

56-1 ONE REPORT 2021

SURAPON FOODS PUBLIC COMPANY LIMITED



SURAPON





Content

Page No.

Part 1 Business Operation and Operating Results

1. Organizational Structure and Operation of the Group of Companies	2
2. Risk Management	16
3. Business Sustainability Development	19
4. Management Discussion and Analysis	38
5. General Information and Other Material Facts	43

Part 2 Corporate Governance

6. Corporate Governance Policy	44
7. Corporate Governance Structure and Significant Information Related to the Board of Directors, Sub-committees, the Executives, Employees, and Others	48
8. Report on Key Operating Results on Corporate Governance	60
9. Internal Control and Related Party Transaction	70

Part 3 Financial Statements

73

• Attachment

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 the Company's Secretary	152
Attachment 2	Details of the Directors in the Subsidiary Companies	166
Attachment 3	Details of Internal Audit Head	167
Attachment 4	Assets for Business Undertaking and Details of Assets Appraisal	168
Attachment 5	Corporate Governance Policy and Code of Business Ethics	170
Attachment 6	Report of Audit Committee	181

Part 1 : Business Operation and Operating Results

Company Name Surapon Foods Public Company Limited

Address 247 Moo.1, Theparak road, Thepaeak 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

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

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 more various frozen foods both seafoods and non-seafoods 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, BRC, 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.

Currently, the group of companies' main revenues are revenue from sales of goods and revenue from rendering services. The group of companies' core business 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 these products' group is operated through two 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 these products' group is operated through one subsidiary company; namely Surat Seafoods Co., Ltd.

1.3 Frozen and processed foods products which produced from varieties of raw materials and ingredients such as pork, fish, vegetables, and etc. : The manufacturing of these products' 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 subsidiary company; namely Surapon Finest Co., Ltd.

2.2 Cold-chain Logistics service provider business. The operation of this business has operated through one 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:

1. Business Objectives and Goals

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

2. Vision : Inspiring your Smiles

3. Mission : To Deliver Vibrant Experience

4. Delivery of the values to the stakeholders

- 4.1 Delivery of financial value by developing the business operation performance in order to maintain the business growth and sustainability in the long-term.
- 4.2 Delivery of non-financial value by developing and creating the customers' satisfaction in the Company's products and services as well as co-creating the good partnerships with the business alliances, and the importance of personnel development.

5. Organizational values : Integrity and Trustworthiness

6. 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.

6.1 “A” stands for Agility

6.2 “C” stands for Continuous Learner

6.3 “T” stands for Think for Excellence

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

7.1 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.

7.2 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.

7.3 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 co-working with the business partners throughout the whole business value chain to develop the business reliability under the concept of fair and business sustainable alliances in the long-term.

7.4 People management strategies : emphasis on maintain of capable personnel as well as jobs security and skills development. In addition, the Company has equally 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 the laws.

1.1.2 Materials Changes and Developments

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

2. The spread-out of COVID-19 pandemic around the world since the year of 2020, causes the overwhelming changes in global social and economic which has impacted the Company's business operations. The group of the companies still focus on the operations of the manufacturing of frozen foods products, due to its experience and expertise. However, new production techniques, new competitive advantaged products, and new sales and distribution channels are additionally implemented in response to the consumers’ behavior and markets’ demand which are significantly changed during COVID-19 pandemic situation. The Company's significant changes in the year of 2021 can be summarized as follows:-

2.1 Increase of production machines' investments in all factories highly contributes to solve labor shortage problem and maintain high quality and safety of the products. The increase of machines can significantly support the efficient cost management during the volatility of raw materials' quantity and price.

2.2 Management of products structure by concerning suitable product variety and number of products' items. Group of the company focus on producing and distributing the competitive advantaged products and more machine-made products, which are of the consumers' needs.

2.3 Increase of sales to retailing channel and other sales channels, which still potentially grow due to the consumers' behavior change to more visit retailing channels than other channels during COVID-19 pandemic situation.

2.4 Development of other substituted raw materials as well as more efficient procurement and supply chain managements in order to manage selling prices to be suitable for the consumers' affordability.

3. In the year of 2021, One of the subsidiary company; Surapon Supreme Foods Co., Ltd. has invested to expand its production facility amounted Baht 250 million. Such investment is in line with the three years business plan strategies. Details are as already informed through the Stock Exchange of Thailand website on the date of July 20, 2021.

4. In the year of 2021, the Company has been re-certified as member of Thailand's private sector Collective action against corruption (CAC). This is to confirm our strong commitment to the business operations by concerning good corporate governance and anti-corruption.

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:

Products/Services Group	Company	Year 2021		Year 2020		Year 2019	
		Thousand	%	Thousand	%	Thousand	%
		Baht		Baht		Baht	
Revenue from sales of own produced goods (ready-to-eat products)	SSF	404,466	6.84	352,989	5.72	546,897	8.73
	SS	636,540	10.76	504,705	8.18	539,502	8.62
	SUNIF	3,260,513	55.10	3,733,718	60.48	3,626,978	57.92
	SUP	823,197	13.91	824,157	13.35	567,438	9.06
Revenue from sales of own produced goods (ready-to-cook products)	SSF	117,492	1.99	109,790	1.78	139,248	2.22
	SS	68,334	1.15	51,445	0.83	49,463	0.79
Revenue from sales of trading products	SSF, SOFINE	465,939	7.87	472,152	7.65	651,290	10.40
Revenue from rendering logistics services	MBL	136,581	2.31	119,227	1.93	134,704	2.15
Others revenues		4,259	0.07	4,850	0.08	5,993	0.10
Total		5,917,318	100.00	6,173,033	100.00	6,261,513	100.00

Remarks :

- 1) Ready-to-eat products such as dimsum (shumai, bun, hakao, and etc.), sushi shrimp, frozen cooked shrimp, 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

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, and etc.), fried chicken, stream chicken, sushi shrimp, 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.

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.	1	Corporate income tax exempt for 5 years until year 2023 and other benefits such as import tariff exempt for machine, foreigner skilled labor, utility expense deduction, and etc.
2. Surapon Supreme Foods Co., Ltd.	1	Corporate income tax exempt for 6 years until year 2023 and 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.	2	Corporate income tax exempt for 5 years until year 2024 and other benefits such as 50% tax deduction for 5 years until year 2023, utility expense deduction, and etc.
4. Mobile Logistics Co., Ltd.	1	Corporate income tax exempt for 8 years until year 2024 and other benefits such as foreigner skilled labor, utility expense deduction, and etc.

The Company gives the high importance of research & development and business innovation with the objectives of competitiveness development in core exiting 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 changing consumers' behavior especially more concerns 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 of materials
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 experience 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 expense during the past three years amounting Baht 8,829,277 in year 2019, Baht 8,679,064 in year 2020, and Baht 11,716,975 in year 2021 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 much concerned on good quality and trustworthiness in the products and services with suitable and reasonable price. The machine-made product is more focused than hand-made product. 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 is mainly from export sales; accounted for approximately 90% of total revenue. Main export markets are Japan, accounted for 83% of total export sales revenue, Europe 2%, and Australia 2%. Main customers are importers; distributing to other buyers, and restaurants.

Revenue from sales of goods in Thailand market is accounted for approximately 10%. Main customers in the year 2021 are significantly changed from hotels, and chained-restaurants to restaurants, and other retail channels (such as retail shops, online sales, supermarkets) in response to the changing consumption behavior during COVID-19 pandemic spread-out.

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 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 particular business position depending on their strengths and expertises. The buyers in the markets also differently need depending on their preferences.

Group Company's business position has highly focused on delivering good 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 within suitable 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 more 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 is not too many accounts but the diversification of existing customers is located in various 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

	Year 2021	Year 2020	Year 2019
Production Capacity (ton)	3,401	4,330	4,035
Actual Production Quantity (ton)	2,756	2,340	3,597
Capacity Utilization (%)	81%	54%	89%

2. Surat Seafoods Co., Ltd.

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

	Year 2021	Year 2020	Year 2019
Production Capacity (ton)	1,647	2,078	1,386
Actual Production Quantity (ton)	1,430	1,441	1,457
Capacity Utilization (%)	87%	69%	105%

3. Surapon Supreme Foods Co., Ltd.

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

	Year 2021	Year 2020	Year 2019
Production Capacity (ton)	6,000	6,000	6,000
Actual Production Quantity (ton)	5,005	4,905	3,965
Capacity Utilization (%)	83%	82%	66%

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 2021	Year 2020	Year 2019
Production Capacity (ton)	24,900	27,600	27,400
Actual Production Quantity (ton)	19,834	22,918	22,904
Capacity Utilization (%)	80%	83%	84%

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 or broker. 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 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.

2. Chicken materials : procurement shall be directly purchased from chicken slaughtered factory 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 2021

Main Raw Materials	Proportion to Total Procurement (%)
Chicken	70%
Shrimp	27%
Others	3%
Total	100%

Total Value of Main Raw-materials Procurement in the Year 2021

Main Raw Materials	Proportion of Buying from Domestic (%)	Proportion of Buying from Oversea (%)
Chicken	73%	0%
Shrimp	24%	98%
Others	3%	2%
Total	100%	100%

(4) Assets Used in Business Undertaking

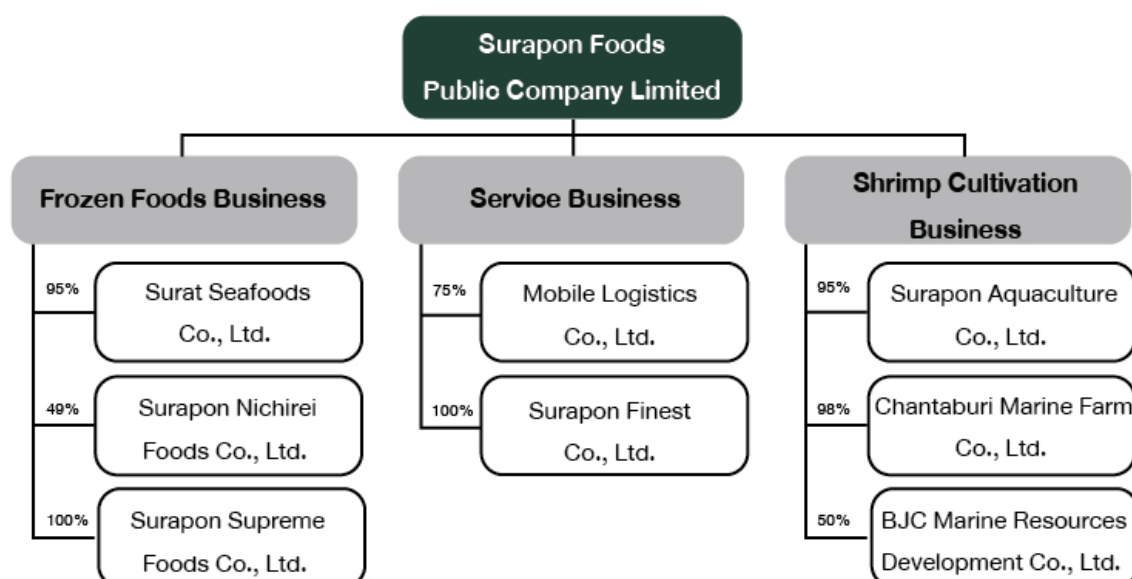
Group Company's core permanent assets used for business undertaking are mostly production building, production machines, and production equipments, which details are as shown in Attachment 4

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

Surapon Foods Public Company Limited was established in the year 1977 under the name of Surapon Seafoods Co., Ltd. The Company was listed in the Stock Exchange of Thailand in the year 1989. In the first stage, main products were frozen seafoods. In 1996, the Company has changed its name from Surapon Seafoods Public Co., Ltd. to Surapon Foods Public Co., Ltd. in order to reflect business diversification into both frozen seafoods and frozen non-seafoods products in order to serve the changes of customers' needs and consumption behavior. Currently, the Company has expanded in other supporting and relating to core business businesses; i.e. 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:-

Structure of Group Company



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, Bangpleeyai Sub-district, Bangplee 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%
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%

Company	Details of the Company	
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	Foods Product Trading
	Registered Capital	30,000,000 Baht
	Shareholding by SSF	100%
Surapon Aquaculture Co., Ltd. (SAC)	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Shrimp Cultivation Farm
	Registered Capital	21,250,000 Baht
	Shareholding by SSF	95%
Chantaburi Marine Farm Co., Ltd. (CHAMF)	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Shrimp Cultivation Farm
	Registered Capital	86,350,000 Baht
	Shareholding by SSF	98.17%
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%

The Company's First Tenth Ranking Shareholders (Information as at February 10, 2022)

Name of Shareholders	Amount of Shareholding	Proportion (%)
1. Vongvadhanaroj Family	118,840,850	44.02%
- Pokai Holdings Co., Ltd.	80,999,700	30.00%
- Mr.Surapon Vongvadhanaroj	8,099,970	3.00%
- Mrs.Sukanya Vongvadhanaroj	8,141,260	3.02%
- Mr.Sorapon Vongvadhanaroj	5,399,980	2.00%
- 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	19,765,400	7.32%
5. Mr.Thanathip Pichetvanichchok	12,555,200	4.65%
6. Miss Woraran Taepaisithpong	5,000,000	1.85%
7. Thai NVDR Co., Ltd.	3,945,771	1.46%
8. Miss Orapun Asamongkol	3,202,500	1.19%
9. Mr. Cheung Lawrence Lup-Kwan	1,896,000	0.70%
10. Mr. Thiwa Jirapatanakul	1,856,600	0.69%

Source: Thailand Securities Depository Co., Ltd.

Remark : Pokai Holding Co., Ltd. is 100% shared by one of the major shareholders' group; Vongvadhanaroj family.

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 2021	Year 2020	Year 2019
Net profit per share (Baht)	0.44	0.21	0.58
Dividend payment pay share (Baht)	0.3272	0.2063	0.3704
Proportion of dividend payment to net profit (%)	75.00%	100.00%	63.85%

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, and establishing risk management manual to be guideline of risk management's implement throughout the organization. All function shall set up risk management plan and measure to deal with the acceptable 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:-

1. Risk Factors on Business Operations

1.1 Risk from the Fluctuation of Supply Chain

There have been many incidents and socio-economic-political factors as well as epidemics during these recent three-years, which significantly the business operations throughout the whole business supply chain. Group Company has changed and adjusted internal business managements in all aspects in response to the always-changing situations such as COVID-19 pandemic spread-out has significantly affected and redesigned the change of consumption behavior, massive shortage of labor in manufacturing sector, and shortage and fluctuation of raw-materials for production.

Risk management and measures :

- Appoint risk working committee in all aspects of business operations. The working committee is 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-impact situations, business continuity plan and/or disaster recovery plan shall be implemented immediately.

- Develop and improve internal business process flow to be better responded to the changing business situations, especially the change and diversification of sales and marketing channels in each country to help reducing risk of business reliance on some selling channels. During the past three years, newly additional selling channels has been increasing, so full coverage of selling channels in Thailand and Japan has been implemented, which can better contribute to reduce business risk during COVID-19 pandemic spread-out.

- Push for recruiting production staffs from all recruitment channels as speed as possible to support the production's necessity. Due to the severe shortage of labor, group company has been continuously adjust their business model and production process to be matched with the scarcity of labor such as more investment of machines with specific targets of machines investment and more selling of machine-made products during three years period.

- Set up targets of procurement function improvement especially procurement of main raw-materials to reduce

risk from shortage and fluctuation of main raw-materials. Many measures have been implemented such as increase of new suppliers, development of substituted or alternative raw materials, and development of new products, which use of more stabilized raw materials supply.

- Upskill the personnel in procurement and purchasing functions; necessary hard skills and soft skills including foresee 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 prevent business discontinuity.

1.2 Risk from Foreign Exchange Fluctuation

The Group's revenue is mainly the export sales in term of United States Dollar, Australian Dollar, and Japanese Yen currencies whereas cost of production mainly recorded from domestic sourcing in Thai baht. Therefore, the fluctuation of foreign exchange rate will inevitably impact the business performance. During the recent past years, there have been always new events affecting foreign exchange situation.

Risk management and measures :

- Closely monitor and analyze the exchange rate trend and situation with the financial institutions and business partners. To protect and mitigate the risk, the Group has implemented 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. However, the Group does not have the policy to speculate the exchange rate.

1.3 Risk from Reliance of Major Partner

Group Company has no reliance on major supplier exceeding 30% of total purchasing amount. However, has relied on major customer; Nichirei Food group exceeding 30% of total Group Company's sales revenue. Most of sales to Nichirei Food group is mainly frozen and processed chicken products through two subsidiary companies; Surapon Nichirei Foods Co., Ltd and Surapon Supreme Foods Co., Ltd. Whereas, Surapon Nichirei Foods Co., Ltd. is the joint venture company between Surapon Foods PLC. and Nichirei Foods Inc. of Japan,

Risk management and measures :

- Group Company has been developing and delivering the products to this major customer in various products' group, matched with various selling channels in Japan in order to diversify the business risk from selling to Japan. 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 is declining.

- 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 such as regularly together plan for sustainable business growth as well as always share and discuss knowledge and information regarding product development in response to serve the changing customers' needs. In addition, Group Company has been also considering as the high trustworthy and supply consistency suppliers to this customer in Japan market without product shortage. Mutual business objective of Group Company and this customer is utmost committed to deliver the highest quality and trustworthy to the customers in Japan market.

1.4 Risk form Cyber Threat

Risk form cyber threat might affect the security of networking, important information storage especially production data and major customer data. Currently, Group Company has collected and used important information through electronic system. Therefore, if there might be the mentioned cyber threat occurred, might cause the business operations.

Risk management and 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 to recover the important information in order to operate the business continuously.
- Invest in cloud system, which is more updated storage system and more safe, as well as regular monitor the possible threats and risks
- Build up and communicate the staffs' awareness of cyber threat, as well as promote IT literacy and new recent technology.

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 risk factors as mentioned above. Therefore, the shareholders might be taken risk from not obtaining the possible returns from shareholding.

Risk management and measures :

- The Group has policy and business guideline to focus on operating and investing in core businesses or related businesses that utilize the Company's long time experiences and expertises. Decision of investment shall be taken into account with prudence and care by concerning the Company' 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 the strict internal control, internal audit, and risk management policy and system as the effective tools to reduce the 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.

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 the high importance of business operations by concerning business sustainable management and committing to values delivery of quality and trustworthy products.

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

2) Delivery of non-financial values : focus on delivery of quality and safe products, trustworthy, and satisfied services as well as promote the human development in the organization.

The Company's business operations have been ensured with efficient auditing and monitoring system as well as strictly control to 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, expectation and target of 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 stakeholders' group, based on together collaboration and growth in the long-term.

The Company has established the clear 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 efficient internal operations management throughout all business activities in order to deliver the best and suitable values of products and services of quality, safe, and reliability as the vital part of uplifting the society of foods safety and foods security.

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

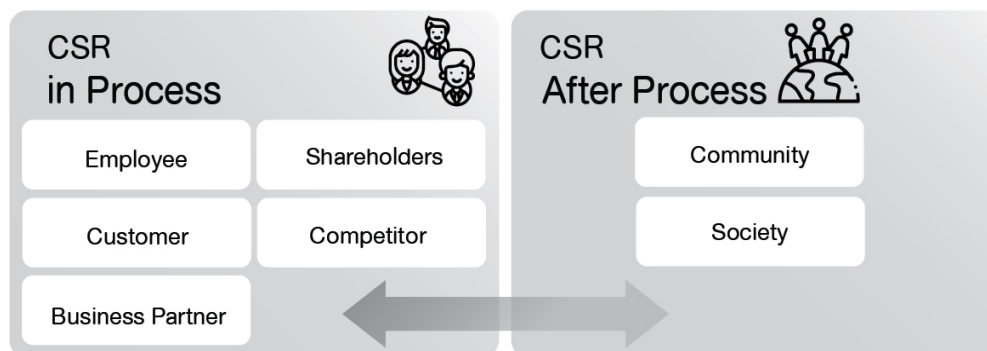
Another but important stakeholder is employee, who vitally drive for the achievement of business targets. The Company has targeted to retain the employee and treat fairly by promoting human development and employee satisfaction which shall help the employee can contribute to perform their full duties of delivering goods 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.

