO should be competitive with the industry as well as be suitable for duties, responsibilities, and scope of working.

1.13 The Directors' Performance Assessment

The Board shall conduct individual and the whole group performance assessment once a year, which the results shall be discussed and considered in order to develop the Board's performance. The Board's working standard is set and be in consideration of performance assessment.

1.14 Conflict of Interest

The Board is highly aware of consideration of conflict of interest transaction with fair, careful, transparent, and be in accordance with the Company's conflict of interest policy. The Director, who involve in possible conflict of interest, shall not attend and vote such transaction.

The Directors and the Management shall report their conflict of interest including their related persons.

1.15 Code of Business Ethics

The Board establishes the written code of business ethics to be the working guideline for the Directors, the Managements and all staffs. The Board assigns Corporate Governance Committee to review the suitability of the content in code of business ethics regularly at least once a year.

1.16 Directorship in Other Companies

The Director should not post in the directorship in other listed companies more than five companies except the Board shall consider that such person is highly capable and possess necessary experiences which are of benefits to the Company.

The Board establishes policy of posting the directorship in other companies by concerning suitable number of the companies, business type, working efficiency, and benefits to the Company. The policy indicates that in case CEO shall post in directorship in other companies, shall have to be approved by the Board prior to the posting. Whereas, the Management who shall post in directorship in other companies, shall have to be approved by CEO prior to the posting.

Article 2 : Shareholders' Rights and Equal Treatments

2.1 Shareholders' Rights and Treatments

The Board respects the Shareholders' rights and take care of the Shareholders' equal benefits even major or minor shareholders.

1. Equal rights as stipulated in the relevant laws and the Company's articles of association
2. Rights to protect their own rights by attending, questioning and voting in the Shareholders' meeting
3. Rights to participate in decision of significant matters including the election of the Directors
4. Rights to receive information accurately, completely, and transparently
5. Rights to receive the equal dividend payment allocation
6. The Company's policy is to pay the dividend as approximately 60% of annual net profit after tax of Separate Financial Statement, except when investment or cash flow is needed – the Board of Directors could present the Shareholders to pay the dividend as it fits.

2.2 The Shareholders' Meeting

The Company shall convene the Shareholders' meeting to be in accordance with the relevant laws, the Company's articles of association, and meeting organizing guideline as specified by the regulatory institutions.

Invitation to AGM letter shall be contained all meeting agenda items and the Board's opinions in each agenda item. Invitation letter

shall be circulated to the Shareholders in advance.

In AGM, all shareholders have equal right to receive information, opportunity to ask questions or suggest. Chairman of the meeting shall allocate sufficient time and promote the Shareholders to suggest or ask questions during the meeting.

The Board has duties to facilitate the Shareholders to attend the AGM by themselves or granting proxy to the Company's Independent Director.

The Director has duty to attend AGM and answer the question raised in the AGM.

The Shareholders shall be able to gather the group with clear reasons to submit the Company to convene EGM according to the criteria as stipulated in the Company's articles of association. In this case, the Board shall have to convene EGM within one month after the date of receiving the written official request from the Shareholders.

The Board shall complete the minutes of AGM within fourteen days after AGM date. The minutes shall disclose through the Company's website (www.surapon.com) as well as shall submit to the relevant regulatory institutions as stipulated in the relevant laws.

Article 3 : Roles to the Stakeholders

The Board is aware of rights of the Stakeholders; the shareholders, the employees, the customers, the partners, the debtors, social, and community. The Company shall be responsible for all stakeholders fairly as well as establishing the written code of business ethics and corporate social responsibility policy to be working guideline to all directors and employees.

The Board strives to perform itself to be good corporate citizen, strictly operate its business in accordance with the laws, and conduct its business to be benefits to the society.

The Board provides communication channels for the Shareholders and the stakeholders to submit their opinions to Audit committee.

Article 4 : Information Disclosure and Transparency

4.1 The Board establishes the policy to disclose financial and non-financial information in regards to business, operating results, financial status, future of the business accurately, completely, regularly, and timely. The Company's information shall be disclosed through the Company's annual report, the Company's website, and the Stock Exchange of Thailand's website

4.2 The Board has the policy to non-discrimination of the information even positive or negative aspects as well as equal accessibility to the information. Information disclosure shall consider the importance of confidential information, however, still be in compliance with the relevant regulatory institutions' criteria and requirements

4.3 The Board establishes the policy of insider information usage, which the Directors and the Management as defined in article 89/1 of Stock Exchange and Commission Act, including the staffs who has been informed the financial statements prior to general publication such as secretary to the Board, secretary to Audit Committee, and the auditors, are not allowed to disclose confidential information to others and not allowed to trade the Company's stock during one month prior to the date of financial statements disclosure