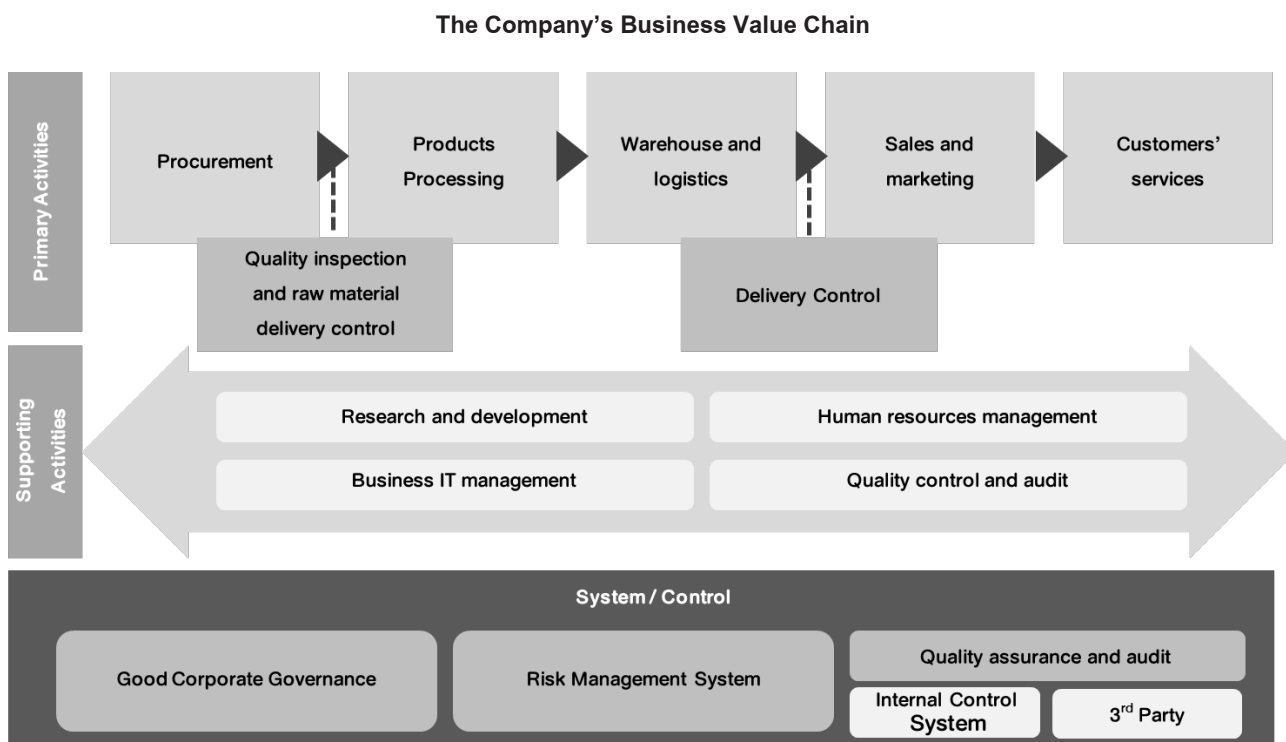
The Company's CSR after process activities shall mainly aim to participate in other relevant organizations in

respect of promoting foods safety society and more accessing 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 the quality products and services throughout the business value chain



1. Primary Activities

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

1.1 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 products cost. Quality of raw-materials is also highly impacted to quality of products delivering to the customers, therefore quality control and audit of raw material before the processing process is strictly checked.

1.2 Products Processing : the process to transform the combination 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.

1.3 Warehouse and logistics : After the products processing, the finished products shall be moved to kept 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 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.

1.4 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 the good understandings of the customers' behavior and products knowledges in order to be able to well-offer the suitable products, which match the customers' needs and production capacity.

1.5 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.

2. Supporting Activities

The Company's supporting activities are as follows:-

2.1 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 and markets. This activity is also aimed to improve internal production process to be more efficient, lessen waste from the production, prevent the contaminations during the production process.

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

2.3 Human resources management : this activity is aimed to select and recruit the capable and sufficient personnel in order to ensure that the personnel is enough for running business operations smoothly as well as work with other capital inputs such as machine, equipment, production process system, and IT system.

2.4 Quality control and audit : this activity is aimed to recheck and ensure the 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.

The Company has identified the group of key stakeholders, including analyzed the expectations of the stakeholders on the business operations and identified response to the expectations of the stakeholders which can be summarized as follows:-

Stakeholders	Expectations	Response to the Expectations
1. Employee	- Enough employee to support the business operations - Retain capable employee - Employee satisfaction - Fair treatments	- Establish human right policy and fair treatments - Comply with labor law - Fair remuneration according to potentials and working efficiency - Fair employment conditions - Set up safety measures in workplace - Open for opinions from the employees - Establish the Company's guideline of treatment to the employees
2. Shareholders	- Build and maintain the shareholders' confidence - Distribute suitable dividend payment	- 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	- Good quality products and services, safe, clean, and reliable - Satisfaction of the products and assess to important information of the products	- 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 with accurate and sufficient - 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. - Establish the Company's guideline of treatment to the customers

Stakeholders	Expectations	Response to the Expectations
4. Partners/ suppliers	- Being good business partnerships - Concern mutual and suitable benefits as long-term business alliances - Fair business conduct and together contribute to anti-corruption	- Close collaboration of businesses 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	- Fair business conduct - No misuse and illegal business confidential information	- 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	- 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	- Strictly comply with the relevant laws and regulations - Immediately report of non-compliance issues if any - 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

3.3 Management of Environmental Sustainability

3.3.1 Environmental Policy and Guidelines

The Company 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 concerned environmental regulations. Moreover, the efficient use of resources is also managed and monitored. The Company has been established the guideline of environmental management as follows:-

1. Strict comply with the concerned environmental laws and regulations
2. Manage the business operations with the aim to prevent the negative impacts to the environment as well as regular review and assess the Company performance of environmental management
3. Utilize the environmental-standardized technology and production process by concerning the control of pollutions' emission
4. Promote the customers to be aware of environmental practice from consuming the Company's products
5. Utilize and 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 resources usage
6. Organize and provide activities of waste separation, strict waste disposal, and resources 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 Operating Results

1. Communicate and train the employees to understand the concerned environmental regulation and procedures relating to the business operations, which shall help the monitoring and supervision of the workings to be compiled with the regulations
2. Govern and supervise 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 the weekly results from laboratory, analyze and measure quantity and quality of sound, light, and heat at least every six months, control sewage disposal, and etc. In conclusion, there is no environmental issue which is not in compliance with the regulations. However, the Company has no information of green-house gas emission
3. Set up key performance indicators (KPIs) of energy usage in production process such as electricity, water, and etc. with an aim to reduce energy loss and control of energy cost. Monitoring energy usage has been regularly done at least once a month to ensure the achievement of the targets
4. Assign engineering function to be responsible for setting up and controlling the implementations according to preventive maintenance plan and schedule. The 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 without energy loss
5. Set up the clear working procedure to deal with raw materials' waste from the production process which shall

not be able to re-use, such as used boiling oils, unused vegetable waste, and etc. The policy and procedure of selecting the bidders of unused materials is clearly set

6. Promote energy saving and efficient resources usage regularly, such as the savings of water usage, electricity usage, office supplies. The project of cost saving has been continuously implemented as well as set up annual target of the savings

7. Group Company has been 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.

3.4 Social Sustainability Management

3.4.1 Social Policy and Guidelines

The Company gives a high aware of corporate social responsibility (CSR) as well as environmental responsibility. Therefore, the 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, work-life balancing of the employees, and environmental-friendly production process

2. Close-up society level : focus on conducting the business with loyalty and fair 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 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 an high importance of legal and regulations compliances; especially food safety and trade regulations and standards as well as good corporation with other organizations in public and private sectors.

3.4.2 Social Operating Results

1. The Employees' Remunerations and Welfares

The Company has established the 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 utilizes the market's salary survey report to consider the suitable remunerations in the organization. Apart from salary and wages, the Company's others welfares and employee's benefits are such as provident fund, life insurance, health insurance, medical expense in case of OPD, dental treatment expense, scholarship to the employee's child, sick visit expense in case of the employees' sickness, funeral expense supporting to the employees and direct family, 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.

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.

The Company is highly aware of the employees' safety during COVID-19 pandemic spread-out by providing the timely and sufficient vaccines to all employee.



In addition, cleaning working areas by concerning the relevant standard of public health agencies, is regularly done to ensure the employees' confidence.



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 development
- Functional competency development
- Managerial competency development
- Leadership competency development

The Company's employees development framework has been established to be the guideline of implementation and linked 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 support the business continuity and the business achievements in immediate-term, medium-term, and long-term.

The Company has set up and identified the employees' competency dictionary to determine the meaning of each required competency as well as required and expected level of competency on each working level which is in line with the business strategies and targets.

Operating results

The Company gives a high importance of human capital development continuously. Due to COVID-19 pandemic spread-out impacting the rapid change of business context, the Company has adjusted its human development by employing newly additional methods of the development in addition to normal development method which can be summarized as follows:-

2.1 Development of key persons' group through YourNextU platform

This development method is mainly to enhance soft skill, attitude, and thinking framework to be well-matched with current and future workings through virtual online classroom, which can easily and flexibly access anywhere and anytime as well as reduce the risk of COVID-19. The Company has identified the required topics as follows:-

Managerial Skill, focused on management and leadership, which is comprised of 4 topics as follows:-

- Step-in leader : aimed to develop and enhance skill, attitude, and thinking framework for the leaders.
- E1-E3 leadership : aimed to develop coaching skill and asking the right questions to enhance the advisee can find proper solutions by themselves
- Do less get more with strategic thinking : aimed to develop planning skill by prioritizing the tasks by importance and urgency
- Effective presentation skill : aimed to develop presentation skill

Mindset Skill, focused on enlarging broaden point of view, attitude, and thinking framework, which is comprised of 2 topics

- Growth mindset : aimed to develop skills and points of views enlargement for better outcomes
- Design thinking : aimed to develop thinking skill and problem empathizing skill in order to seek for efficient solution.

People Skill, focused on people and team management, which is comprised of 3 topics as follows:-

- The Four houses of DISC : aimed to help the learners can better understand behaviors and characteristics of different type of people in order to enhance better communication and team working
- Discover yourself with personality assessment : aimed to help the learners can better understand self and others
- Increasing personal productivity : aimed to develop working and team management as well as increase working productivity.

Business Resilience; focused on new skills to contribute to develop overall business and working targets, which is comprised of 2 topics

- Business agility with OKRs : aimed to strengthen objectives and key results setting skill including evaluation method and follow-up the progress to achieve the final targets.
- Start your business RIGHT with business model : aimed to enhance the learners can test business planning skill by utilizing business model canvas tool.

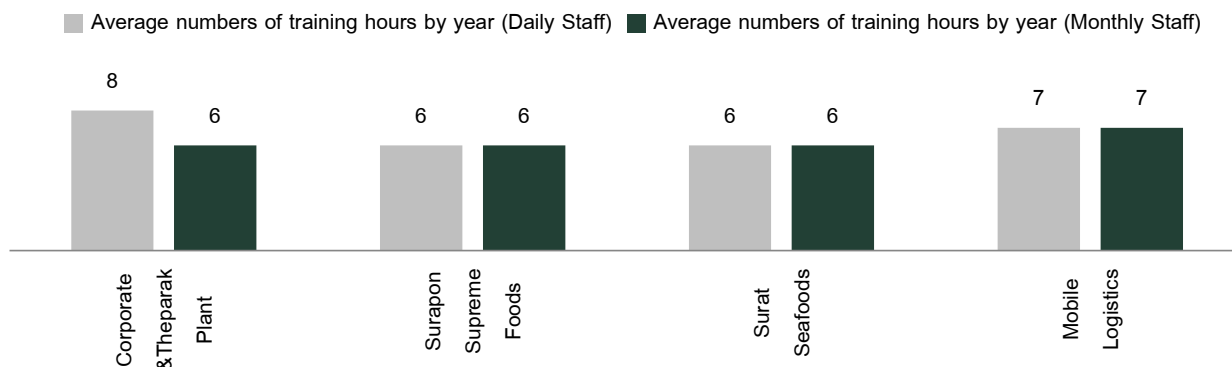
2.2 Development of general group through attending public training

- Quality standard of laboratory (ISO/IEC 17025:2017)
- UI Path software which help to shorten working time and reduce error
- Foods regulations and the permits
- Bio security laws and regulations
- Accounting standard of TFRS for NPAEs
- Quality assurance of micro biology test result
- Risk management in Quality standard of laboratory (ISO/IEC 17025:2017)
- Accounting and tax planning for general business, accounting record according to accounting standards
- Certified Professional Internal Audit of Thailand (CPIAT)

2.3 Development through internal knowledge sharing by electronics system

- Business judgement rule and principle of accountability for the executives
- The Four houses of DISC is to help the leaners can better understand behaviors and characteristics of different type of people in order to enhance better communication and team working
- Coaching skill and building up trust and engagement
- Google Workspace system and tools such as gmail, google sheet, google doc, google slide, and google form
- GMP standard in the factory

Average numbers of the employees' training and developing hours



Notice : 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 the 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 is concerning 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, society, education, or political opinion.

The Company 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 benefit to the Company, by without violate 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 the 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
- Submit the Company's agreement to the partners and suppliers to ask for cooperation with the Company to comply with labor laws and anti-human trafficking
- Has been certified from the ad-hoc governmental agencies team that has no found the human trafficking and human right violation issues in the organization
- 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 to the jobs. There has not being inspected from the relevant regulatory organizations 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, the 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 benefit
11. Jobs assigned
12. Authority assignment

Operating results

The result score of employees' satisfaction survey in the year 2021 is equal to 3.91 out of 5, which is in line with the targets. The highest score of three topics are organization pride, participation, and organizational relationships respectively.

5. Safety in the Workplace

The Company gives a high importance of safety in the workplace and highly aware of reducing the possible risk 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 dangerous situations and their prompt corrective and preventive measures
- Set up and monitor KPIs accidents within the organization. Number of the accidents in the year 2021 is equal to 5 times, decreased by 1.05% from last year
- Establish and implement preventive measures of COVID-19 in order to take care of the employees' health and safety as follows:-
 - Screen and check all employee's health, sickness, and possible risks before starting daily works
 - Screen and check all visitors' possible risks before permitting to enter into the working area
 - Implement Antigen Test Kit (ATK) to all employees regularly and continuously
 - Provide all employees the necessary safety kits such as medical mask, alcohol, and etc.
 - Manage the working area zoning by each function to mitigate the possible COVID-19 infections to others
 - Clean the working area especially most common contact areas/points frequently during the working day.
 - In case of confirmed COVID-19 affected employee, provide necessary medical kit during self-isolation period and frequently monitor their symptoms.

Policy and Guideline of the Treatment to the Customers

The Company has strongly been intending to response to the customers' needs effectively and promptly.

The following guidelines are strictly implemented:-

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

Operating results

- 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 selling. The Company has strived 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 made 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.

- Conduct the 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. The results score in the year 2021 is equal to 84.15 out of 100, which is in satisfaction level. Additional key implementations in the year 2021 are as follows:-

1. Additional trainings to sales person in regards to products' knowledge, services management, products' consultation, and personality
2. Process of ordering is improved to be more convenient and easily
3. Accurate delivery as well as manners of the sender
4. The products are delivered with good conditions of the products and packages

5. Purchasing orders payment is more convenient. The payment through QR code scanning is recently implemented in the year 2021, which is helping to reduce the less of contacting with each other and to be more efficient for financial tracking

6. After sales services including providing instruction of products' quality as well as more promptly and efficient responding to the problems

7. Providing information and marketing communication of products' information, new products, recommended menu, products' usage manual, and quality manual.

- Implement the project of services quality development to develop total quality in all service touch points from products' recommendation to the delivery to the customers

- Review code of business ethics, which is covering working guideline of the treatment to the customers with fair and appropriate

- Establish the written working procedure of customers' complaints

- Attend the trade exhibition to introduce and exhibit the Company's quality products in order to build up the customers' awareness and recognition to the Company's businesses and products

- 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.

Policy and Guideline of the Treatment to the 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 2021.

- 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 by concerning mutual and win-win benefits in the long-term as contributed to the achievement of the Company's vision and mission.

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 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 agree with the individual to use illegal software or any 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, internet, and any information
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 and 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 to get acknowledgment and understanding 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 correct and proper the employees' usage of IT program regularly at least once a year
- Communicate and ask for collaboration from the suppliers and partners to not violate the lawful intellectual property and copyright
- Set up the communication channel with the employees in case of consultation of IT matters through various channels such as IT help desk system, telephone, email, and intranet system
- There is no violation of intellectual property and copyright cases.

The Company has recently utilized new systems of email and shared drive on cloud platform in order to increase working efficiency and strengthen IT security system.

Anti-Corruption

The Company has strongly committed their business operations by concerning good corporate governance in order to generate best benefits to the shareholders and the relevant stakeholders. The Board of Director approves the anti-corruption policy and review 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, request for unlawful money or non-money benefits, or other actions related bribe either for self or others.
2. Establish the anti-corruption 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 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 to 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.

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 accounting standards.

8. Procurement process shall perform its function with transparency and is in compliance with laws and 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, all employee shall have to inform the incident to the heads or inform through whistle-blowing channels. The Company shall commit to keep the whistle-blower information as confidential.

10. The directors, the executives, and the employees agree and accept to perform in compliance with anti-corruption policy and Thailand anti-corruption laws. In case of violation of this 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

Operating results

- Assess risk of corruption as well as monitor the risk at least once a quarter through risk management committee
- The Company is recently re-certified to be member of Thailand's private sector coalition against corruption (CAC). In this regards, Mr. Sorapon Vongvadhanaroj, CEO, attended the certification ceremony during Thailand National Conference on Collective Action Against Corruption event on December 22, 2021.



- Communicate to promote 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 the understanding of anti-corruption policy and its guidelines, and then report the audit results to Audit committee.
- In the year 2021, there is no whistle-blowing case, submitting through whistle-blowing channels. The management has reported the audit committee if there is a case at least once a quarter.
- Submit and send the letter to the partners and suppliers to acknowledge the Company's anti-corruption policy and ask for collaboration to follow the policy.

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

1. Giving the smiles box (ready-to-eat meal) for medical and public health personnel

In the year 2021, COVID-19 pandemic spread-out has become more severe, the Company supports lunch box (Smiles Box), which is the Company's safe and hygiene meal box, to medical and public health staffs working at field hospital in Samutprakarn area.



2. Giving the smiles box (ready-to-eat meal) to COVID-19 vaccine centers

In the year 2021, COVID-19 pandemic spread-out has becomes more severe, the Company supports 500 lunch boxes (Smiles Box), which is the Company's safe and hygiene meal box, to public health staffs and vaccinators COVID-19 vaccine centers in Samutprakarn area.



3. Supporting meal box to COVID-19 affected persons

The Company in collaboration with ORA Social Enterprise (Thailand) Co., Ltd. supports meals to COVID-19 affected persons who self-isolate in their communities all together 50 areas in Bangkok.



4. Donating high flow oxygen therapy equipment

Due to spread-out of COVID-19 pandemic, medical equipment necessary for COVID-19 affected treatment are not sufficient, Group Company donates high flow oxygen therapy to Samutprakarn hospital in Samutprakarn province, Punpin hospital in Suratthani province, and Kabinburi hospital in Prachinburi province.



5. Giving meals to medical personnel

Giving meals to medical personnel in Taksin hospital, Sirindhorn hospital, Venerable Thavisak Juthindharo hospital, Wetchakarunrasm hospital, Ladkrabang hospital, Nongjok field hospital, Klongtoey community, and other communities.



6. Giving educational sponsorships to the employees' child

Giving educational sponsorships to the employees' child to support human capital development in long-term as well as support the employees' financial load.



7. In the year 2021, there is no issues or disputes of social, community, and environment.

4 Management Discussion and Analysis

The profit for the year 2021 of Surapon Foods Public Company Limited and its subsidiaries (or “the Company and its subsidiaries”) was Baht 443.1 million (2020: Baht 411.6 million), increased by Baht 31.5 million or 7.6% compared to the year 2020. Profit attributable to owners of the parent amounting to Baht 205.2 million (2020: Baht 148.5 million), increased by Baht 56.7 million or 38.2%.

In the year 2021, COVID-19 pandemic significantly impacted domestic and global economies, led to slowdown of consumption and purchasing power. Many countries implemented preventive and protective measures to restrict and control the spread-out of COVID-19 in the countries, therefore, impacted the operations in some businesses and the Company and its subsidiaries’ sales to some customers. The Company and its subsidiaries’ revenue from sales of goods and rendering of services in the year 2021 is amounting to Baht 5,588.6 million, decreased by Baht 290.9 million or 5.0% compared to the year 2020. The decrease of sales is mainly due to the decrease in revenue from sales of frozen and processed chicken products. Although there have been continuous purchasing orders from the customers, supply of chicken raw materials are not sufficient due to the suppliers of chicken raw material are significantly impacted by COVID-19 during the end of 3rd quarter and 4th quarter of the year 2021. However, the revenues from sales of frozen and processed shrimp products, and frozen and processed foods in the year 2021 have been increased.