4.4 The Board assigns the Management to be responsible for governing and supervising the business conducts to be in compliance with the laws and the regulations relating to transparent information disclosure. The Company arranges the person-in-charge to be responsible for contacting and communicating with the Shareholders and the investors

4.5 The Board shall report the corporate governance policy and the implementations according to the policy through the Company's website and annual report

4.6 The Board shall arrange the report of the Board's responsibility to the financial reports together with the report from the auditors in the Company's annual report

4.7 The Board shall disclose roles of the Board and the Sub-committees, number of the meeting, and number of each person's meeting attendance

4.8 The Board shall disclose policy of the Directors' remunerations through the Company's website and annual report

4.9 The Directors and the Management as defined in article 89/1 of Stock Exchange and Commission Act, shall have to inform their stock trading transaction one day prior to the trading date.

Article 5 : Internal Control and Risk Management

5.1 Internal Control and Internal Audit Systems

The Board promotes and is aware of importance of internal control and internal audit systems by establishing efficient internal control and internal audit throughout the organization. The systems shall be in full supports of business operations but full aware of controllability and traceability.

The Company establishes internal audit function, under the supervision of Audit committee, to be responsible for auditing the operations in compliance with the policies, work plans, the procedure as well as assessing the suitability of risk management and internal control. Audit Committee is responsible for the appointment tor dismissal of internal audit head.

5.2 Risk Management

The Board is highly aware of risk management by appointing risk management committee to be responsible for establishing and reviewing efficiency of risk management system.

Article 6 : Developments of the Directors and the Managements

6.1 Developments of the Directors

The Board promotes and facilitates the Directors to perform their duties effectively by providing the Director's manual, which contains important information required for performing the Directors' role as well as arranging site visits to all operations' sites and organizing the new Directors' orientation.

6.2 Succession Plan for the Managements

The Board is highly aware of personnel development especially top management positions, who vitally contribute to current and future business operations. The Board, therefore, establishes succession plans for top management positions by concerning business operations, knowledge, experiences, performance, potential, and required skills for future positions.

The Board assigns Nomination and Remuneration Committee to consider and set up succession plan for CEO, whereas assigns CEO to consider and set up succession plans for other top management level.

6.3 Performance Assessment of the Directors

The Board establishes the Directors' performance evaluation regularly at least once a year as well as organizes every Board's meeting evaluation.

Article 7 : The Policies Strengthening Good Corporate Governance

The Board considers and approves the policies in response to supporting and strengthening good corporate governance. The policies shall be reviewed regularly.

The policies strengthening good corporate governance in the organization, which the Board already approved, are as follows:-

1. Policy of nomination of the Directors and CEO
2. Policy of remuneration of the Directors and CEO
3. Policy of internal audit and internal control
4. Policy of risk management
5. Code of business ethics for the Directors and the Managements
6. Policy of insider information usage
7. Policy of corporate social responsibility
8. Policy of conflict of interest protection
9. Policy of facilitating the Shareholders to attend AGM
10. Policy of whistle-blowing
11. Policy of anti-corruption

12. Policy of donation and sponsorship
13. Policy of political supports
14. Policy of human resource management in supports of corruption prevention
15. Policy of supervision of the subsidiary company
16. Policy of diversity of the Board's structure
17. Policy of information disclosure and transparency
18. Policy of posting the directorship in other companies
19. Policy of Business Sustainability
20. Policy of Government Personnel Employment

Code of Business Ethics

The Company establishes code of business ethics to be the working guideline as follows:-

1. Practices to the Company

- 1) Strive to work with full effort and perform their duties and responsibilities with accountable, care, and loyalty as well as decide to operate any matter by concerning information and fact which is correct, careful, and sufficient
- 2) Adhere to perform the duties, monitor and control the operations to be in accordance with the laws, the Company's articles of association, the policies, the procedures, code of business ethics, corporate value, and corporate competencies
- 3) Perform the duties under the scope of authority and the Company's scope of business by concerning the Company's benefits
- 4) In any decision or operation, shall not involve in any conflict of interest or related to the transaction which lead to the damages or undermine the Company's benefits. In case of possible conflict of interest, shall have to report the Company for prior acknowledgement
- 5) Agree and accept to the commitment to the consequences of their operations
- 6) Communicate and distribute code of business ethics to the employees and provide best efforts to ensure the employees' understandings
- 7) Utilize the Company's assets and resources economical and worth as well as take care of assets to maintain their values and prevent the loss
- 8) Report their actual performance regularly and completely including report of future trend with logical, reasonable, and sufficient information support
- 9) Not disclose business confidential information to other persons, group of persons, or outside organizations as well as not utilize such confidential information for own or others benefits without prior approval
- 10) Not involve in working with the business competitors within two years period after the date of employment termination
- 11) Perform and supervise the operations by concerning welfare and safety of their own, colleagues, and the Company's assets
- 12) Perform their duties with transparency, free from all forms of corruption for their own and others benefits both money and non-money benefits.