Operating results in the year 2021

Revenue from sale of goods

Revenue from sale of goods according to consolidated financial statements for the year 2021 was Baht 5,494.6 million (2020: Baht 5,797.4 million), decreased by Baht 302.8 million or 5.2% compared to the year 2020. The Change is mainly from the change of sales of goods in some companies as follows:

1. Revenue from sale of goods of Surapon Foods Public Company Limited (“SSF”) was increased by Baht 54.3 million or 11.6% compared to the year 2020. This is mainly due to the increase of export sales amounting to Baht 33.2 million or 12.9%. There is significant increase of sales in Japan due to the additional sales in new products and machine-made products, which highly contributed to more efficient cost of production management and higher profit margin.
2. Revenue from sale of goods of Surapon Finest Company Limited (“SOFINE”), operating in the sales and distribution of frozen foods products, was decreased by Baht 12.3 million or 2.6% compared to the year 2020. This is due to the fact that Thailand has been impacted by COVID-19 pandemic, accordingly Thai Government has implemented the preventive and protective measures to restrict and control COVID-19 spread-out. Therefore, impacted the business operations some SOFINE’s main customers; especially hotels and restaurants, consequently its sales to those customers was significantly decreased. However, SOFINE has adjusted its sale and marketing strategy by more pushing and promoting its sales to other growing channels during the COVID-19 pandemic; especially retail channels such as online sales through various platforms especially www.suraponfoodsonline.com, retailing shops, and supermarkets. Consequently, its sales in retail channels were increased.

3. Revenue from sale of goods of Surat Seafoods Company Limited (“SS”) was increased by Baht 148.1 million or 26.4% compared to the year 2020. This is mainly due to the increase of sales to Japan and Australia, whose are highly aware of products’ quality, which is in line with SS products’ specific business position of delivering reliable and good quality with suitable price.

4. Revenue from sale of goods of Surapon Nichirei Foods Company Limited (“SUNIF”) was decreased by Baht 473.2 million or 12.7% compared to the year 2020. As a result of COVID-19, suppliers of chicken raw-materials were significantly affected as well as labor shortage in manufacturing sector. However, shortage of chicken raw-materials problem has been eased at the moment.

Revenue from rendering of services

One of the subsidiary company, namely Mobile Logistics Company Limited (or “MBL”) posted its revenues from rendering integrated cold-chain logistics services in the year 2021 amounting to Baht 93.9 Million (2020: Baht 82.0 million), increased by Baht 11.9 million or 14.5% compared to the year 2020. This is mainly due to MBL can provide additional cold storage services of cold storage of frozen, chilled, and ambient products as well as increase revenue in delivery and distribution service to new customers.

Gross profit margin

Gross profit margin of revenue from sale of goods and rendering of services was increased from 14.6% in the year 2020 to 14.8% in the year 2021.

Distribution cost

Distribution cost in the year 2021 was Baht 241.7 million, increased by Baht 28.5 million or 13.4% compared to the year 2020. However, proportion of distribution cost to sales of goods and rendering of services was increased from 3.6% in the year 2020 to 4.3% in the year 2021 due to significant increase of sea freight rate as a result of global containers shortage as well as higher oil price.

Statement of financial positions

Assets

Total assets of the Company and its subsidiaries as at 31 December 31, 2021 was Baht 4,169.3 million, decreased by Baht 11.6 million or 0.3%, compared to as at December 31, 2020. The significant changes can be summarized as follows:

1. Cash and cash equivalent was Baht 404.3 million, decreased by Baht 188.7 million or 31.8%. During the year 2021, there was a net cash from operating activities amounting to Baht 726.0 million, net cash used in investing activities amounting to Baht 209.1 million, and net cash used in financing activities amounting to Baht 705.6 million respectively.

2. Trade accounts receivable was Baht 283.5 million, increased by Baht 36.8 million or 14.9%. The average collection period in the year 2021 was 18 days, while 17 days in the year 2020. Most of such outstanding receivables were within credit term amounting to Baht 262.2 million. To reduce possible risk of bad debt, the Company and its subsidiaries have the policies to strictly consider granting receivable facility to the customers and closely monitor debt collection at all times.

3. The inventories balance was Baht 553.1 million, increased by Baht 60.5 million or 12.3%, mainly due to the increase of finished goods and raw materials. Average inventories turnover of the year 2021 and the year 2020 was 41 days and 40 days respectively.

4. Outstanding balance of net property, plant and equipment was Baht 2,592.6 million, increased by Baht 75.3 million or 3.0%. The main reasons are the additional plant and equipment during the year 2021 amounting Baht 202.7 million and there is a depreciation expense of Baht 298.0 million.

Liabilities

Total liabilities of the Company and its subsidiaries as at 31 December 2021 was Baht 1,578.3 million, decreased by Baht 235.1 million or 13.0%. The significant changes can be summarized as follows:

1. Trade accounts payable was Baht 291.3 million, increased by Baht 23.7 million or 8.8%. Average repayment period in the year 2021 was 21.4 days, while 19.3 days in the year 2020.

2. Long-term loans from financial institutions amounting to Baht 390.5 million, decreased by Baht 251.5 million or 39.2%, due to there is repayment of long term loans during the year 2021.

Equity

Total equity of the Company and its subsidiaries as at 31 December 2021 was Baht 2,591.0 million, increased by Baht 223.5 million or 9.4% mainly due to the following reasons:

1. The profit in the year 2021 was posted at Baht 443.1 million, the dividend payment by the Company of Baht 88.3 million, and the dividend payment by the subsidiaries to the non-controlling interests of Baht 268.2 million.

2. In year 2021, the appraiser who has been approved by the Office of SEC appraised the land of the Company and its subsidiaries and found that their lands' fair value amount were higher than book value. Accordingly, the Company and its subsidiaries recognized the revaluation surplus amounting to Baht 137.0 million in the year 2021.

Liquidity

Details of cash flow statements of the Company and its subsidiaries for the year ended December 31, 2021 can be summarized as follows:

1. Net cash from operating activities was Baht 726.0 million, decreased by Baht 151.0 million or 17.2% compared

to the year 2020, mainly due to an increase of cash used in the changing of trade accounting receivable and inventories.

2. Net cash used in investing activities was Baht 209.1 million, decreased by Baht 55.5 million or 21.0% compared to the year 2020, mainly due to lower acquisition of plant and equipment in the year 2021.

3. Net cash used in financing activities was Baht 705.6 million, increased by Baht 211.8 million or 42.9% compared to the year 2020, mainly due to an increase of dividends paid to owner of the Company in the year 2021, and the Company and its subsidiaries did not proceed cash from long-term loans from financial institutions in the year 2021.

In the year 2021, the Company and its subsidiaries can suitably manage its capital and sources of fund as well as are highly aware of cash flow adequacy and financial liquidity to support the continuity of business's operations. In the year 2021, all sources of fund are from cash flows and loans from financial institutions, and there are no issuances of bond, debt securities, and capital increase. Moreover, there is no significant change in accounting policy in the year 2021 and the auditor's opinion of the financial statements present fairly and in accordance with the accounting standards.

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 are always fluctuated according to different seasons, environment, weather, consumption demands, and government policies in Thailand and all around the world. 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 the 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 as well as developments of substituted and alternative raw-materials, which are more stabilized, in order to mitigate business risks and maintain business continuity.

In addition, the Company and its subsidiaries' businesses are mainly depended on export, accounted for more than 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 in order to cautiously manage production and selling planning, offering selling price to the prospect customers to be matched with exchange rate situation in each period, as well as monitoring and foreseeing the situation of foreign exchange at all time.

The Company and its Subsidiaries' Key Financial Ratios

LIQUIDITY RATIO	Year 2021	Year 2020	Year 2019
1. Liquidity ratio	1.20	1.22	1.21
2. Quick ratio	0.65	0.75	0.67
3. Operating cash flow to current liabilities	0.66	0.78	0.52
4. Account receivables turnover	20.85	21.98	22.97
5. Debt collection period	18	17	16

LIQUIDITY RATIO	Year 2021	Year 2020	Year 2019
6. Inventory turnover rate	8.90	9.16	9.16
7. Average inventory period	41	40	40
8. Account payables turnover	17.03	18.37	21.60
9. Debt payment period	21	20	17
10. Cash cycle	37	37	39

PROFITABILITY RATIO	Year 2021	Year 2020	Year 2019
1. Gross margin (%)	14.81	14.64	11.81
2. Operating profit margin (%)	8.53	7.55	5.68
3. Cash to profit margin (%)	152.36	197.53	179.06
4. Net profit to total revenue (%)	7.71	6.92	5.01
5. Return on equity (%)	17.87	17.89	13.78

EFFICIENCY RATIO	Year 2021	Year 2020	Year 2019
1. Return on total assets (%)	10.61	9.82	7.04
2. Return on fixed assets (%)	27.90	26.26	20.95
3. Total assets turnover	1.38	1.42	1.41

FINANCIAL RATIO	Year 2021	Year 2020	Year 2019
1. Debt to equity ratio	0.61	0.77	0.88
2. Interest coverage ratio	41.46	27.92	17.06
3. EBITDA coverage ratio	1.65	1.29	1.06
4. Interest bearing debt to EBITDA ratio	0.88	1.35	1.80
5. Interest bearing debt to equity (IBD/E)	0.28	0.44	0.53
6. Current portion of interest bearing debt to interest bearing debt (%)	68.84	57.77	52.17
7. Loan from financial institutions to interest bearing debt (%)	88.58	89.53	90.91

INFORMATION PER SHARE	Year 2021	Year 2020	Year 2019
1. Book value per share	9.60	8.77	8.28
2. Net profit per share	0.76	0.55	0.28

5 General Information and Other Material Facts

5.1 General Information

Company Name	Surapon Foods Public Company Limited		
Address	247 Moo.1, Theparak road, Thepaeak 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 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 Depositary Company Limited
Tel. (66) 20099999 Fax. (66) 20099991
2. 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

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

6.1 Overview of the Policy and Guidelines

The Board establishes 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 disclosed the policy through the website, under topic of investor relations. Essence of the policy 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 and which is disclosed through the website, under topic of investor relations.

The nomination of directors shall consider the candidate knowledge, expertise, and experience which shall be benefits to the Company. The Company establishes policy of the Board structure's 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 in compliance with the regulatory institutions' regulations. The nominated candidate of Independent director shall have to hold the shares 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.

In consideration of directors' remunerations, the Company shall consider from the suitability to business operations and 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, both individual and overall committee. There has been regularly 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 company supervision in order to ensure that the business operations and managements in the subsidiary companies are conformed to the policy. 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.

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. 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 Directors, the Managements, and those who know the non-publicized information is not allowed to precede any trading transaction of the Company's stock in the period of one month prior to publicizing the financial statements. In addition, shall have to inform the Company in case of any trading transaction of the Company's stock.

The Company also establishes conflicts of interest protection policy. The Directors and the Managements, including their related persons, shall disclose their related transactions and shall not involve in the decision of such related transactions. The Board set up related transaction reporting form for the Board and the Managements, including their related persons, in case they firstly posts in their directorship and management positions and if there is the change of related transactions during the terms in office.

3. Responsibility towards the Stakeholders and Anti-Corruption

The Company is highly aware of roles of the stakeholders, therefore, establishes the written code of business ethics, guidelines of the treatments to each stakeholders group as prescribed in the attachment no.5 of this report, and corporate social responsibility policy as prescribed in the 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, and whistle-blowing policy. The Company's policy is to not accept, offer, or request for money or other benefits in violation of anti-corruption policy. The Company has been re-certified to be the member of Thailand's private sector coalition against corruption (CAC).

6.2 Business Code of Conduct

The Board establishes the written business code of conduct to be the important guidelines of working for the Directors, the Managements, and all employees. Business code of conduct is comprised of the working guidelines with 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 the attachment no.5 of this report.

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

- 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 Board annually reviews the appropriateness of adopting CG code principle to the Company's business operations and managements as well as considers other measures; suitable for the Company's business context.
- The Board considers Thai IOD's Corporate Governance Report (CGR) and its adoption to the Company's business operations
- The Company is re-certified to be the member of Thailand's private sector coalition against corruption (CAC) for another three years period
- 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
- The Company continuously communicates the Company's anti-corruption policy and working procedure of anti-corruption to the partners and suppliers to collaborate with the policy
- 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 2021, the Company convenes the AGM meeting on April 27, 2021 through electronic system.

The actions prior to AGM meeting

- Allow the Shareholders to propose the 2021 AGM agenda during October 1, 2020 to December 31, 2020 as the Company announces and publicizes the criteria to propose the AGM agenda through the website
- Disclose the Board's resolutions of the 2021 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, dated February 24, 2021
- Publicizes the AGM invitation letter and all supporting documents, both Thai and English versions through the Company's website on March 26, 2021 (more than 30 days prior to AGM date). The hard copy of full set of AGM invitation letter and its supporting documents were sent by postal to the shareholders on April 5, 2021 (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 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 sent 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

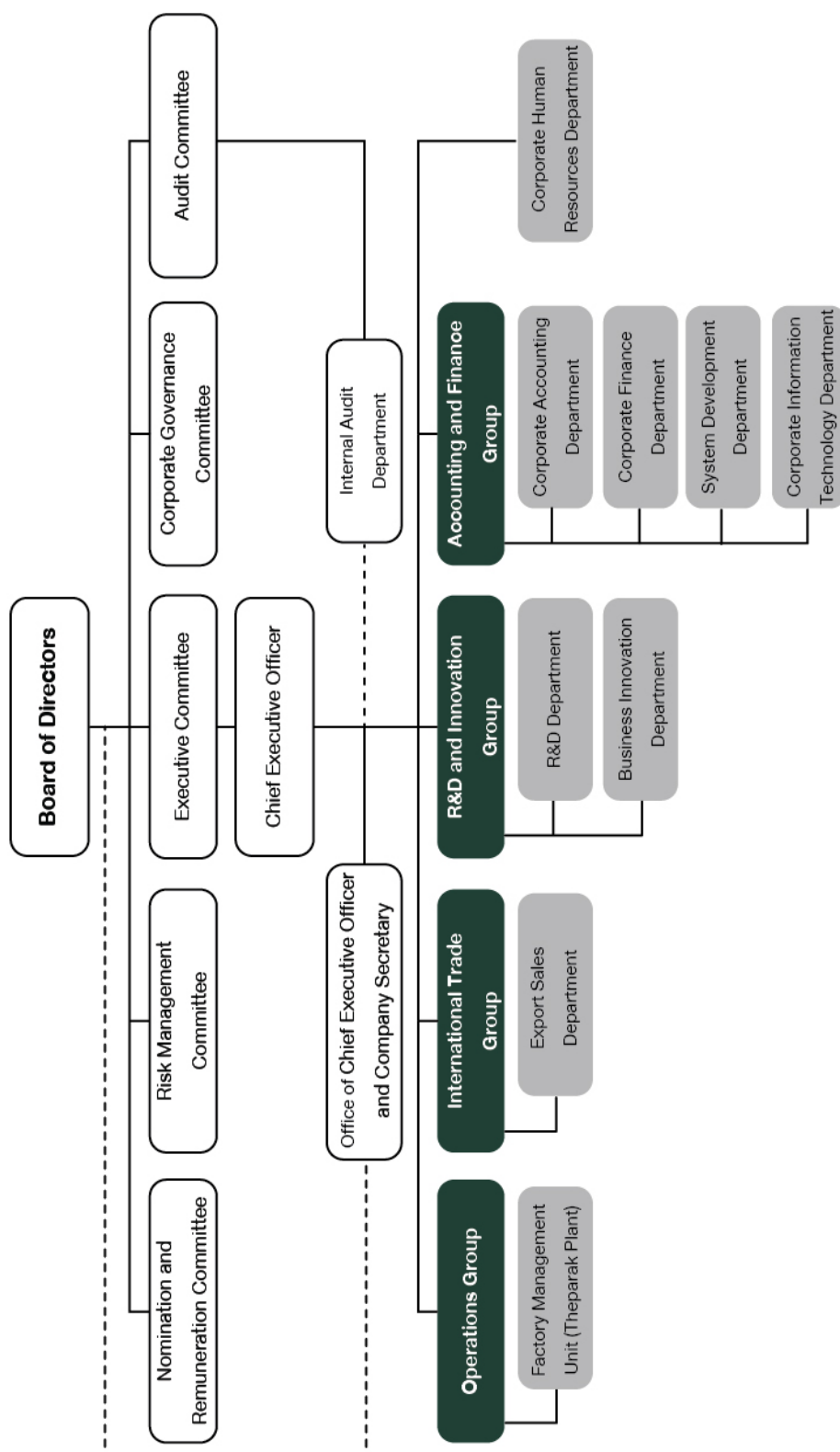
- Convenes the AGM through electronic meeting. The Company fully facilitates the Shareholders to attend the e-meeting
 - Provides and arranges enough staffs to help and support the shareholders to attend the e-meeting
 - Implements efficient and fully integrated e-meeting system; registration, voting, and declaration of the voting results so the e-meeting can be proceeded accurately and precisely
 - Declares all required criterias and procedures of the meeting attendance before declaring the meeting starts
 - The meeting voting is done through electronic system in all and each agenda item. In the directors' election agenda, the shareholders of proxies shall be voted for each person 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 next working day after the meeting date. The voting scores of agreeing, disagreeing, and abstaining in each agenda item are completely disclosed.
- Minutes of AGM is completely recorded all important details, including names of the Directors and the Managements 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 assigns 5 Sub-committees for specific matters. The Sub-committees comprise of 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, 2021, The Board of Directors is comprised of 10 persons. The appointment of the Board shall 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)
---	---	--

7.2.2 Information of the Directors and Controlling Persons

Name and Surname		Surapon Foods PLC.	Surat Seafoods	Surapon Nichirei Foods	Surapon Supreme Foods	Surapon Finest	Surapon Aqua culture	Chanta buri Marine Farm	Mobile Logistics
Mr. Kosol	Chantikul	I, III, V, VI							
Mr. Surapon	Vongvadhanaroj	I, II, IV	I, II	I, II, III			I, II	I, II	I, II
Mr. Sithichai	Kraisithisirin	I, II, VI	I, II	I, II			I, II	I, II	
Mr. Chokchai	Jiengwareewong	I, II, VI	I, II				I, II	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	I, II	I, II, III
Mr. Kanett	Chatthamrak	I, O, V, VI							
Mr. Kunakorn	Mekjaidee	I, O, V, VI							
Mr. Chatuporn	Watcharanat		I, II					I, II	
Mr. Jittakorn	Chairach		I, II, X						
Miss Soranee	Vongvadhanaroj					I, II, X			I, II
Mrs. Soraya	Sorakraikittikul						I, II	I, II	I, II, X
Mr. Montai	Chulatitta				I, II		I, II		I, II
Mr. Sorapoom	Vongvadhanaroj				I, II, X				
Miss Yardphon	Kamnuangnat				I, II				

Name and Surname		Surapon Foods PLC.	Surat Seafoods	Surapon Nichirei Foods	Surapon Supreme Foods	Surapon Finest	Surapon Aqua culture	Chanta buri Marine Farm	Mobile Logistics
Mr. Kittikorn	Chongchere		I, //		I, //				
Mr. Sriprasert	Sriprawatkul		I, //		I, //				
Mr. Bundit	Rungratkul					I, //			
Mr. Auhtaphon	Ratana-Arporn					I, //			
Miss Yupha	Fuangraya					I, //			
Remarks	/ = Director // = Authorized Director /// = Chairman of the Board IV = Executive Director V = Independent Director VI = Non-executive Director X = CEO or MD O = Audit Committee								

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 Shareholders. 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 transaction such as investment, acquisition or disposal of assets, and other transactions as required by laws
5. To consider significant related party transactions of the Company and the subsidiary company 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 regularly 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, the resolution of shareholders' meeting, and the 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 governing and screening some important issues

12. To consider duties, responsibilities, and power of authority of the CEO and chairman of executive committee

13. To establish relevant policies to support the business operations to be in compliance with the good corporate governance policy.

7.3 Information on Subcommittees

The Board appoints the subcommittees to govern and screen some important matters on the Board's behalf. The duties and responsibilities of the subcommittees are prescribed in the subcommittee's charter. All subcommittee except risk management committee and executive committee, is required Independent Directors to be their committee member. Currently, there are all together five subcommittees; i.e. Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee.

7.3.1 Audit Committee

As at December 31, 2021, 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. Mr. Kunakorn	Mekjaidee ^{1/}	Committee (Independent Director)
4. Mr. Issarin	Patramai ^{2/}	Committee (Independent Director)

Thereby, Mr. Wichian Roruksa carries out duties as Secretary of Audit Committee

Remarks : ^{1/} Mr. Kunakorn Mekjaidee has been appointed in replacement of Mr. Issarin Patramai by the Board's resolution no.2/2021 dated April 27, 2021

^{2/} Mr. Issarin Patramai had expired from the directorship by the AGM's resolution dated April 27, 2021

^{3/} 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 process to ensure that it is accurate and adequate

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit function's independence, to approve the appointment, transfer and dismissal of the head of an internal audit function, as well as to approve annual internal audit plan and internal audit function's charter

3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business

4. To review internal audit measure as well as 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 an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
7. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the regulations.
8. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - An opinion on the accuracy, completeness and creditability 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 auditor
 - An opinion on the transactions that may lead to conflicts of interests
 - The number of the audit committee meetings, and the attendance of such meetings by each committee member
 - An opinion or overview comment received by the audit committee 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 general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors
9. To review the Company's risk management system independently
10. To consider the hire of the independent advisor or professional expert to give advices as the Audit committee sees it appropriate
11. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

7.3.2 Corporate Governance Committee

As at December 31, 2021, Corporate Governance Committee is comprised of the following:-

Name and Surname		Position
1. Mr. Chokchai	Jiengwareewong	Chairman
2. Mr. Sorapon	Vongvadhanaroj	Committee
3. Mr. Kanett	Chatthamrak	Committee (Independent Director)
4. Mr. Patt	Somchaikulsup	Committee and secretary

Corporate Governance Committee's Duties and Responsibilities :-

1. To govern and follow up the implementations according to the Company's good corporate governance
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, 2021, Nomination and Remuneration Committee is comprised of the following:-

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

Nomination and Remuneration Committee's Duties and Responsibilities :-

1. To select and propose to nominate the candidate(s) who possess the suitable qualifications, experiences, expertise to be elected or appointed as the Company's Directors by concerning loyalty, ethics, benefits to the Company which is in accordance with the Director's Nomination policy
2. To consider and propose the Directors' remunerations which is in accordance with the Directors' remuneration policy by concerning duties, responsibilities, experiences, performance, and comparable remunerations with same business sector
3. To follow up the updated working guidelines regarding the Directors' nomination and remuneration as be introduced by the relevant regulatory institutes
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, 2021, Risk Management Committee is comprised of the following:-

	Name and Surname		Position
1.	Mr. Paiboon	Kangvonkit	Chairman
2.	Miss Malai	Wongwatroj	Committee
3.	Mr. Sorapon	Vongvadhanaroj	Committee
4.	Miss Soranee	Vongvadhanaroj	Committee
5.	Mr. Sorapoon	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 consider the policy, system, and procedure of risk management as well as audit and review the system regularly.
2. To propose the risk management goal, action plans, and required resources to implement the risk management in the organization
3. To promote the efficient risk management system in all significant aspects; strategic, financial, operations, compliance, event and incident, and corruption risks
4. To monitor and follow up the implementations of risk management according to the risk management framework
5. To consider risk management plan
6. To report the significant risk factor and risk management plan to the Board and CEO
7. To communicate the significant risk issues to Audit Committee and the Management.

7.3.5 Executive Committee

Executive Committee as at December 31, 2021 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	Sorakrattikul	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 implementations in accordance with the Company's vision, mission, business target, and 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 on 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, 2021 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)
5.	Mr. Patt	Somchaikulsup	Vice President (Office of Chief Executive Officer)
			Manager of Corporate Human Resources Department
			Company Secretary

Remarks : Mr. Sorapon Vongvadhanaroj performs the duty of Chief Finance Officer (CFO)
Miss Somjai Manodamrongtham performs the duty as the person assigned to take direct responsibility for Accounting Supervision.

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 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 2021		Year 2020	
	No. of persons	Thai baht	No. of persons	Thai baht
Salary	5	18,065,124	5	17,365,175
Annual Bonus	5	5,016,281	5	2,106,525
Others	5	139,288	5	147,840
Total	5	23,220,693	5	19,619,540

Remark : Other remunerations; e.g. gasoline expense, telephone expense, per-dium, or etc.

The Company also provides 2% rate of provident fund for the employees. In the year 2021, the Company supports the provident fund for the Executives amounting Baht 361,302

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 from the Subsidiaries.

7.5 Information on 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, 2021 amounting 2,978 persons or accounted for 77% of total employees of the group company.

Total Employees of the Group Company as at December 31, 2021

Company's name	Monthly Staffs	Daily Staffs	Total
Surapon Foods PLC.	147	473	620
Surat Seafoods Co., Ltd.	67	504	571
Surapon Supreme Foods Co., Ltd.	134	436	570
Surapon Finest Co., Ltd.	116	-	116
Mobile Logistics Co., Ltd.	99	79	178
Surapon Nichirei Foods Co., Ltd.	332	1,486	1,818
Total	895	2,978	3,873

Total remunerations of the Employees in group company in the year 2021 amounting Baht 1,155,749,658 which is comprised of the following items :-

Remunerations	Baht
Salary and wage	676,460,777
Annual bonus	228,737,242
Overtime	96,767,785
Employee benefits	15,962,108
Other	137,821,745
Total	1,155,749,658

The group company provides provident fund for the employees. In the year 2021, there is all together 713 persons joining in the provident fund.

Company's name	No. of Persons joining the Provident Fund	% Joining the Provident Fund	Baht
Surapon Foods PLC.	115	19%	1,445,121
Surat Seafoods Co., Ltd.	60	11%	445,804
Surapon Supreme Foods Co., Ltd.	109	19%	726,034
Surapon Finest Co., Ltd.	63	54%	738,969
Mobile Logistics Co., Ltd.	63	35%	395,585
Surapon Nichirei Food Co., Ltd.	303	17%	2,216,664
Total	713	18%	5,968,178

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 Boars' 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 his 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 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. Miss Somjai Manodamrongtham's qualifications are as in the attachment 1.

Head of Internal Audit

The Company appoints Mr. Wichian Roruksa to be the manager of internal audit function and the head of internal audit function, directly reported to Audit Committee. Audit Committee has duties to consider and approve the appointment or dismissal of internal audit head. Audit Committee has viewed that Mr. Wichian Roruksa possesses suitable qualifications of being the head of internal audit function. Mr. Wichian Roruksa's qualifications are as in the attachment 3.

7.6.2 Investor Relations

The Shareholders or 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 2021 with the following remunerations:-

The Auditor's Remuneration	Baht
Remunerations from the Company	
• Auditing fee	1,181,000
• BOI auditing	63,000
Remunerations from the Subsidiaries (7 companies)	
• Auditing fee	2,329,000
• BOI auditing	315,000
Other services	none
Total	3,888,000

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 their important role on establishing and considering the policies and strategies in supports of enhancing business competitiveness, building up corporate culture and values, supervising the business operations according to the policies and strategies, as well as strengthening good corporate governance, internal control, and risk management. Summary of the Board's duties in the year 2021 are as follows :

- Considers and approves the Company's year 2021 business targets, strategies, budget, and annual business plans in accordance with the three years business targets (the year 2021-2023). The Board's meeting also regularly monitors and follow-ups the implementations from the Managements
- Considers and follow-ups the Company's 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 the Board's 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 to be benefits to the further proceedings.
- Considers and reviews the adoption of CG code for listed companies principle to apply 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.

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

The Board' meeting no.1/2016 dated January 12, 2016 firstly approved the Director's' 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 Board shall select and nominate the Directors according to the 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 the knowledges and experiences in one of the following fields; industry, commercial, services business, legal, accounting, finance, public relations, or public administrations as well as has no consanguinity relationship with the major shareholders or the Managements. In addition, 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-trustworthy characteristics of the directors as prescribed in the relevant laws and regulations.

2. Nominating method

2.1 In nominating process, the Board shall consider the suitability of number of the Board's member, structure, and composition by considering necessary skills, experiences, and specific qualifications required to the achievement of the 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 the required qualifications.

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

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 the CEO's succession plan

2.6) Nomination committee shall approach the suitable candidate who possesses the qualifications in accordance with the directors' nomination policies and procedure

2.7) Nomination committee shall propose their opinions for the Board and the shareholders' approvals.

3. Nominations of the Directors and the Managements

- Nomination committee has been assigned by the Board to consider the criteria as well as propose to nominate the Directors and CEO

- Nomination committee has been assigned to nominate CEO and consider the CEO's succession plan

- Nomination committee together with CEO shall consider the criteria of nominating and appointing the top executives

- CEO is responsible for nominating and appointing the top executives, who is conformed to the approved criteria. CEO shall report the appointments of the top 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 in advance.

Name of the Board as at December 31, 2021

Name Surname		Position	No. of the Board's meeting attended in the year 2021	No. of the AGM attended in the year 2021
1. Mr. Kosol	Chantikul	Chairman and Independent Director	8/8	1/1
2. Mr. Sathaporn	Kotheeranurak	Independent Director	8/8	1/1
3. Mr. Kanett	Chatthamrak	Independent Director	5/8	1/1
4. Mr. Kunakorn	Mekjaidee ^{1/}	Independent Director	7/7	1/1 ^{3/}
5. Mr. Surapon	Vongvadhanaroj	Director	8/8	1/1
6. Mr. Sithichai	Kraisithisirin	Director	8/8	1/1
7. Mr. Chokchai	Jiengwareewong	Director	8/8	1/1
8. Mr. Paiboon	Kangvonkit	Director	8/8	1/1
9. Miss Malai	Wongwatroj	Director	8/8	1/1
10. Mr. Sorapon	Vongvadhanaroj	Director	8/8	1/1
11. Mr. Issarin	Patramai ^{2/}	Independent Director	1/1	1/1

Thereby, Mr. Patt Somchaikulsup performed secretary to the Board in the meetings nos. 1 - 5

Mr. Wichian Roruksa performed secretary to the Board in the meetings nos. 6 - 8

Remarks: ^{1/} Mr. Kunakorn Mekjaidee is appointed to be the director according to AGM in April 27, 2021 in replacement of Mr. Issarin Patramai, who retired by rotation

^{2/} Mr. Issarin Patramai retired and expired from the directorship according to AGM on April 27, 2021

^{3/} Mr. Kunakorn Mekjaidee attended AGM on April 27, 2021 as the meeting observer.

Chairman of the Board shall chair the meetings of the Board and the Shareholders' and monitor the performance of the Board and the Sub-committees in order to ensure the achievements of the established 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 business operations.

The AGM no.44/2021 on April 27, 2021 has passed the resolution of the Directors' remunerations, amounting Baht 6,040,000 whereas the actual payments in the year 2021, amounting Baht 5,431,500 which is detailed as follows:

Name-surname	Board of Directors		Audit Committee		Corporate Governance Committee		Nomination & Remuneration Committee		Total Payment in the year 2021
	Retaining fee	Meeting allowance	Retaining fee	Meeting allowance	Meeting allowance	Meeting allowance	Meeting allowance	Meeting allowance	
1 Mr. Kosol Chantikul	960,000	160,000	-	-	-	-	-	-	1,120,000
2 Mr. Sorapon Vongvadhanaroj	300,000	120,000	-	-	10,000	-	-	-	430,000
3 Mr. Chokchai Jiengwareewong	300,000	120,000	-	-	20,000	20,000	-	-	460,000
4 Mr. Surapon Vongvadhanaroj	300,000	120,000	-	-	-	10,000	-	-	430,000
5 Mr. Sithichai Kraithisirin	300,000	120,000	-	-	-	-	-	-	420,000
6 Miss Malai Wongwatroj	300,000	120,000	-	-	-	-	-	-	420,000
7 Mr. Paiboon Kangvonkit	300,000	120,000	-	-	-	-	-	-	420,000
8 Mr. Sathapom Kootheeranurak	300,000	120,000	180,000	50,000	-	-	-	-	650,000
9 Mr. Kanett Chatthamrak	300,000	75,000	120,000	25,000	10,000	-	-	-	530,000
10 Mr. Kunakorn Mekjaidee	200,000	90,000	80,000	20,000	-	5,000	-	-	395,000
11 Mr. Issarin Patramai	97,500	15,000	39,000	-	-	5,000	-	-	156,500
Total	3,657,500	1,180,000	419,000	95,000	40,000	40,000	40,000	40,000	5,431,500

8.1.3 Supervision of Subsidiary Companies

The Board has resolved to approve the policy of supervision of the subsidiary company, 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 and important assets, dividend payment, and etc. The Company publicizes the policy of supervision of the subsidiary company through the 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 its policy and guidelines, approved by the Board. The Managements shall be responsible for implementing, whereas the sub-committees shall supervise the management's implementations and internal audit function shall regularly audit. The Company has implemented the significant good corporate governance matters 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 followed:-

- In consideration of conflict of interest or possible conflict of interest transaction, Independent directors must attend the meeting and consider the transaction
- 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 on this consideration matters, shall not participate in the decision in order to protect the shareholders' benefits with fair decision
- In consideration of conflict of interest or related party transaction, shall strictly comply with the relevant laws and regulations
- Internal audit function shall regularly audit conflict of interest or related party transactions
- In the year 2021, 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 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 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.

In the year 2021, there is no case of usage of insider information, which is not in compliance with the relevant laws and regulations.

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 resolved to approve 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 website under topic of investor relations.

In the year 2021, 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:-

- Is re-certified as member of Thailand private sector's Collective Action Coalition against Corruption (CAC)
- Regularly reviews anti-corruption policy by the Board at least one a year
- Communicates anti-corruption through various channels and activities such as email, VDO clip, and other public relation channels
- Reviews and assesses the risk of corruption as well as implement the measures to manage the risks. The manual of operations in contact with other organizations especially any permit and certificate is clearly set.
- Submits the letters to the partners and suppliers to ask for 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 the 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.

4. Whistleblowing

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 2021, the report to audit committee has shown that there is no case in violation of good corporate governance policy and anti-corruption policy.

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 auditor without the Managements.

	Name-surname	Position	Number of attendance in the year 2021
1.	Mr. Sathaporn Kootheranurak	Chairman	5/5
2.	Mr. Kanett Chatthamrak	Committee	5/5
3.	Mr. Kunakorn Mekjaidee ^{1/}	Committee	4/4
4.	Mr. Issarin Patramai ^{2/}	Committee	0/1
Thereby, Mr. Wichain Roruksa performs duty to secretary of the Audit Committee			

Remarks: ^{1/} Mr. Kunakorn Mekjaidee is appointed to be the director according to AGM in April 27, 2021 in replacement of Mr. Issarin Patramai, who retired by rotation

^{2/} Mr. Issarin Patramai retired and expired from the directorship according to AGM on April 27, 2021

^{3/} The committee no. 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 2021

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 the important accounting policies and the important changes of accounting policies

3. Reviews risk management system as well as reviews the 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.

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 duties and responsibilities are stipulated in the sub-committee charter.

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, 2021 is as follows:

Name-surname		Position	Number of attendance in the year 2021
1.	Mr. Chokchai Jiengwareewong	Chairman	3/3
2.	Mr. Sorapon Vongvadhanaroj	Committee	3/3
3.	Mr. Kanett Chatthamrak	Committee	3/3
4.	Mr. Patt Somchaikulsup	Committee	3/3
Thereby, Mr. Patt Somchaikulsup performs secretary to Corporate Governance Committee			

Summary of Corporate Governance Committee's operating results in the year 2021

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.

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, 2021 is as follows:

Name-surname		Position	Number of attendance in the year 2021
1.	Mr. Chokchai Jiengwareewong	Chairman	2/2
2.	Mr. Surapon Vongvadhanaroj	Committee	2/2
3.	Mr. Kunakorn Mekjaidee ^{1/}	Committee	1/1
4.	Mr. Issarin Patramai ^{2/}	Committee	1/1
Thereby, Mr. Patt Somchaikulsup performs secretary to Nomination and Remuneration Committee			

Remarks : ^{1/} Mr. Kunakorn Mekjaidee has been appointed the Nomination and Remuneration Committee in replacement of Mr. Issarin Patramai by the resolution of the Board's meeting no.2/2021 on April 27, 2021
^{2/} Mr. Issarin Patramai expired from the Nomination and Remuneration Committee on April 27, 2021

Summary of Nomination and Remuneration Committee's operating results in the year 2021

1. Nominates the Directors in replacement of those retired by rotation as well as proposes the Directors' remunerations for the approval from the Boards and the Shareholders
2. 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
3. Considers CEO's remunerations
4. Follow-ups the regulations relating the Directors' nomination and remuneration.

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, 2021 is as follows:

Name-surname		Position	Number of attendance in the year 2021
1.	Mr. Paiboon Kangvonkit	Chairman	4/4
2.	Miss Malai Vongvadhanaroj	Committee	4/4
3.	Mr. Sorapon Vongvadhanaroj	Committee	4/4
4.	Miss Soranee Vongvadhanaroj	Committee	4/4
5.	Mr. Sorapoom Vongvadhanaroj	Committee	4/4
6.	Mrs. Soraya Sorakraikitikul	Committee	4/4
7.	Mr. Jittakorn Chairach	Committee	4/4

Name-surname		Position	Number of attendance in the year 2021
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	4/4
Thereby, Mrs. Nawarat Surinwong performs secretary to Risk Management Committee			

Summary of Risk Management Committee's operating results in the year 2021

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.

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, 2021 is as follows:

Name-surname		Position	Number of attendance in the year 2021
1. Mr. Surapon	Vongvadhanaroj	Chairman	7/7
2. Mr. Sorapon	Vongvadhanaroj	Vice chairman	7/7
3. Mr. Paiboon	Kangvonkit	Committee	7/7
4. Miss Soranee	Vongvadhanaroj	Committee	7/7
5. Mrs. Soraya	Sorakraikitikul	Committee	7/7
6. Mr. Sorapoom	Vongvadhanaroj	Committee	7/7
7. Mr. Montai	Chulatitta	Committee	7/7
8. Mr. Jittakorn	Chairach	Committee	7/7
9. Mr. Thomas	Ung	Committee	7/7
10. Mr. Patt	Somchaikulsup	Committee and secretary	7/7

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 emphasis on internal control and risk management in all operation activities. The Board has arranged the annual assessment program to evaluate the adequacy and suitability of Internal Control system. In the year 2021, the Audit Committee utilized the assessment form as suggested by the Office of Securities and Exchange Commission and proposed to the Board for consideration. Board of Directors has unanimously resolved that the Company's internal control system is sufficient and suitable for monitoring the meet 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 the operation of subsidiaries to ensure that the assets of the Company and subsidiaries are protected from being used by directors or executives unlawfully or without authority.

Board of Directors also gives precedence to the 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) and Enterprise 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, segregation of duty have been set to comply with job function and key responsibilities by concerning internal control supports. Human resources function focuses on retention and development of the capable employees. The Company and subsidiaries keep emphasis on communicating all employees regarding the risk of corruption and bribery as well as conflict of interest in order to promote awareness of anti-corruption as a part of corporate culture 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 define the suitable risk management measures according to the Company's risk management policy. Risk Management Committee has duties to assess the corporate risks: strategic risk, financial risk, operation risk, event risk, compliance risk, and corruption risk. There will be continuous monitoring, assessing and reporting the risk factor management to the Management. Risk Management Department shall monitor the results of risk management according to the Company's risk management manual. In addition, Internal Audit department 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 operation 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 channel 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 under the internal control has been reported continuously to the Executives and the Board.

Monitoring and Following-up the Internal Control

The Audit committee meeting dated December 8, 2020 approved annual internal audit plan for the year 2021. 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 2021, there is no significant internal control weakness issue. In addition, the certified auditor has reported her 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, operations compliance, and internal control for the year 2021 as prescribed in Attachment no.6 of this 56-1 report.

Internal Audit Head

The Audit Committee appoints Mr. Wichian Roruksa as the Company's internal audit function head. Mr. Wichian Roruksa is performed 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 56-1 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' best benefit with care and fair by concerning at arm's length basis principle as well as to be in line 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.

During the past three-year period, the Company reported the related transaction to SET. The Board of Directors' meeting dated August 13, 2020 had passed the resolution to approve the related transaction in rental contract of office room between Pokai Holding Co., Ltd. ("lessor") and Surapon Finest Co., Ltd. ("renter") for two years period (November 1, 2020 to October 31, 2022) with the agreed rental rate of Baht 149,850 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 44.02% shareholding in Surapon Foods PLC. Value of this transaction in comparison with the net tangible asset showed that its size was 0.24%, 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 August 14, 2020.