2. Practices to the Shareholders

- 1) Perform their duties with care and loyalty as well as decide any matter based on sufficient and completed information by concerning the Shareholders' benefits
- 2) Not disclose any information, which is not yet disclose to the Stock Exchange of Thailand as well as not disclose business confidential information to others, and not involve in any conflict of interest transaction.

3. Practices to the Customers

- 1) Strive to produce quality foods by concerning foods standards, foods safety, and food traceability
- 2) Strive to deliver quality products and services in all operations' processes to meet the customers' expectations with suitable price
- 3) Strive to provide the customers with accurate, sufficient, and timely information regarding details of the products and services without over statement or mislead statement of quality, quantity, or any condition

- 4) Contact the customers with politeness, effectiveness, and trustworthiness as well as establish the efficient system and process to handle complaints from the customers
- 5) Strive to keep the customers' confidential information as well as not utilize such information for own and/or others sake illegally
- 6) Strive to provide the recommendations regarding products' usage and services, which are of benefits to the customers
- 7) Not involve in all forms of any corruption for own and/or others sake. In case of offering or receiving the gifts or any benefits from the customers, shall have to strictly proceed and follow the Company's policy and procedure.

4. Practices to the Partners

- 1) Strive to conduct the mutual agreement with the partners in regards to the implementations according to food safety standards and food traceability
- 2) Not involve in all forms of any corruption for own and/or others sake. In case of offering or receiving the gifts or any benefits from the partners, shall have to strictly proceed and follow the Company's policy and procedure. In case of any corruption is found, the Company shall disclose details of the case to the partners and shall together try all the bests to find the best possible solution with fair and timely
- 3) Strive to conduct the business with the partners based on good corporate governance principle
- 4) Strive to follow the agreed conditions with the partners.

5. Practices to the Debtors

- 1) Follow the agreed conditions with the debtors. In case of some condition needed to amend, shall discuss with the debtors without delay
- 2) Pay off loan and loan interests to the debtors according to the loan amount, payment schedule, and the agreed loan conditions
- 3) Follow the objective of loan submitted to the debtors
- 4) Manage the business efficiently in order to maintain the ability to pay the loans.

6. Practices to the Competitors

- 1) Conduct the business under the fair trade competition framework
- 2) Not involve in acquiring the competitors' confidential information illegally
- 3) Not slander the competitors' reputation.

7. Practices to the Employees

- 1) Treat the employees with proper manners and respect to individual prestige
- 2) Support the employees' development as well as concern the employees' career growth
- 3) Organize proper and safe working conditions as well as provide sufficient working equipment to the employees
- 4) In considerations of the employees' appointment, rotation, promotion, rewarding, and punishment, shall be decided with honest and transparency
- 5) Open for the employees' opinions and recommendations
- 6) Prevent and protect the employees from physical, mental, and emotional hurts
- 7) Follow the laws, the regulations, and code of business ethics strictly
- 8) Not manage the business risky and non-reasonably, which shall harm the employees' career security.

8. Practices to Society

- 1) Promote and govern the business operations by concerning the impacts to natural resources, environment as well as strictly follow the laws and the regulations relating the environmental issue
- 2) Promote the employees' awareness of social responsibility
- 3) Manage and supervise efficient resources usage as well as energy and environment conservations.

Attachment 6 : Report of Audit Committee to Shareholders

The Company's Audit Committee consists of three Independent Directors; namely Mr. Sathaporn Kotheeranurak; Chairman of Audit Committee, Mr. Kanett Chatthamrak, and Miss Suree Kitipongsamarn as the Committee. All committee members are knowledgeable and have qualifications as required by Audit Committee's charter, which is in compliance with the regulations and notifications of the regulatory organizations. Whereas Mr. Wichian Roruksa, serves as the Secretary.

The Audit Committee has performed the duties under scope of work, duties and responsibilities independently without limitation of information access including good cooperation with the Management and staffs.