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 2021, 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 2021 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 issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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
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.	My audit procedures included, among others: • 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; • 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, related safeguards.

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

24 February 2022

Surapon Foods Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		(in Baht)			
Current assets					
Cash and cash equivalents	5	404,270,195	593,003,876	4,010,412	14,880,706
Trade accounts receivable	4, 6, 27	283,497,249	246,653,629	65,033,012	64,318,490
Other receivables	4	26,358,915	25,099,070	4,303,018	3,190,717
Other current financial assets	27	8,312,549	6,708,013	175,891	288,475
Current portion of long-term loans to related parties	4	-	-	53,250,000	-
Short-term loans to related parties	4	-	-	69,700,000	7,000,000
Inventories	7	553,055,509	492,569,101	134,560,105	103,000,496
Total current assets		1,275,494,417	1,364,033,689	331,032,438	192,678,884
Non-current assets					
Investment in an associate	8	21,665,019	21,920,852	17,150,000	17,150,000
Investments in subsidiaries	9	-	-	844,127,375	844,127,375
Other non-current financial assets	27	2,882,172	3,821,066	2,882,172	3,821,066
Long-term loan to related parties	4	-	-	56,740,000	53,250,000
Investment properties	11	146,556,436	124,466,766	5,000,000	5,000,000
Property, plant and equipment	12	2,592,623,602	2,517,359,176	674,322,785	628,246,945
Right-of-use assets	13	59,993,611	89,380,604	5,969,854	9,638,445
Intangible assets	15	20,214,104	22,436,178	6,668,727	7,763,518
Deferred tax assets	24	2,429,105	7,305,574	-	-
Non-current non-cash financial assets					
pledged as collateral	29	2,000,000	2,000,000	-	-
Other non-current assets		45,448,258	28,138,048	14,854,990	11,973,887
Total non-current assets		2,893,812,307	2,816,828,264	1,627,715,903	1,580,971,236
Total assets		4,169,306,724	4,180,861,953	1,958,748,341	1,773,650,120

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	
		2021	2020	2021	2020
(in Baht)					
Current liabilities					
Short-term loans from financial institutions	16	255,820,716	299,759,637	51,813,116	1,139,537
Trade accounts payable	4	291,338,072	267,659,566	52,578,527	55,524,204
Other payables	4, 17	261,014,948	225,571,707	70,902,659	39,223,295
Current portion of long-term loans					
from financial institutions	16	194,799,560	271,810,010	31,400,000	55,200,000
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	16	28,865,212	31,119,227	2,281,446	3,344,450
Income tax payable		10,095,382	17,942,664	-	-
Total current liabilities		1,064,683,890	1,118,862,811	208,975,748	154,431,486
Non-current liabilities					
Long-term loans from financial institutions	16	195,665,570	370,176,280	-	31,400,000
Long-term loans from related parties	4, 16	-	17,750,000	-	-
Lease liabilities	16	31,671,327	56,219,146	3,475,179	5,167,000
Deferred tax liabilities	24	127,751,751	93,900,220	67,063,316	54,689,995
Non-current provisions for employee benefits	18	158,564,512	156,517,645	24,838,888	25,418,653
Total non-current liabilities		513,653,160	694,563,291	95,377,383	116,675,648
Total liabilities		1,578,337,050	1,813,426,102	304,353,131	271,107,134
Equity					
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					
		891,229,853	774,358,413	801,134,499	697,475,875
Other component of equity	20	477,973,918	371,204,664	286,261,711	238,068,111
Equity attributable to owners of the parent		1,936,202,771	1,712,562,077	1,654,395,210	1,502,542,986
Non-controlling interests	10	654,766,903	654,873,774	-	-
Total equity		2,590,969,674	2,367,435,851	1,654,395,210	1,502,542,986
Total liabilities and equity		4,169,306,724	4,180,861,953	1,958,748,341	1,773,650,120

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	2021	2020	2021	2020
		(in Baht)			
Revenue					
Revenue from sale of goods	4, 21	5,494,649,517	5,797,434,392	521,957,593	467,661,253
Revenue from rendering of services	4, 21	93,901,517	81,972,878	-	-
Interest income and dividend income	4	1,799,678	2,482,497	261,847,637	222,801,864
Net foreign exchange gain		50,167,940	3,356,470	1,130,213	-
Other income	4, 22	104,449,679	64,448,869	49,336,036	52,760,896
Total revenue		5,744,968,331	5,949,695,106	834,271,479	743,224,013
Expenses					
Cost of sale of goods	4	4,652,459,976	4,929,827,694	499,816,383	496,795,689
Cost of rendering of services		108,583,295	89,037,843	-	-
Distribution costs	4	241,705,258	213,178,825	36,869,355	25,601,711
Administrative expenses	4	246,847,462	244,490,789	104,522,993	94,412,196
Net foreign exchange loss		-	-	-	3,702,676
Total expenses		5,249,595,991	5,476,535,151	641,208,731	620,512,272
Profit from operating activities		495,372,340	473,159,955	193,062,748	122,711,741
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with TFRS 9		1,391,629	(1,229,293)	1,595,312	5,926
Finance costs	4	(19,994,755)	(28,013,695)	(2,330,842)	(4,379,560)
Share of profit (loss) of an associate accounted for using equity method	8	(255,833)	77,206	-	-
Profit before income tax expense		476,513,381	443,994,173	192,327,218	118,338,107
Tax expense	24	33,410,430	32,364,056	324,921	534,134
Profit for the year		443,102,951	411,630,117	192,002,297	117,803,973
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on revaluation of assets		171,262,300	-	60,242,000	-
Income tax relating to items that will not be reclassified	24	(34,252,460)	-	(12,048,400)	-
Total items that will not be reclassified to profit or loss		137,009,840	-	48,193,600	-
Other comprehensive income for the year, net of tax		137,009,840	-	48,193,600	-
Total comprehensive income for the year		580,112,791	411,630,117	240,195,897	117,803,973

Surapon Foods Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		(in Baht)			
Profit attributable to:					
Owners of the parent		205,215,113	148,536,602	192,002,297	117,803,973
Non-controlling interests	10	237,887,838	263,093,515	-	-
Profit for the year		443,102,951	411,630,117	192,002,297	117,803,973
Total comprehensive income attributable to:					
Owners of the parent		311,984,367	148,536,602	240,195,897	117,803,973
Non-controlling interests		268,128,424	263,093,515	-	-
Total comprehensive income for the year		580,112,791	411,630,117	240,195,897	117,803,973
Basic earnings per share	25	0.76	0.55	0.71	0.44

Surapon Foods Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Consolidated financial statements					
		Issued and paid-up share capital	Retained earnings			Equity attributable to owners of the parent	Total equity
			Share premium	Legal reserve	Unappropriated	Revaluation surplus <i>(in Baht)</i>	
Year ended 31 December 2020							
Balance at 1 January 2020		269,999,000	270,000,000	27,000,000	681,522,605	371,204,664	2,240,569,983
Transactions with owners, recorded directly in equity							
Distributions to owners							
Dividends to owners of the parent	26	-	-	-	(55,700,794)	-	(55,700,794)
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	(229,063,455)
Total distributions to owners		-	-	-	(55,700,794)	-	(284,764,249)
Total transactions with owners, recorded directly in equity		-	-	-	(55,700,794)	-	(284,764,249)
Comprehensive income for the year							
Profit		-	-	-	148,536,602	-	411,630,117
Total comprehensive income for the year		-	-	-	148,536,602	-	411,630,117
Balance at 31 December 2020		269,999,000	270,000,000	27,000,000	774,358,413	371,204,664	2,367,435,851

		Consolidated financial statements						
		Retained earnings			Other component of equity			
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus	Equity attributable to owners of the parent	Total equity
		(in Baht)						
Note								
	Year ended 31 December 2021							
	Balance at 1 January 2021	269,999,000	270,000,000	27,000,000	774,358,413	371,204,664	1,712,562,077	2,367,435,851
	Transactions with owners, recorded directly in equity							
	Distributions to owners							
	Dividends to owners of the parent	-	-	-	(88,343,673)	-	(88,343,673)	(88,343,673)
	Dividends of subsidiaries to non-controlling interests	-	-	-	-	-	-	(268,235,295)
	Total distributions to owners	-	-	-	(88,343,673)	-	(88,343,673)	(356,578,968)
	Total transactions with owners, recorded directly in equity	-	-	-	(88,343,673)	-	(88,343,673)	(356,578,968)
	Comprehensive income for the year							
	Profit	-	-	-	205,215,113	-	205,215,113	443,102,951
	Other comprehensive income	-	-	-	-	106,769,254	106,769,254	137,009,840
	Total comprehensive income for the year	-	-	-	205,215,113	106,769,254	311,984,367	580,112,791
	Balance at 31 December 2021	269,999,000	270,000,000	27,000,000	891,229,853	477,973,918	1,936,202,771	2,590,969,674

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
Year ended 31 December 2020						
Balance at 1 January 2020	269,999,000	270,000,000	27,000,000	635,372,696	238,068,111	1,440,439,807
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividends to owners of the Company	-	-	-	(55,700,794)	-	(55,700,794)
Total distributions to owners	-	-	-	(55,700,794)	-	(55,700,794)
Total transactions with owners, recorded directly in equity	-	-	-	(55,700,794)	-	(55,700,794)
Comprehensive income for the year						
Profit	-	-	-	117,803,973	-	117,803,973
Total comprehensive income for the year	-	-	-	117,803,973	-	117,803,973
Balance at 31 December 2020	269,999,000	270,000,000	27,000,000	697,475,875	238,068,111	1,502,542,986

26

Surapon Foods Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	
			Legal reserve	Unappropriated (in Baht)		
Year ended 31 December 2021						
Balance at 1 January 2021	269,999,000	270,000,000	27,000,000	697,475,875	238,068,111	1,502,542,986
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividends to owners of the Company	-	-	-	(88,343,673)	-	(88,343,673)
<i>Total distributions to owners</i>	-	-	-	(88,343,673)	-	(88,343,673)
Total transactions with owners, recorded directly in equity	-	-	-	(88,343,673)	-	(88,343,673)
Comprehensive income for the year						
Profit	-	-	-	192,002,297	-	192,002,297
Other comprehensive income	-	-	-	-	48,193,600	48,193,600
Total comprehensive income for the year	-	-	-	192,002,297	48,193,600	240,195,897
Balance at 31 December 2021	269,999,000	270,000,000	27,000,000	801,134,499	286,261,711	1,654,395,210

26

Surapon Foods Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2021	2020	2021	2020
	(in Baht)			
Cash flows from operating activities				
Profit for the year	443,102,951	411,630,117	192,002,297	117,803,973
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	33,410,430	32,364,056	324,921	534,134
Finance costs	19,994,755	28,013,695	2,330,842	4,379,560
Depreciation	328,485,237	305,396,799	60,615,134	60,695,967
Amortisation	4,068,033	4,601,633	1,452,378	1,467,059
Dividend income	(800,000)	(800,078)	(258,464,705)	(220,836,623)
Employee benefits	15,926,346	15,995,177	1,978,336	2,578,659
Unrealised loss on exchange	463,379	3,015,551	632,140	40,172
Loss on fair value adjustment of equity instruments	938,894	-	938,894	-
Share of (profit) loss of an associate accounted for using equity method	255,833	(77,206)	-	-
(Reversal of) impairment loss of trade and other receivables	(1,391,629)	1,229,293	(1,595,312)	(5,926)
(Reversal of) losses on inventories devaluation	1,321,490	1,610,195	(1,467,361)	(2,304,488)
Reversal of impairment loss on equity instrument	-	(98,000)	-	(98,000)
(Gain) loss on disposal of equity instrument	(26,161)	93,000	(26,161)	93,000
Loss on write-off of investment properties	346,449	-	-	-
(Reversal of) impairment loss on assets	(22,547,119)	(167,242)	165,542	-
Gain on sale of investment properties	(199,455)	-	-	-
(Gain) loss on disposal and written-off plant and equipment	2,557,869	(50,357)	204,531	(662,245)
Loss on disposal and written-off of right-of-use assets	3,464	142,661	-	-
Loss from rent concession	-	10,539	-	-
Interest income	(999,677)	(1,682,420)	(3,382,932)	(1,965,241)
	824,911,089	801,227,413	(4,291,456)	(38,279,999)
Changes in operating assets and liabilities				
Trade accounts receivable	(39,016,726)	37,336,907	(913,817)	26,874,706
Other receivables	2,145,461	22,279,796	608,178	3,236,472
Inventories	(61,807,898)	90,119,951	(30,092,248)	35,968,060
Other non-current assets	(7,888,792)	(9,525,882)	2,265,882	77,755
Trade accounts payable	23,712,145	(11,039,479)	(2,928,117)	5,847,116
Other payables	37,587,675	1,324,483	25,538,944	2,067,904
Provision for employee benefits	(13,879,478)	(23,597,807)	(2,558,102)	(11,041,163)
Net cash generated from (used in) operating	765,763,476	908,125,382	(12,370,736)	24,750,851
Taxes paid	(39,738,711)	(31,100,284)	(1,438,563)	(1,154,319)
Net cash from (used in) operating activities	726,024,765	877,025,098	(13,809,299)	23,596,532

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	2021	2020	2021	2020
		(in Baht)			
Cash flows from investing activities					
Proceeds from sale of debt instrument		45,026,161	-	45,026,161	-
Acquisitions of debt instrument		(45,000,000)	-	(45,000,000)	-
Proceeds from sale of equity instrument		-	5,000	-	5,000
Proceeds from sale of investment properties		200,000	-	-	-
Proceeds from sale of plant and equipment		1,737,697	2,270,713	121,640	667,795
Acquisitions of plant and equipment		(192,794,750)	(266,112,119)	(36,646,612)	(8,105,283)
Advance payment for plant and equipment		(18,091,490)	-	(3,937,819)	-
Proceeds from sale of right-of-use assets		-	11,002	-	-
Proceeds from sale of intangible assets		24	39	-	-
Acquisitions of intangible assets		(1,977,378)	(3,323,138)	(314,476)	(810,379)
Increase in loans to related parties		-	-	(119,440,000)	(16,850,000)
Dividends received		800,000	800,078	258,464,705	220,836,623
Interest received		982,829	1,755,821	3,360,142	1,938,829
Net cash from (used in) investing activities		(209,116,907)	(264,592,604)	101,633,741	197,682,585
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		2,045,657,524	2,752,495,653	143,529,346	239,699,932
Repayment of short-term loans from financial institutions		(2,089,596,447)	(2,781,231,902)	(92,855,767)	(330,561,281)
Proceeds from loans from related parties		-	30,250,000	-	-
Repayment of loans from related parties		-	(24,000,000)	-	-
Payment of lease liabilities		(35,851,003)	(38,184,568)	(3,792,773)	(4,106,198)
Proceeds from long-term loans from financial institutions		5,310,000	139,110,000	-	-
Repayment of long-term loans from financial institutions		(256,638,860)	(262,344,560)	(55,200,000)	(55,200,000)
Dividends paid to owners of the Company		(88,343,673)	(55,700,794)	(88,343,673)	(55,700,794)
Dividends paid to non-controlling interests		(268,235,295)	(229,063,455)	-	-
Interest paid		(17,943,785)	(25,195,031)	(2,031,869)	(4,063,157)
Net cash used in financing activities		(705,641,539)	(493,864,657)	(98,694,736)	(209,931,498)
Net increase (decrease) in cash and cash equivalents					
		(188,733,681)	118,567,837	(10,870,294)	11,347,619
Cash and cash equivalents at 1 January		593,003,876	474,436,039	14,880,706	3,533,087
Cash and cash equivalents at 31 December	5	404,270,195	593,003,876	4,010,412	14,880,706
Non-cash transactions					
Plant and equipment purchased during the year are detailed as follows:					
Plant and equipment purchased during the year		202,653,201	281,522,411	42,622,220	8,849,046
Less: advance payment for assets in prior period		(11,391,330)	(17,897,521)	-	(617,950)
interest capitalised		(381,098)	(269,860)	-	-
(Increase) decrease in payables on purchases of plant and equipment		4,473,222	(2,833,640)	(5,975,608)	(475,813)
(Increase) decrease in retention payables		(2,559,245)	5,590,729	-	350,000
Net purchase of plant and equipment paid by cash		192,794,750	266,112,119	36,646,612	8,105,283

 Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivables
7	Inventories
8	Investment in an associate
9	Investments in subsidiaries
10	Non-controlling interests
11	Investment properties
12	Property, plant and equipment
13	Leases (as a lessee)
14	Leases (as a lessor)
15	Intangible assets
16	Interest-bearing liabilities
17	Other payables
18	Non-current provisions for employee benefits
19	Share premium
20	Legal reserve
21	Segment information and disaggregation of revenue
22	Other income
23	Expenses by nature
24	Income tax
25	Basic earnings per share
26	Dividends
27	Financial instruments
28	Capital management
29	Commitments with non-related parties
30	Contingent liabilities
31	Event after the reporting period

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 24 February 2022.

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 2021 and 2020 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.

**Notes to the financial statements**

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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.

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.

 Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

(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 including non-monetary assets and liabilities denominated 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, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (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.

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.

**Notes to the financial statements**

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to 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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

(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 90 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.

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 to actions 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 in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

**Notes to the financial statements**

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 receivables

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 ECLs rate. 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 charged on freehold land.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 is stated at their revalued amount. 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. When there is a disposal of revalued assets, the amount recognised in revaluation reserve is reclassified to retained earnings.

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.

**Notes to the financial statements**

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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

(j) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the 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
-------------------	---------------

(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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 is recognised as an expense on a straight-line basis over the lease term.

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 and an estimate of restoration costs, less any lease incentives received. 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.

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.

**Notes to the financial statements**

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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.

(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.

Impairment losses of assets 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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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.

**Notes to the financial statements**

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

(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.

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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 they relate 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 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.



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries and associate are described in notes 8 and 9. Other related parties that 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

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of raw materials and goods	-	-	239,465	221,550
Dividend income	-	-	257,665	220,037
Management, selling and marketing assistance income	-	-	34,302	34,893
Guarantee income	-	-	6,740	7,647
Storage warehouse income	-	-	1,488	2,880
Rental income	-	-	780	780
Transportation income	-	-	517	257
Service income	-	-	762	620
Interest income	-	-	3,376	1,955
Purchases of raw materials and goods	-	-	17,127	3,021
Sales of plant and equipment	-	-	2	-
Purchase plant and equipment	-	-	1,874	-
Other expenses	-	-	154	218
Associate				
Interest expense	113	113	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	31,772	28,204	28,652	25,089
Post-employment benefits	474	456	474	456
Total key management personnel compensation	32,246	28,660	29,126	25,545
Other related parties				
Sales of raw materials and goods	4,197,010	4,640,341	96,678	75,646
Dividend income	800	800	800	800
Purchases of raw materials and goods	18,239	31,624	-	-
Technical assistance fee	16,429	18,956	-	-
Management assistance fee	4,425	4,480	-	-
Rental expense	1,798	1,528	-	-
Interest expense	598	474	-	-

In February 2021, a subsidiary (Surapon Nichirei Foods Company Limited) declared dividend totaling Baht 525.9 million. Such dividend was paid to the Company of Baht 257.7 million and non-controlling interests of Baht 268.2 million in March 2021.

In February 2020, a subsidiary (Surapon Nichirei Foods Company Limited) declared dividend totaling Baht 449.1 million. Such dividend was paid to the Company of Baht 220.0 million and non-controlling interests of Baht 229.1 million in March 2020.

As at 31 December 2021, the Company had commitments for the purchase of investment in a subsidiary (Chantaburi Marine Farm Company Limited) which have not yet been called-up totaling Baht 6.8 million (31 December 2020: Baht 6.8 million).

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Balances as at 31 December with related parties were as follows:

Trade accounts receivable	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	47,447	56,028
Other related parties	181,433	167,622	6,944	3,928
Total	181,433	167,622	54,391	59,956

The normal credit term granted to related parties of the Group is 30 days.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other receivables				
Subsidiaries	-	-	1,392	1,463
Other related party	-	46	-	-
Total	-	46	1,392	1,463
Loans to				
Subsidiaries	-	-	179,690	60,250

In August 2021, a subsidiary entered into a long-term loan agreement with the Company of Baht 80 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan will be repayable in monthly installment. The first repayment of loan is in the 13th month from the first drawdown month which will be fully paid within 48 months from the first drawdown month. The interest will be paid on monthly. At 31 December 2021, a subsidiary had drawdown balance of loan of Baht 56.74 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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Trade accounts payable				
Subsidiaries	-	-	348	648
Other related parties	1,395	2,493	-	-
Total	1,395	2,493	348	648
Other payables				
Subsidiaries	-	-	18	114
Other related parties	21,113	23,648	-	-
Total	21,113	23,648	18	114
Loans from				
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 totaling 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.

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

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Cash on hand	212	201	50	50
Cash at banks - current accounts	18,668	20,744	767	1,887
Cash at banks - savings accounts	105,365	172,034	3,193	12,944
Cash at banks - fixed deposits	280,025	400,025	-	-
Total	404,270	593,004	4,010	14,881

6 Trade accounts receivables

	Consolidated financial statements		Separate financial statements	
At 31 December	2021	2020	2021	2020
	(in thousand Baht)			
Within credit terms	262,244	224,365	44,140	62,502
Overdue:				
1-30 days	17,860	18,517	20,893	1,816
31-60 days	506	376	-	-
61-90 days	22	66	-	-
More than 90 days	4,420	4,681	-	-

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

At 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Total	285,052	248,005	65,033	64,318
Less allowance for expected credit loss	(1,555)	(1,351)	-	-
Net	283,497	246,654	65,033	64,318

The normal credit term granted by the Group is 30 days.

Allowance for expected credit loss	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	1,351	116	-	-
Addition	218	1,235	-	-
Write-off	(14)	-	-	-
At 31 December	1,555	1,351	-	-

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

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	282,263	249,598	29,872	17,779
Work in progress	14,181	21,297	5,202	4,551
Raw materials	202,488	168,330	88,401	65,284
Packing materials and supplies	65,028	54,315	10,991	9,117
Goods in transit	1,745	10,357	1,315	8,958
Total	565,705	503,897	135,781	105,689
Less allowance for decline in value of inventories	(12,649)	(11,328)	(1,221)	(2,689)
Net	553,056	492,569	134,560	103,000

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

8 Investment in an associate

Investment in an associate as at 31 December 2021 and 2020, and dividend income from this investment for the years then ended was as follows:

Consolidated financial statements												
Type of	Ownership interest	Paid-up capital	Cost	At equity method	Impairment	At equity - net	Dividend income for the year					
	2021	2020	2021	2020	2021	2020	2021					
Business	(%)											
(in thousand Baht)												
Associate												
BJC Marine Resources Development Company Limited	Assets lessor and culturing Prawn	50	50	94,400	50,950	50,950	21,865	21,921	-	-		
Total					50,950	50,950	21,665	21,921	21,665	21,921		

[illegible]

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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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	
	2021	2020
	(in thousand Baht)	
Revenue	381	403
Profit from continuing operations	(512)	154
Total comprehensive income (100%)	(512)	154
Percentage hold	50	50
Group's share of total comprehensive income	(256)	77
Current assets	17,482	18,017
Non-current assets	25,947	25,947
Current liabilities	(99)	(123)
Net assets (100%)	43,330	43,841
Percentage hold	50	50
Group's share of net assets	21,665	21,921
Carrying amount of interest in associate	21,665	21,921

9 Investments in subsidiaries

	Separate financial statements	
	2021	2020
	(in thousand Baht)	
At 1 January	1,267,560	1,267,560
Less impairment losses	(423,432)	(423,432)
At 31 December	844,128	844,128

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Investments in subsidiaries as at 31 December 2021 and 2020, and dividend income from those investments for the years then ended were as follows:

Separate financial statements

Subsidiaries	Type of Business	Ownership interest (%)		Paid-up capital		Cost		Impairment (in thousand Baht)		At cost - net		Dividend income for the year	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
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	-	-
Chantaburi Marine Farm Company Limited	Assets lessor	100	100	79,590	79,590	281,807	281,807	(203,000)	(203,000)	78,807	78,807	-	-
Surat Seafoods Company Limited	Frozen seafoods Exporter	95	95	40,000	40,000	79,949	79,949	-	-	79,949	79,949	-	-
Surapon Aquaculture Company Limited	Assets lessor	95	95	21,250	21,250	201,740	201,740	(201,740)	(201,740)	-	-	-	-
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	257,865	220,037
Total				1,267,560	1,267,560	1,267,560	1,267,560	(423,432)	(423,432)	844,128	844,128	257,865	220,037

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

All subsidiaries were incorporated and operated in Thailand.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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:

	31 December 2021		
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	51		
Current assets	755,915		
Non-current assets	1,040,282		
Current liabilities	(428,539)		
Non-current liabilities	(156,875)		
Net assets	1,210,783		
Carrying amount of non-controlling interest	617,499	37,268	654,767
Revenue	3,260,513		
Profit	467,524		
Other comprehensive income	-		
Total comprehensive income	467,524		
Profit allocated to non-controlling interest	237,662	226	237,888
Cash flows from operating activities	633,425		
Cash flows from investing activities	(94,906)		
Cash flows from financing activities			
(dividends to non-controlling interest: Baht 268.2 million)	(684,663)		
Net increase in cash and cash equivalents	(146,144)		

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

	31 December 2020		
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries	Total
	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	51		
Current assets	871,214		
Non-current assets	1,087,648		
Current liabilities	(504,659)		
Non-current liabilities	(261,358)		
Net assets	1,192,845		
Carrying amount of non-controlling interest	606,341	48,533	654,874
Revenue	3,733,718		
Profit	523,771		
Other comprehensive income	-		
Total comprehensive income	523,771		
Profit (loss) allocated to non-controlling interest	267,150	(4,056)	263,094
Cash flows from operating activities	688,022		
Cash flows from investing activities	(227,788)		
Cash flows from financing activities (dividends to non-controlling interest: Baht 229.1 million)	(389,445)		
Net increase in cash and cash equivalents	70,789		

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

11 Investment properties

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Cost				
At 1 January	326,106	326,106	5,000	5,000
Disposal	(7,174)	-	-	-
At 31 December	318,932	326,106	5,000	5,000
Accumulated depreciation and impairment losses				
At 1 January	201,639	201,604	-	-
Depreciation charge for the year	20	35	-	-
Disposal	(6,826)	-	-	-
Reversal of impairment losses	(22,457)	-	-	-
At 31 December	172,376	201,639	-	-
Net book value				
At 31 December	146,556	124,467	5,000	5,000

	Consolidated	
	financial statements	
	2021	2020
	(in thousand Baht)	
Year ended 31 December		
Amounts recognised in profit or loss		
Rental income	3,031	3,700

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.

During 2021, the Group reversed impairment losses of investment properties of Baht 22.46 million from the increasing of fair value of assets which was determined by an independent professional valuer.

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



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

The fair value of investment properties as at 31 December 2021 of Baht 240.6 million for consolidated financial statements and Baht 17.1 million for separate financial statements (*2020: Baht 215.4 million for consolidated financial statements and Baht 12.8 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.

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	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
<i>(in thousand Baht)</i>									
Revaluation									
At 1 January 2020	770,996	-	-	-	-	-	-	-	770,996
At 31 December 2020	770,996	-	-	-	-	-	-	-	770,996
and 1 January 2021	171,262	-	-	-	-	-	-	-	171,262
Surplus on revaluation	942,258	-	-	-	-	-	-	-	942,258
At 31 December 2021									
Cost									
At 1 January 2020	46,170	837,533	533,911	2,465,907	366,739	29,843	266,964	34,512	4,581,579
Additions	-	3,452	900	68,688	1,862	4,225	8,721	193,675	281,523
Transfers	-	13,859	-	185,665	7,134	-	4,634	(211,292)	-
Transfers from right-of-use asset	-	-	-	13,975	-	5,721	-	-	19,696
Disposals/ written-off	-	(4,129)	(2,286)	(30,457)	(1,292)	(5,170)	(6,353)	-	(49,687)
At 31 December 2020									
and 1 January 2021	46,170	850,715	532,525	2,703,778	374,443	34,619	273,966	16,895	4,833,111
Additions	2,150	2,578	1,841	60,890	5,169	5,966	6,905	117,156	202,655
Transfers	8,910	1,133	2,943	76,115	938	56	1,086	(91,181)	-
Transfers from right-of-use asset	-	-	-	1,845	-	10,686	-	-	12,531
Disposals/ written-off	(64)	(5,312)	(7,970)	(25,634)	(1,520)	(5,668)	(4,332)	-	(50,500)
At 31 December 2021	57,166	849,114	529,339	2,816,994	379,030	45,659	277,625	42,870	4,997,797

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

	Consolidated financial statements								
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
	(in thousand Baht)								
Accumulated depreciation and impairment losses									
Cost									
At 1 January 2020	40,900	457,477	194,682	1,749,784	189,319	26,377	192,412	-	2,850,951
Depreciation charge for the year	993	32,774	21,879	170,844	19,351	2,469	24,638	-	272,948
Reversal of impairment losses	-	-	-	(167)	-	-	-	-	(167)
Transfers from right-of-use asset	-	-	-	5,283	-	5,200	-	-	10,483
Disposals/ written-off	-	(3,814)	(2,277)	(29,231)	(1,156)	(4,771)	(6,218)	-	(47,467)
At 31 December 2020									
and 1 January 2021	41,893	486,437	214,284	1,896,513	207,514	29,275	210,832	-	3,086,748
Depreciation charge for the year	748	32,098	22,141	195,257	19,958	3,314	24,493	-	298,009
Reversal of impairment losses	-	-	-	(90)	-	-	-	-	(90)
Transfers from right-of-use asset	-	-	-	1,570	-	7,398	-	-	8,968
Disposals/ written-off	(64)	(4,910)	(5,756)	(24,308)	(1,297)	(5,663)	(4,206)	-	(46,204)
At 31 December 2021	42,577	513,625	230,669	2,068,942	226,175	34,324	231,119	-	3,347,431
Net book value At 31 December 2020									
Owned assets	775,273	364,278	318,241	807,265	166,929	5,344	63,134	16,895	2,517,359
At 31 December 2021									
Owned assets	956,847	335,489	298,670	748,052	152,855	11,335	46,506	42,870	2,592,624

Separate financial statements

Revaluation (in thousand Baht)									
At 1 January 2020	312,535	-	-	-	-	-	-	-	312,535
At 31 December 2020 and 1 January 2021	312,535	-	-	-	-	-	-	-	312,535
Surplus on revaluation	60,242	-	-	-	-	-	-	-	60,242
At 31 December 2021	372,777	-	-	-	-	-	-	-	372,777
Cost									
At 1 January 2020	12,780	238,784	60,976	428,129	67,404	2,285	42,146	44	852,548
Additions	-	1,174	-	5,759	613	-	431	872	8,849
Transfers	-	714	-	202	-	-	-	(916)	-
Transfers from right-of-use asset	-	-	-	12,918	-	4,684	-	-	17,602
Disposals/ written-off	-	(992)	(132)	(1,228)	-	(3,084)	(292)	-	(5,728)
At 31 December 2020 and 1 January 2021	12,780	239,680	60,844	445,780	68,017	3,885	42,285	-	873,271
Additions	-	1,698	263	19,426	1,581	40	827	18,788	42,623
Transfers	-	283	-	14,047	-	-	-	(14,330)	-
Transfers from right-of-use asset	-	-	-	-	-	6,094	-	-	6,094
Disposals/ written-off	-	(4,936)	(26)	(7,658)	(239)	(51)	(120)	-	(13,030)
At 31 December 2021	12,780	236,725	61,081	471,595	69,359	9,988	42,992	4,458	908,958

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

[illegible]

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Capitalised borrowing costs relating to the acquisition of machinery and the construction of the new factory of the Group amounted to Baht 0.39 million (2020: Baht 0.27 million for the Group) with capitalisation rates ranging from 0.95% to 3.00% per annum (2020: ranging from 0.43% to 2.75% per annum).

The Company and subsidiaries are committed to comply with certain conditions and restrictions prescribed in the long-term loan agreements, such as mortgages of land and buildings are not allowed (see note 16).

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:

			Consolidated		Separate	
	Latest		financial statements		financial statements	
Company	appraised	Revaluation	Appraised	Cost	Appraised	Cost
	year	method	value	model	value	model
(in thousand Baht)						
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

Valuation technique and significant unobservable inputs

The independent professional valuer applied the Market Comparison Approach to measure fair value of land.

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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

13 Leases (as a lessee)

<i>Right-of-use assets</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Buildings	1,417	3,120	-	-
Machinery and equipment	40,944	62,676	-	-
Vehicle	17,633	23,585	5,970	9,638
Total	59,994	89,381	5,970	9,638

In 2021, reductions to the right-of-use assets of the Group and the Company were Baht 29.39 million and Baht 3.67 million, respectively (2020: additions to Baht 29.23 million and Baht 8.1 million, respectively).

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

During 2021 and 2020, 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	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
COVID-19 related rent concessions	-	270	-	-
Depreciation of right-of-use assets:				
- Buildings	1,703	1,761	-	-
- Machinery and equipment	21,529	21,916	-	-
- Vehicles	7,222	8,736	3,132	3,497
Interest on lease liabilities	2,622	3,428	287	339
Expenses relating to short-term leases	2,008	401	314	180
Expenses relating to leases of low-value assets	739	1,288	378	220

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

In 2021, total cash outflow for leases of the Group and the Company were Baht 38.6 million and Baht 4.5 million, respectively (2020: Baht 39.9 million and Baht 4.5 million, respectively).

14 Leases (as a lessor)

The leases of investment properties comprise a number of commercial 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.

Lease payments to be received from operating leases At 31 December

1st year
2nd year
Total

Consolidated financial statements 2021 2020 (in thousand Baht)

2,017	3,325
-	2,017
2,017	5,342

15 Intangible assets

Consolidated financial statements Computer software (in thousand Baht)

Cost

At 1 January 2020

64,219 32,510

Additions

2,687 1,020

Disposals

(17) -

At 31 December 2020 and 1 January 2021

66,889 33,530

Additions

1,611 128

Disposals

(58) -

At 31 December 2021

68,442 33,658

Accumulated amortisation

At 1 January 2020

40,102 24,529

Amortisation charge for the year

4,368 1,238

Disposals

(17) -

At 31 December 2020 and 1 January 2021

44,453 25,767

Amortisation charge for the year

3,833 1,222

Disposals

(58) -

At 31 December 2021

48,228 26,989

Net book value

At 31 December 2020

22,436 7,763

At 31 December 2021

20,214 6,669

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

16 Interest-bearing liabilities

Consolidated financial statements						
	Note	2021			2020	
		Secured	Unsecured	Total	Secured	Unsecured
		(in thousand Baht)				
Short-term loans from financial institutions		134,008	121,813	255,821	198,620	101,140
Loans from related parties	4	-	22,750	22,750	-	22,750
Long-term loans from financial institutions		270,755	119,710	390,465	363,972	278,014
Lease liabilities		-	60,537	60,537	71,636	15,702
Total interest-bearing liabilities		404,763	324,810	729,573	634,228	417,606
Separate financial statements						
		2021			2020	
		Secured	Unsecured	Total	Secured	Unsecured
		(in thousand Baht)				
Short-term loans from financial institutions		-	51,813	51,813	-	1,140
Long-term loans from financial institutions		-	31,400	31,400	-	86,600
Lease liabilities		-	5,757	5,757	6,231	2,280
Total interest-bearing liabilities		-	88,970	88,970	6,231	90,020

As at 31 December 2021, short-term loans from financial institutions of the Group and the Company bore interest at rates ranging from 0.6% to 1.68% per annum (2020: ranging from 0.7% to 3.6% per annum).

Long-term loans from financial institutions

In August 2017, the Company entered into a long-term loan agreement with a local financial institution for loan facility of Baht 220 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan is repayable in monthly installments totaling forty-eight installments which the first to the forty-seventh installment will be paid each installment of Baht 4.6 million and the remaining amount will be paid in the last installment. The first repayment of loan was commencing in August 2018 and the loan should be fully paid within five years since the first drawdown date. The interest will be paid on monthly. The Company has to comply with certain conditions and restrictions prescribed in the loan agreement such as no land and building subjected to pledge, mortgage, lease or other right of retention affecting third parties have superficies over land and buildings.

In November 2020, two subsidiaries entered into long-term loan agreements with a local financial institution for loan facility of Baht 10 million and Baht 9.1 million, respectively. These loans bear interest based on MLR

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

interest rate and are repayable in monthly installment. The first repayment of loans was commencing in November 2020 and December 2020, respectively. The loans should be fully paid within 36 months commencing from the first drawdown month. The interest will be paid on monthly. The subsidiaries must comply with certain conditions and restrictions prescribed in the loan agreements.

In July 2020, a subsidiary entered into a long-term loan agreement with a local financial institution of Baht 10 million. This loan bears interest based on MLR interest rate and is repayable in monthly installments. The first repayment of loan is commencing in July 2020 and the loan should be fully paid within June 2023. The interest will be paid on monthly. The subsidiary must comply with certain conditions and restrictions prescribed in the loan agreement.

In March 2020, a subsidiary entered into two long-term loan agreements with a local financial institution and a local branch of a foreign financial institution for each loan facility of Japanese Yen 200 million, totaling of Japanese Yen 400 million. These loans bear interest based on fixed interest rate prescribed in the loan agreements. The loans are repayable every six-month period totaling four installments of Japanese Yen 50 million for each installment. The first repayment of loans will be commencing in September 2021 and the loans should be fully paid within March 2023. The interest will be paid every three-month period and six-month period. The subsidiary must comply with certain conditions and restrictions prescribed in the loan agreements.

In March 2018 and May 2018, a subsidiary entered into two long-term loan agreements with a local financial institution for each loan facility of Japanese Yen 300 million, totaling of Japanese Yen 600 million. These loans bear interest based on fixed interest rate prescribed in the loan agreements. The loans are repayable every six-month period totaling four installments of Japanese Yen 75 million for each installment. The first repayment of loans was commencing in September 2019 and November 2019, respectively. The loans should be fully paid within March 2021 and May 2021, respectively. The interest will be paid every six-month period. The subsidiary has to comply with certain conditions and restrictions prescribed in the loan agreements.

In March 2018, a subsidiary entered into two long-term loan agreements with a local branch of a foreign financial institution for each loan facility of Japanese Yen 150 million, totaling of Japanese Yen 300 million. These loans bear interest based on fixed interest rate prescribed in the loan agreements. The loans are repayable every nine-month period totaling three installments of Japanese Yen 50 million for each installment. The first repayment of loans was commencing in December 2019 and March 2020, respectively. The loans should be fully paid within June 2021 and September 2021, respectively. The interest will be paid every three-month period. The subsidiary has to comply with certain conditions and restrictions prescribed in the loan agreements.

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



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 installments of Baht 3.75 million 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 2021, the subsidiary requests to amend repayment term and schedule of such loan agreement which will be fully paid within October 2025.

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.

As at 31 December 2021, unutilised credit facilities totaled Baht 2,889.6 million and U.S. Dollars 47.9 million for the Group and Baht 1,837.7 million and U.S. Dollars 15.5 million for the Company (2020: Baht 2,925.7 million and U.S. Dollars 45.1 million for the Group and Baht 1,854.8 million and U.S. Dollars 15.1 million for the Company).

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 2021, 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 2026, and bear interest at rates ranging from 1.70% to 33.34% per annum. Most of the agreements are repayable in 48 months installments and 60 months installments starting from March 2017 (2020: such leases agreements have terms expiring up to 2023, and bear interest at rates ranging from

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

1.70% to 42.35% per annum. Most of the agreements are repayable in 48 months installments and 60 months installments starting from December 2014).