In the year 2023, there were five-time quarterly meetings of Audit Committee, one time meeting with independent auditor without the Management, and two-time meeting to review the correctness and sufficiency of information in self assessment form of anti-corruption development . Summary of the year 2023 performance can be summarized as follow:

1. Financial Statements Review and Audit

There are meetings with independent auditor, the Management, and internal auditor to consider financial statements, accounting policy, changes in important accounting policy, discuss with the management before submitting for Board of Directors' approval. Besides, there is one-time meeting without the Management to consult and seek advices from independent auditor regarding the independence of the workings and the issues might impact the financial statements. Audit committee considers and views that financial statements is correct and adequate according to Generally-accepted Accounting Principles. Certified Auditor has operated and shown independent opinion on Financial Statements.

2. Internal Control System Review

Audit Committee considers efficiency and effectiveness of internal control system by considering quarterly internal audit report, which covered important activities, together with the report from the independent auditor. The result of internal control system report is not found any significant weakness. Audit committee views that the Company's internal control system is adequate, appropriate, and efficient according to the objectives and compositions of internal control system.

3. Operational Reviews to be in Compliance with Laws and Regulations

Audit Committee conducts operational reviews to ensure the compliance with relevant business laws and regulations by considering the quarterly report from laws and regulations monitoring working committee under Risk Management Committee. Moreover, Internal Audit function has regularly done the audit sampling. Audit Committee has an opinion that the Company has the adequate and proper monitoring system.

4. Related Transaction and Conflict of Interest Transaction Reviews

Audit Committee gives an opinion that consideration of related transaction and conflict of interest transactions is transparent and equitable in order to ensure that the decision has been made by concerning overall benefit of the Company. The disclosure of information is accurate and adequate.

5. Internal Audit System Reviews

Audit Committee considers independence, scope of work, duty and responsibility of Internal Audit function concordantly with professional standard. Audit Committee also reviews internal auditor charter, considers the internal auditor's self-assessment, approves annual audit plan; which has been settle based upon the risk assessment, reviews the auditor report, and evaluates performance of Internal Auditor function and head of Internal Audit function including considering the appropriateness of the head of Internal Audit's qualifications and in-duty competencies. Audit Committee views that the Company's Internal Audit system is independent, adequate, and efficient. The Company's Internal Audit system has been established to be in line with the business target as well as the professional standard.

6. Risk Management System Review

Audit Committee regularly follows up the efficiency of risk management system by reviewing the quarterly minutes of Risk

Management Committee meeting. The Audit Committee views that risk management system is appropriate, adequate, and by concerning the compliance with the laws and regulations relating ESG issue.

7. Considerations of the Company's auditor and auditing fee for the year 2023

Audit Committee considers appointment of the Company's independent auditor by considering the reliability, working standard, independence, quality of works and services. Audit Committee also considers the suitable auditing fee before proposing to Board of Directors and Shareholders' meetings for approvals. Audit Committee recommends to appoint the auditors from KPMG Phoomchai Audit Ltd. to be the Company's auditor for the year 2023.

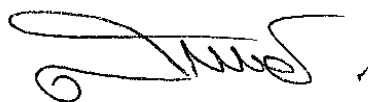
8. Whistle-Blowing

In the year 2023, there is one case of whistle-blowing to be submitted to the Audit Committee for consideration. The case is about the complaint of overtime disbursement without actual working and provide services outside during normal working hours. The Company has appointed investigation committee to investigate and find out the fact and information. Summary result of the investigation has found that there is no wrongful action as complained.

9. Annual Performance Assessment of Audit Committee for the year 2023

To ensure that the Audit Committee performance is completely achieved as specified in charter of Audit Committee and complied with guideline from the Stock Exchange of Thailand. Audit Committee's overall assessment result is equivalent to very good level. The assessment result is submitted to Board of Directors meeting for consideration.


In conclusion, Audit Committee views that Board of Directors, the Management, and all staffs have strong commitment with their duties and responsibilities to try achieving the Company's business goals by concerning good corporate governance. The Company's internal control system and risk management system are appropriate and adequate.



(Mr. Sathaporn Kotheeranurak)
Chairman of Audit Committee



(Mr. Kanett Chatthamrak)
Member of Audit Committee



(Miss Suree Kitipongsamarn)
Member of Audit Committee



SURAPON

GHPs / HACCP Certificate

BRCGS Certificate

ISO 22000

ISO / IEC 17025

Prime Minister's Export Award 1994

Prime Minister's Export Award 1998

Superbrands Thailand 2005

E.U. Number of both Fisheries and Poultry

Surapon Foods Public Company Limited

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