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	Long-term		
	loans	loans	Lease liabilities	Total
	(in thousand Baht)			
2021				
Balance at 1 January 2021	304,760	659,736	87,338	1,051,834
Changes from financing cash flows	(43,939)	(251,329)	(35,851)	(331,119)
The effect of changes in foreign exchange rates	-	(192)	-	(192)
Other changes:				
Leases	-	-	4,414	4,414
Other non-cash movement	-	-	4,636	4,636
Balance at 31 December 2021	260,821	408,215	60,537	729,573
2020				
Balance at 1 January 2020	344,996	755,872	107,894	1,208,762
Changes from financing cash flows	(40,236)	(105,485)	(38,185)	(183,906)
The effect of changes in foreign exchange rates	-	9,349	-	9,349
Other changes:				
Leases	-	-	4,405	4,405
Other non-cash movement	-	-	13,224	13,224
Balance at 31 December 2020	304,760	659,736	87,338	1,051,834

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

	Separate financial statements			
	Short-term	Long-term	Lease liabilities	Total
	loans	loans		
	(in thousand Baht)			
2021				
Balance at 1 January 2021	1,140	86,600	8,511	96,251
Changes from financing cash flows	50,673	(55,200)	(3,793)	(8,320)
Other changes:				
Leases	-	-	389	389
Other non-cash movement	-	-	650	650
Balance at 31 December 2021	51,813	31,400	5,757	88,970
2020				
Balance at 1 January 2020	92,001	141,800	6,786	240,587
Changes from financing cash flows	(90,861)	(55,200)	(4,106)	(150,167)
Other changes:				
Leases	-	-	450	450
Other non-cash movement	-	-	5,381	5,381
Balance at 31 December 2020	1,140	86,600	8,511	96,251

17 Other payables

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		(in thousand Baht)			
Related parties	4	21,113	23,648	18	114
Other parties					
Accrued wage and bonus expenses		103,615	82,452	26,411	13,430
Other payables		43,561	34,214	15,165	14,516
Accrued operating expenses		41,307	39,463	5,850	1,246
Asset payables		20,191	25,033	8,152	2,365
Retention payables		3,951	1,392	14	14
Others		27,277	19,370	15,293	7,538
		239,902	201,924	70,885	39,109
Total		261,015	225,572	70,903	39,223

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

18 Non-current provisions for employee benefits

<i>At 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Post-employment benefits	154,260	151,810	24,720	25,214
Other long-term benefits	4,305	4,708	119	205
Total	158,565	156,518	24,839	25,419

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		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	156,518	164,120	25,419	33,881
Recognised in profit or loss:				
Current service cost	12,065	11,887	1,373	1,813
Interest on obligation	3,861	4,109	605	871
	15,926	15,996	1,978	2,684
Transfers to subsidiary	-	-	-	(105)
	15,926	15,996	1,978	2,579
Benefit paid	(13,879)	(23,598)	(2,558)	(11,041)
At 31 December	158,565	156,518	24,839	25,419

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

<i>Principal actuarial assumptions</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in percentage)</i>			
Discount rate	1.84 - 2.71	1.84 - 2.71	1.84 - 2.02	1.84 - 2.02
Future salary growth	1.34 - 5.95	1.34 - 5.95	2.54 - 4.47	2.54 - 4.47
Employee turnover rate	4.00 - 67.00	4.00 - 67.00	8.00 - 65.00	8.00 - 65.00

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

At 31 December 2021, the weighted-average duration of the defined benefit obligations was 9 years (2020: 9 years).

Sensitivity analysis

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

<i>Effect to the defined benefit obligation</i>	Consolidated financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2021	2020	2021	2020
<i>At 31 December</i>	<i>(in thousand Baht)</i>			
Discount rate	(5,582)	(5,748)	5,928	6,111
Future salary growth	7,017	6,412	(6,643)	(6,082)
Employee turnover rate	(7,827)	(7,190)	8,324	7,629
<i>Effect to the defined benefit obligation</i>	Separate financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2021	2020	2021	2020
<i>At 31 December</i>	<i>(in thousand Baht)</i>			
Discount rate	(750)	(818)	790	862
Future salary growth	1,035	983	(987)	(940)
Employee turnover rate	(1,160)	(1,110)	1,225	1,169

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 Companies Act B.E. 2535 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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Consolidated financial statements

	Manufacturing and distribution of seafood, finished and semi-finished frozen foods		Cold storage warehouse and logistic service		Total	
<i>Year ended</i>	2021	2020	2021	2020	2021	2020
<i>31 December</i>			<i>(in thousand Baht)</i>			
<i>Information about reportable segments</i>						
External revenue	5,494,649	5,797,434	93,902	81,973	5,588,551	5,879,407
Inter-segment revenue	288,291	260,650	42,679	37,254	330,970	297,904
Total revenue	5,782,940	6,058,084	136,581	119,227	5,919,521	6,177,311
<i>Disaggregation of revenue</i>						
Timing of revenue recognition						
At a point in time	5,782,940	6,058,084	-	-	5,782,940	6,058,084
Over time	-	-	136,581	119,227	136,581	119,227
Total revenue	5,782,940	6,058,084	136,581	119,227	5,919,521	6,177,311
Segment profit (loss)						
before income tax	481,477	457,189	(4,869)	(15,870)	476,608	441,319
Tax expense (income)	33,454	32,359	(43)	5	33,411	32,364
Total segment profit (loss)	448,023	424,830	(4,826)	(15,875)	443,197	408,955
Segment assets	3,723,494	3,762,696	445,812	418,166	4,169,306	4,180,862
Segment liabilities	1,424,827	1,609,270	153,510	204,156	1,578,337	1,813,426

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Reconciliation of reportable segment revenue and profit or loss

	Consolidated financial statements			
	Revenue		Profit or loss	
	2021	2020	2021	2020
	(in thousand Baht)			
Reportable segments	5,919,521	6,177,311	443,197	408,955
Elimination of inter-segment transactions	(330,970)	(297,904)	162	2,598
Unallocated amounts:				
- Share of profit of associate	-	-	(256)	77
Total	5,588,551	5,879,407	443,103	411,630

Geographical segments

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

Geographical information	Consolidated financial statements	
	2021	2020
	(in thousand Baht)	
Revenue from third parties		
Japan	4,628,073	4,922,448
Thailand	577,596	567,598
Australia	139,180	107,725
United Kingdom	74,559	82,267
Europe	24,827	33,048
Other countries	144,316	166,321
Total	5,588,551	5,879,407

Major customer

Revenues from one customer of the Group's segment 1 represents approximately Baht 4,151 million (2020: Baht 4,564 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

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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.

Consolidated financial statements

Year ended 31 December	2021			2020		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
<i>(in thousand Baht)</i>						
Export sales	3,816,143	1,194,811	5,010,954	4,377,882	933,928	5,311,810
Local sales	12,324	759,661	771,985	16,355	729,920	746,275
Local services	81,899	54,682	136,581	79,162	40,064	119,226
Eliminations	(53,732)	(277,237)	(330,969)	(51,385)	(246,519)	(297,904)
Total revenue	3,856,634	1,731,917	5,588,551	4,422,014	1,457,393	5,879,407

Separate financial statements

Year ended 31 December	2021			2020		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
<i>(in thousand Baht)</i>						
Export sales	89,253	192,853	282,106	113,848	131,287	245,135
Local sales	1,387	238,465	239,852	124	222,402	222,526
Total revenue	90,640	431,318	521,958	113,972	353,689	467,661

22 Other income

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Income from sales of					
raw material scraps		49,739	38,452	421	595
Reversal of impairment losses		22,457	-	-	-
Management, selling and marketing					
assistance income	4	-	-	34,302	34,893
Rental / services income		4,496	4,438	4,570	5,196
Gain on disposal of fixed assets		899	1,100	-	663
Others		26,859	20,459	10,043	11,414
Total		104,450	64,449	49,336	52,761

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

23 Expenses by nature

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Changes in inventories of finished goods and work in progress	(25,549)	130,467	(12,744)	22,006
Raw materials and consumables used	2,934,965	3,083,309	234,265	207,903
Employee benefit expenses	1,155,750	1,148,041	235,746	224,714
Depreciation	328,485	305,397	60,615	60,696
Amortisation	4,068	4,602	1,452	1,467
Others	851,877	804,719	121,875	100,024
Total cost of sale of goods, rendering of services, distribution costs and administrative expenses	5,249,596	5,476,535	641,209	616,810

24 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Current tax expense				
Current year	28,763	34,836	-	-
Under provided in prior year	170	-	-	-
	28,933	34,836	-	-
Deferred tax expense				
Movements in temporary differences	4,477	(2,472)	325	534
Total tax expense	33,410	32,364	325	534

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Consolidated financial statements

<i>Income tax</i>	2021			2020		
<i>Recognised in other comprehensive income</i>	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
<i>(in thousand Baht)</i>						
Revaluation of property, plant and equipment	171,262	(34,252)	137,010	-	-	-
Total	171,262	(34,252)	137,010	-	-	-

Separate financial statements

<i>Income tax</i>	2021			2020		
<i>Recognised in other comprehensive income</i>	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
<i>(in thousand Baht)</i>						
Revaluation of property, plant and equipment	60,242	(12,048)	48,194	-	-	-
Total	60,242	(12,048)	48,194	-	-	-

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Reconciliation of effective tax rate	Consolidated financial statements				Separate financial statements			
	2021		2020		2021		2020	
	(in thousand Baht)		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)	
	Rate (%)		Rate (%)		Rate (%)		Rate (%)	
Profit before tax expense		476,513		443,994		192,327		118,338
Income tax using the Thai corporation tax rate	20	95,303	20	88,799	20	38,465	20	23,668
Profit from promotional privileges		(73,703)		(74,323)		-		-
Current year tax losses from promotional privileges for which no deferred tax assets was recognised		5,837		14,249		6,040		10,115
Current year tax losses for which no deferred tax assets was recognised		5,691		14,797		6,835		12,294
Dividend income not subject to tax		(160)		(160)		(51,693)		(44,167)
Additional expenses for tax purposes		(1,095)		(9,012)		(108)		(108)
Expenses not deductible for tax purposes		1,584		(1,842)		786		(1,268)
Recognition of previously unrecognised tax losses		(217)		(144)		-		-
Under provided in prior year		170		-		-		-
Total tax expense	7.0	33,410	7.3	32,364	0.2	325	0.5	534

Deferred tax At 31 December	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2021	2020	2021	2020	2021	2020	2021	2020
	(in thousand Baht)							
Total	24,488	29,072	(149,811)	(115,666)	5,103	5,765	(72,166)	(60,455)
Set off of tax	(22,059)	(21,766)	22,059	21,766	(5,103)	(5,765)	5,103	5,765
Net deferred tax assets (liabilities)	2,429	7,306	(127,752)	(93,900)	-	-	(67,063)	(54,690)

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Consolidated financial statements

		(Charged) / Credited to:		
	At 1		Other	At 31
Deferred tax	January	Profit or loss	comprehensive income	December
		(in thousand Baht)		
2021				
Deferred tax assets				
Trade accounts receivable (allowance for expected credit loss)	270	41	-	311
Other receivables (allowance for expected credit loss)	319	(319)	-	-
Inventories (allowance for decline in value)	1,501	(205)	-	1,296
Investment properties (impairment losses)	4,491	(4,491)	-	-
Property, plant and equipment (impairment losses)	-	27	-	27
Property, plant and equipment (depreciation gap)	236	45	-	281
Right-of-use assets (depreciation gap)	33	1	-	34
Derivatives	1	(1)	-	-
Provision for employee benefit obligations	22,221	318	-	22,539
Total	29,072	(4,584)	-	24,488
Deferred tax liabilities				
Right-of-use assets (depreciation gap)	(322)	220	-	(102)
Property, plant and equipment (revaluation)	(114,206)	-	(34,252)	(148,458)
Derivatives	(414)	(300)	-	(714)
Equity instruments	(724)	187	-	(537)
Total	(115,666)	107	(34,252)	(149,811)
Net	(86,594)	(4,477)	(34,252)	(125,323)

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

2020

Deferred tax assets

Trade accounts receivable (<i>allowance for expected credit loss</i>)	23	247	-	270
Other receivables (<i>allowance for expected credit loss</i>)	320	(1)	-	319
Inventories (<i>allowance for decline in value</i>)	1,106	395	-	1,501
Investment properties (<i>impairment losses</i>)	4,491	-	-	4,491
Property, plant and equipment (<i>depreciation gap</i>)	236	-	-	236
Right-of-use assets (<i>depreciation gap</i>)	-	33	-	33
Derivatives	-	1	-	1
Provisions for employee benefits	22,134	87	-	22,221
Total	28,310	762	-	29,072

Consolidated financial statements

(Charged) / Credited to:

	At 1 January	Profit or loss	Other comprehensive income	At 31 December
	<i>(in thousand Baht)</i>			
Deferred tax liabilities				
Right-of-use assets (<i>depreciation gap</i>)	(1,678)	1,356	-	(322)
Property, plant and equipment (<i>revaluation</i>)	(114,206)	-	-	(114,206)
Derivatives	(768)	354	-	(414)
Equity instruments	(724)	-	-	(724)
Total	(117,376)	1,710	-	(115,666)
Net	(89,066)	2,472	-	(86,594)

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Deferred tax	Separate financial statements			At 31 December
	At 1 January	(Charged) / Credited to:		
		Profit or loss	Other	
			comprehensive income	
	(in thousand Baht)			
2021				
Deferred tax assets				
Other receivables (allowance for expected credit loss)	319	(319)	-	-
Inventories (allowance for decline in value)	363	(255)	-	108
Property, plant and equipment (depreciation gap)	-	27	-	27
Provisions for employee benefits	5,083	(115)	-	4,968
Total	5,765	(662)	-	5,103
Deferred tax liabilities				
Right-of-use assets (depreciation gap)	(170)	135	-	(35)
Property, plant and equipment (revaluation)	(59,517)	-	(12,048)	(71,565)
Derivatives	(44)	15	-	(29)
Equity instruments	(724)	187	-	(537)
Total	(60,455)	337	(12,048)	(72,166)
Net	(54,690)	(325)	(12,048)	(67,063)

	Separate financial statements			
	(Charged) / Credited to:			
	At 1	Profit or loss	Other comprehensive income	At 31
<i>Deferred tax</i>	January			December
	(in thousand Baht)			
2020				
Deferred tax assets				
Other receivables (<i>allowance for expected credit loss</i>)	320	(1)	-	319
Inventories (<i>allowance for decline in value</i>)	811			

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

	Separate financial statements		
	(Charged) / Credited to:		
	At 1 January	Profit or loss Other comprehensive income	At 31 December
	(in thousand Baht)		
Deferred tax			
2020			
Deferred tax assets			
		(448)	363
Provisions for employee benefits	6,776	(1,693)	5,083
Total	7,907	(2,142)	5,765
Deferred tax liabilities			
Right-of-use assets (depreciation gap)	(1,534)	1,364	(170)
Property, plant and equipment (revaluation)	(59,517)	-	(59,517)
Derivatives	(288)	244	(44)
Equity instruments	(724)	-	(724)
Total	(62,063)	1,608	(60,455)
Net	(54,156)	(534)	(54,690)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Unrecognised deferred tax assets				
Tax losses	171,004	187,042	89,278	101,616

The Group incurred a tax loss which will be expire in 2022-2026. 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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

25 Basic earnings per share

	Consolidated financial statements		Separate Financial statements	
	2021	2020	2021	2020
	(in thousand Baht/ thousand shares)			
Profit attributable to ordinary shareholders for the year ended 31 December				
Profit for the year attributable to ordinary shareholders of the Company (Basic)	205,215	148,537	192,002	117,804
Number of ordinary shares outstanding	269,999	269,999	269,999	269,999
Basic earnings per share (in Baht)	0.76	0.55	0.71	0.44

26 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2021				
Annual dividend	27 April 2021	May 2021	0.3272	88.3
2020				
Interim dividend	31 March 2020	April 2020	0.2063	55.7

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

27 Financial instruments

(a) Carrying amounts and fair values

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

	Consolidated financial statements				
	Carrying	Fair value			
	amount				
	Financial instruments measured at FVTPL	Level 1	Level 2	Level 3	Total
	(in thousand Baht)				
2021					
Financial assets					
Other financial assets:					
Investment in equity instruments	2,882	-	-	2,882	2,882
Derivative assets	8,313	-	8,313	-	8,313
Total financial assets	11,195				
2020					
Financial assets					
Other financial assets:					
Investment in equity instruments	3,821	-	-	3,821	3,821
Derivative assets	6,708	-	6,708	-	6,708
Total financial assets	10,529				

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

	Separate financial statements				
	Carrying amount	Fair value			
	Financial instruments				
	measured at FVTPL	Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
2021					
Financial assets					
Other financial assets:					
Investment in equity					
instruments	2,882	-	-	2,882	2,882
Derivative assets	176	-	176	-	176
Total financial assets	3,058				
2020					
Financial assets					
Other financial assets:					
Investment in equity					
instruments	3,821	-	-	3,821	3,821
Derivative assets	288	-	288	-	288
Total financial assets	4,109				

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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

(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.

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.

**Notes to the financial statements**

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 2021, 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 are 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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Consolidated financial statements

		Contractual cash flows			
	Carrying	1 year	More than 1	More than 2	
<i>At 31 December</i>	amount	or less	year but less than 2 years	years but less than 5 years	Total
<i>(in thousand Baht)</i>					
2021					
Non-derivative financial liabilities					
Trade accounts payable	291,338	291,338	-	-	291,338
Other payables	261,015	261,015	-	-	261,015
Loans from financial institutions	646,286	459,694	131,466	70,433	661,593
Loans from related parties	22,750	23,195	-	-	23,195
Lease liabilities	60,537	30,554	25,490	7,063	63,107
Total	1,281,926	1,065,796	156,956	77,496	1,300,248
2020					
Non-derivative financial liabilities					
Trade accounts payable	267,660	267,660	-	-	267,660
Other payables	225,572	225,572	-	-	225,572
Loans from financial institutions	941,746	584,889	210,616	169,511	965,016
Loans from related parties	22,750	5,711	18,083	-	23,794
Lease liabilities	87,338	33,691	29,481	28,950	92,122
Total	1,545,066	1,117,523	258,180	198,461	1,574,164

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Separate financial statements

		Contractual cash flows			
			More than 1	More than 2	
	Carrying	1 year	year but less	years but less	
<i>At 31 December</i>	amount	or less	than 2 years	than 5 years	Total
		<i>(in thousand Baht)</i>			
2021					
Non-derivative financial liabilities					
Trade accounts payable	52,579	52,579	-	-	52,579
Other payables	70,903	70,903	-	-	70,903
Loans from financial institutions	83,213	83,565	-	-	83,565
Lease liabilities	5,757	2,463	1,905	1,726	6,094
Total	212,452	209,510	1,905	1,726	213,141

Separate financial statements

		Contractual cash flows			
	Carrying	1 year	More than 1	More than 2	
<i>At 31 December</i>	amount	or less	year but less than 2 years	years but less than 5 years	Total
	<i>(in thousand Baht)</i>				
2020					
Non-derivative financial liabilities					
Trade accounts payable	55,524	55,524	-	-	55,524
Other payables	39,223	39,223	-	-	39,223
Loans from financial institutions	87,740	58,176	31,705	-	89,881
Lease liabilities	8,511	3,621	2,322	3,137	9,080
Total	190,998	156,544	34,027	3,137	193,708

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

(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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

	Consolidated financial statements						
	2021			2020			Total
	USD	JPY	AUD	Total	USD	JPY	AUD
<i>Exposure to foreign currency at 31 December</i>	<i>(in thousand Baht)</i>						
	4	2	-	6	1	2	3
Cash and cash equivalents	94,540	121,961	-	216,501	51,038	133,022	-
Trade accounts receivable	(1,739)	(2,665)	-	(4,404)	(14,961)	(2,780)	-
Trade accounts payable	(12,147)	(24,904)	-	(37,051)	(5,772)	(5,481)	-
Other payables	-	(88,310)	-	(88,310)	-	(191,415)	-
Long-term loans							
Gross statement of financial position exposure	80,658	6,084	-	86,742	30,306	(66,652)	-
Estimated forecast sales	309,537	958,360	-	1,267,897	260,041	828,489	-
Estimated forecast purchases of goods and assets	18,557	15,866	24,532	58,955	(20,444)	-	-
Gross exposure	408,752	980,310	24,532	1,413,594	269,903	761,837	-
Forward purchase contracts	-	-	-	-	9,500	-	-
Forward selling contracts	(257,230)	(244,655)	-	(501,885)	(49,012)	(401,494)	(10,886)
Net exposure	151,522	735,655	24,532	911,709	230,391	360,343	579,848

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

Separate financial statements

	2021			2020		
Exposure to foreign currency						
at 31 December	USD	JPY	Total	USD	JPY	Total
	<i>(in thousand Baht)</i>					
Trade accounts receivable	11,075	6,510	17,585	8,271	-	8,271
Trade accounts payable	-	(1,270)	(1,270)	(12,643)	(640)	(13,283)
Other payables	(12,147)	(72)	(12,219)	(4,499)	-	(4,499)
Gross statement of financial position exposure	(1,072)	5,168	4,096	(8,871)	(640)	(9,511)
Estimated forecast sales	59,488	24,237	83,725	30,252	19,204	49,456
Estimated forecast purchases of goods and assets	-	15,858	15,858	(16,668)	-	(16,668)
Gross exposure	58,416	45,263	103,679	4,713	18,564	23,277
Forward purchase contracts	-	-	-	8,969	-	8,969
Forward selling contracts	(36,920)	(9,503)	(46,423)	(13,876)	(9,735)	(23,611)
Net exposure	21,496	35,760	57,256	(194)	8,829	8,635

(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 fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

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.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

29 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Capital commitment				
Buildings and other constructions	55,081	2,224	-	-
Machinery and equipment	85,787	24,418	7,732	-
Vehicle	-	2,070	-	-
Total	140,868	28,712	7,732	-
Other commitments				
Short-term and low-value asset lease commitments	2,000	1,111	1,465	608
Unused letters of credit for purchase goods and supplies	62,000	14,669	18,590	14,669
Bank guarantees	26,340	26,250	5,400	5,400
Total	90,340	42,030	25,455	20,677

Short-term and low-value asset lease commitments and lease agreements covered office and plant equipment for periods from one to four years expiring up to August 2025.

At 31 December 2021, 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 (2020: Baht 2 million).

As at 31 December 2021 and 2020, the Group had outstanding forward exchange contracts covering periods less than one year as follows:

	Consolidated		Separate	
	financial statements		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 2021				
Forward contracts to sell foreign currencies				
Japanese Yen	807.82	244.66	31.86	9.50
United State Dollars	7.71	257.23	1.11	36.92
Total		501.89		46.42

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries For the year ended 31 December 2021

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 2020				
Forward contracts to sell foreign currencies				
Japanese Yen	1,352.63	401.49	33.28	9.74
United State Dollars	1.60	49.01	0.45	13.88
Australian Dollars	0.48	10.89	-	-
Total		461.39		23.62
Forward contracts to buy foreign currency				
United State Dollars	0.31	9.50	0.30	8.97

30 Contingent liabilities

As at 31 December 2021, the Group had contingent liabilities for joint guarantee for credit facilities which financial institution extended to certain subsidiaries totaling approximately Baht 1,379.0 million and USD 5.0 million (2020: Baht 1,379.1 million and USD 5.0 million).

31 Event after the reporting period

At the Board of Directors meeting of the Company held on 24 February 2022, the Board approved the appropriation of dividends based on the operating profit for the year 2021 of Baht 0.5185 per share, amounting to Baht 139.99 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2022.

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 the Company's Secretary

The Directors (Information as at December 31, 2021)

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)	75	- 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.
					2018 - now	Legal advisor	TEAM Consulting Engineering and Management PCL.
					2016 - 2017	Executive Committee	TEAM Group of Companies
					2014 - 2016	Independent Director and Chairman of Audit Committee	United Securities PLC.
					2004 - 2019	Legal advisor	HNP Counsellors Co., Ltd.
					1992 - 1997	Legal advisor	Internet Law Consultants Co., Ltd.
					1988 - 2015	Managing Director	Unipalm Industry Co., Ltd.
					1982 - 1994	Director and Executive Director	Cargill Group (Thailand) Co., Ltd.

Name-surname	Age	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
2. Mr. Surapon Vongvadhanaroj (to be appointed as the Directors on December 13, 1977)	76	- Master degree in Political Economics, Chulalongkorn University, Thailand - Bachelor degree in Political Sciences, Ramkhamhaeng University, Thailand - Role of the Chairman Program (RCP) class 7/2002, IOD - DCP class 4/2004, IOD - Developing Corporate Governance Policy 2008, IOD	- Self 3.00 - Spouse 3.02	<u>Between the Directors</u> Sibling : Miss Malai Wongwatroj <u>Between the Executives</u> Father : Mr. Sorapon Vongvadhanaroj	Jan 1, 2017 - now	Chairman of Executive Committee	Surapon Foods PLC.
					Nov 8, 2012 - now	Nomination and Remuneration Committee	Surapon Foods PLC.
					Jun 1997 - now	Independent Director	Sompo Insurance (Thailand) PLC.
					Mar 1988 - now	Chairman of the Board and Authorized director	Surapon Nichirei Foods Co., Ltd.
					Dec 17, 1982 - now	Authorized director	Surat Seafoods Co., Ltd.
					Nov 25, - now	Authorized director	Mobile Logistics Co., Ltd.
					Dec 30, 2014 - now	Authorized director	Pokai Plus Co., Ltd.
					Dec 13, 1977 - now	Authorized director	Surapon Foods PLC.
					Dec 18, 2017 - now	Authorized director	Pokai Holding Co., Ltd.
					Dec 13, 1977 - Dec 31, 2016	Chief Executive Officer	Surapon Foods PLC.

Name-surname	Age	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
3. Mr. Sithichai Kraithisirin (to be appointed as the Directors on December 13, 1977)	76	- Master degree in Business Administration, Chulalongkorn University, Thailand - Bachelor degree in laws, Chulalongkorn University, Thailand - DCP class 5/2001, IOD	5.35	-none-	Dec 13, 1977 - now	Authorized director	Surapon Foods PLC.
					Dec 17, 1982 - now	Authorized director	Surat Seafoods Co., Ltd.
					Jun 15, 1988 - now	Authorized director	Surapon Aquaculture Co., Ltd.
					Jun 18, 1990 - now	Authorized director	Chantaburi Marine Farm Co., Ltd.
					Mar 1988 - now	Authorized director	Surapon Nichirei Foods Co., Ltd.
4. Mr. Chokchai Jiengwareewong (to be appointed as the Directors on December 13, 1977)	77	- Amnuaysilp Secondary School - DAP class 6/2003, IOD	Self : 3.42 Spouse : 3.33	-none-	Aug 24, 2004 - now	Director	Lighting and Equipment PLC.
					Dec 13, 1977 - now	Authorized director	Surapon Foods PLC.
					Dec 17, 1982 - now	Authorized director	Surat Seafoods Co., Ltd.
					Jun 15, 1988 - now	Authorized director	Surapon Aquaculture Co., Ltd.
					Jun 18, 1990 - now	Authorized director	Chantaburi Marine Farm Co., Ltd.
					Feb 13, 2013 - now	Authorized director	S&J Universal Co., Ltd.

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)	66	- 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 15, 2018 - now	Chairman of Nomination and Remuneration Committee	Surapon Foods PLC.
					May 15, 2018 - now	Chairman of Corporate Governance Committee	Surapon Foods PLC.
					2012 - now	Independent Director and Audit Committee	Kaset Thai International Sugar Corporation Public Company Limited
					1993 - now	Managing Director	DMBT Co., Ltd.
					1995 - now	Managing Director	Sahaporn and Co Co., Ltd.
					May 14, 2009 - now	Independent Director and Chairman of Audit Committee	Surapon Foods PLC.
					2015 - 2020	Independent Director and Chairman of Audit Committee	A A Electri Li PLC.

Name-surname	Age	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
6. Mr. Paiboon Kangvonkit (to be appointed as April 8, 2010)	54	- 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-	Apr 8, 2010 - now	Director and Chairman of Risk Management Commit- tee	Surapon Foods PLC.
					Jan 2010 - now	Managing Director and Authorized Director	Surapon Nichirei Foods Co., Ltd.
7. Miss Malai Wongwatroj (to be appointed as April 8, 2010)	66	- Bachelor degree in International Marketing, Baruch College, USA - DCP class 135/2010, IOD	0.03	<u>Between the Directors</u> Sibling: Mr. Surapon Vongvadhanaroj	Apr 8, 2010 - now	Authorized Director and Risk Management Committee	Surapon Foods PLC.
					Feb 17, 2009 - now	Authorized Director	Surat Seafoods Co., Ltd.

Name-surname	Age	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
8. Mr. Sorapon Vongvadhanaroj (to be appointed as April 4, 2012)	40	- 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	2.00	Between the Directors Son : Mr. Sorapon Vongvadhanaroj	Apr 4, 2012 - now	Authorized Director, Corporate Governance Committee, and Risk Management Committee	Surapon Foods PLC.
					Jan 1, 2017 - now	Chief Executive Officer	Surapon Foods PLC.
					Dec 21, 2016 - now	Authorized Director and Chairman of the Board	Surapon Supreme Foods Co., Ltd.
					Dec 23, 2016 - now	Authorized Director and Chairman of the Board	Surapon Finest Co., Ltd.
					Feb 24, 2014 - Dec 31, 2016	Managing Director	Surapon Foods PLC.
					Nov 25, 2014 - now	Authorized Director and Chairman of the Board	Mobile Logistics Co., Ltd.
					Dec 23, 2011 - now	Authorized Director and Chairman of the Board	Surat Seafoods Co., Ltd.
					Apr 2012 - now	Authorized Director	Surapon Aquaculture Co., Ltd.
					Apr 26, 2012 - now	Authorized Director	Chantaburi Marine Farm Co., Ltd.
					Apr 30, 2013 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.
					Dec 30, 2014 - now	Authorized Director	Pokai Plus Co., Ltd.

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)	46	- Master degree in Business Administration, Saint Louis University, USA. - Bachelor degree in Economics, Thammasat University, Thailand	0.00	-none-	Dec 18, 2017 - now	Authorized Director	Pokai Holding Co., Ltd.
					May 9, 2019 - now	Corporate Governance Committee	Surapon Foods PLC.
					Apr 25, 2019 - now	Independent Director and Audit Committee	Surapon Foods PLC.
					2002 - now	Managing Director	Rosso Co., Ltd.
					2002 - now	Managing Director	IT Grand Co., Ltd.
					2007 - now	Managing Director	Thammrak Property Co., Ltd.
10. Mr. Kunakorn Mekjaidee (to be appointed as April 27, 2021)	66	- Master degree in Business Administration, Delta State University, USA. - Bachelor degree in Accounting, The University of Thai Chamber of Commerce, Thailand	0.00	-none-	2018 - now	Managing Director	Touch Point Solution Co., Ltd.
					Apr 28, 2021 - now	Audit Committee, and Nomination and Remuneration Committee	Surapon Foods PLC.
					Apr 27, 2021 - now	Independent Director	Surapon Foods PLC.

Name-surname	Age	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
		- Chartered Director Class 5/2009 - Audit Committee Program Class 17/2007 - DCP Re-refresher Course Class 7/2005 - Director Certificate Program and Australian Institute of Company Directors (AICD) Class 7/2001 - Chairman 2001 and Australian Institute of Company Directors (AICO) Class 5/2001			2021 - now	Risk Management Committee	Bangkok Ranch PLC.
					2020 - now	Independent Director and Chairman of Audit Committee	Bangkok Ranch PLC.
					2016 - now	Independent Director and Chairman of Audit Committee	Aira Factoring PLC.
					2002 - now	Director	Chao Khun Agro Products Co., Ltd.
					1991 - 2020	Director	Business Venture Promotion Co., Ltd.
					2018 - 2019	Independent Director, Audit Committee, and Chairman of nomination and remuneration committee	Hydroquip Co., Ltd.
					2018 - 2019	Independent Director and Audit Committee	Eastern Energy Plus Co., Ltd.
					2002 - 2019	Director	B V P Co., Ltd.

The Managements (Information as at December 31, 2021)

Name-surname	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
1. Mr. Sorapon Vongvadhanaroj	- 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	2.00	Son : Mr. Sorapon Vongvadhanaroj	Jan 1, 2017 - now	Chief Executive Officer, and Chief Financial Officer	Surapon Foods PLC.
				Dec 21, 2016 - now	Authorized Director and Chairman of the Board	Surapon Supreme Foods Co., Ltd.
				Dec 23, 2016 - now	Authorized Director and Chairman of the Board	Surapon Finest Co., Ltd.
				Dec 23, 2011 - now	Authorized Director and Chairman of the Board	Surat Seafoods Co., Ltd.
				Apr 2012 - now	Authorized Director	Surapon Aquaculture Co., Ltd.
				Apr 26, 2012 – now	Authorized Director	Chantaburi Marine Farm Co., Ltd.
				Nov 25, 2014 - now	Authorized Director and Chairman of the Board	Mobile Logistics Co., Ltd.
				Apr 30, 2013 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.
				Dec 30, 2014 - now	Authorized Director	Pokai Plus 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 -	Dec 18, 2017 - now	Authorized Director	Pokai Holding Co., Ltd.
				Feb 24, 2014 - Dec 31, 2016	Managing Director	Surapon Foods PLC.
				Jan 1, 2011 - Dec 31, 2016	General Manager - Finance and Corporate Services	Surapon Foods PLC.
				Jan 1, 2017 - now	Senior Vice President -Operations	Surapon Foods PLC.
				Dec 21, 2016 - now	Authorized Director	Surapon Supreme Foods Co., Ltd.
				Nov 25, 2014 - now	Authorized Director	Mobile Logistics Co., Ltd.
				Jan 3, 2012 - now	Authorized Director	Surapon Aquaculture Co., Ltd.
				Apr 30, 2013 - now	Authorized Director	BJC Marine Resources Develop- ment Co., Ltd.
				Nov 25, 2014 - Dec 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 -	Jan 1, 2019 - now	Senior Vice President - Export Sales	Surapon Foods PLC.
				Feb 1, 2018 - Dec 31, 2018	Vice President - Operations	Surapon Foods PLC.
				Jan 1, 2017 - Jan 31, 2018	Vice President - Export Sales	Surapon Foods PLC.
				Oct 22, 2012 - Dec 31, 2016	General Manager - Export Sales	Surapon Foods PLC.
				Mar 2019 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.
4. Mr. Patt Somchaikulsup	- Master degree in Economics, Thammasat University, Thailand - Bachelor degree in Economics, Thammasat University, Thailand Professional Trainings on Company Secretary - Company Secretary Program (CSP) class 27/2008, IOD - Developing Corporate Governance Policy 2008, IOD	0.00	- none -	Jan 1, 2019 - now	Corporate Human Resources Development Department	Surapon Foods PLC.
				Feb 1, 2018 - now	Vice President, and Company Secretary	Surapon Foods PLC.
				Jan 1, 2017 - Jan 31, 2018	Assistant Vice President, and Company Secretary	Surapon Foods PLC.

Name-surname	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
5. Mr. Sriprasert Sriprawatkul	- Effective Minute Taking (EMT) class 15/2009, IOD - Fundamental Practice for Corporate Secretary (FPCS 18), Thai Listed Companies Association - DCP class 255/2018, IOD			Aug 2008 - Dec 31, 2016	Company Secretary Department Manager, and Company Secretary	Surapon Foods PLC.
				2009 - Dec 20, 2016	Authorized Director	Punpin Co., Ltd.
				Jan 1, 2019 - now	Vice President - Corporate Accounting and Finance	Surapon Foods PLC.
	- 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	0.00	- none -	Jun 25, 2018 - Dec 31, 2018	Vice President - Finance and Corporate Services	Surapon Foods PLC.
				Oct 12, 2018 - now	Authorized Director	Surapon Supreme Foods Co., Ltd.
				May 7, 2018 - now	Authorized Director	Surat Seafoods Co., Ltd.
				Apr 2000 - May 2017	Senior Manager	EY Office Co., Ltd.

The Person Assigned to Take Direct Responsibility for Accounting Supervision (Information as at December 31, 2021)

The Company has assigns 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 2021, Miss Somjai Manodamrongtham attended professionally accounting training and development, accounted for 18 hours.

Name-surname	Educational Qualifications/ Professional Trainings	% Share- holding	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 - TFRS 15 for General Business, Federation of Accounting Professions under the Royal Patronage of His Majesty the King	0.00	-none-	2017 - now	Accounting Department Manager	Surapon Foods PLC.
				1991 - 2016	Accounting Department Assistant Manager	Surapon Foods PLC.
				1988 - 1990	Accounting Officer	Surapon Foods PLC.

Name-surname	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
				Period	Position	Company
	- 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					

Attachment 2 : Details of the Directors in the Subsidiary Companies

Name and Surname		Surat Seafoods	Surapon Nichirei Foods	Surapon Supreme Foods	Surapon Finest	Surapon Aquaculture	Chantaburi Marine Farm	Mobile Logistics
Mr. Surapon	Vongvadhanaroj	/, //	/, //, ///			/, //	/, //	/, //
Mr. Sithichai	Kraisithsirin	/, //	/, //			/, //	/, //	
Mr. Chokchai	Jiengwareewong	/, //				/, //	/, //	
Miss Malai	Wongwatroj	/, //						
Mr. Paiboon	Kangvonkit		/, //, X					
Mr. Sorapon	Vongvadhanaroj	/, //, ///	/, //	/, //, ///	/, //, ///	/, //	/, //	/, //, ///
Mr. Chatuporn	Watcharanat	/, //					/, //	
Mr. Jittakorn	Chairaj	/, //, X						
Miss Soranee	Vongvadhanaroj				/, //, X			/, //
Mrs. Soraya	Sorakraikittikul					/, //	/, //	/, //, X
Mr. Montai	Chulatitta			/, //		/, //		/, //
Mr. Sorapoom	Vongvadhanaroj			/, //, X				
Miss Yardphon	Chumnuangnat			/, //				
Mr. Kittikorn	Chongchere	/, //		/, //				
Mr. Sriprasert	Sriprawatkul	/, //		/, //				
Mr. Bundit	Rungratkul				/, //			
Mr. Auhtapon	Ratana-Arporn				/, //			
Miss Yupha	Fungraya				/, //			

Remarks / = Director

X = Chief Executive Director or Managing Director

// = Authorized Director

/// = Chairman of the Board

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 manager.

1. Name of Internal Audit Function 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	Supervisor of Internal Audit Department

6. Professional Training :

Training Course	Institute
Professional Training of Company Secretary (2021)	The Stock Exchange of Thailand
Board Reporting Program (BRP) class 26/2018	Thai Institute of Directors
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

Surapon Foods PLC.

- Head-office : 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.

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 producing machines, water supply system, generators, and water treatment system.

No any machine or equipment, valued more than 10% of total assets.

- Net book value of lands, property, and equipment as at December 31, 2021 amounting Baht 674,322,783.

- Net book value of right-of-use assets as at December 31, 2021 amounting Baht 5,969,855.

Surapon Supreme Foods Co., Ltd.

- 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.

Main Production Machines and Equipment :

- Refrigerators, temperature controlling machines, freezers, weight checkers, fryers, water supply system, ice producing machines, generator, chicken cutting machines, X-Ray machines, water treatment system.

No any machine or equipment, valued more than 10% of total assets.

- Net book value of lands, property, and equipment as at December 31, 2021 amounting Baht 422,613,957.

- Net book value of right-of-use assets as at December 31, 2021 amounting Baht 2,874,877.

Surat Seafoods Co., Ltd.

- 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.

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.

- Net book value of lands, property, and equipment as at December 31, 2021 amounting Baht 97,134,377.

- Net book value of right-of-use assets as at December 31, 2021 amounting Baht 1,118,689.

Surapon Nichirei Foods Co., Ltd.

- 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.

- 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.

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.

- Net book value of lands, property, and equipment as at December 31, 2021 amounting Baht 992,734,557.
- Net book value of right-of-use assets as at December 31, 2021 amounting Baht 40,496,742.

Mobile Logistics Co., Ltd.

- 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.

No any machine or equipment, valued more than 10% of total assets.

- Net book value of lands, property, and equipment as at December 31, 2021 amounting Baht 416,237,956.
- Net book value of right-of-use assets as at December 31, 2021 amounting Baht 80,055.

Surapon Finest Co., Ltd.

- Address no. 247, moo.1, Theparak road, Theparak sub-district, Muang district, Samutprakarn province, Thailand.
- 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, 2021 amounting Baht 3,930,419.
- Net book value of right-of-use assets as at December 31, 2021 amounting Baht 9,453,393.

Surapon Aquaculture Co., Ltd.

- 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.

Main Machines and Equipment :

- Water pump, water mixer, oxygen producing machines.

No any machine or equipment, valued more than 10% of total assets.

- Net book value of investment properties such as lands, property, and equipment as at December 31, 2021 amounting Baht 29,384,588.

Chantaburi Marine Farm Co., Ltd. (stop its operations on July 31, 2003)

- 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.

Main Machines and Equipment :

- Water pump, water mixer, oxygen producing machines.

No any machine or equipment, valued more than 10% of total assets.

- Net book value of investment properties such as lands, property, and equipment as at December 31, 2021 amounting Baht 97,969,729.

Attachment 5 : Corporate Governance Policy and Code of Business Ethics

Surapon Food Public Company Limited establishes corporate governance policy since August 9, 2005. Then, there are all together twelve times revisions of the policy. Essence of the corporate governance 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 on one field of the knowledges or experiences; industry, commerce, service business, 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 duty of directorship

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 line 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 businesses' 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 chairman 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's meeting attendance shall disclose 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 Managements to discuss any interesting matter and submit the meeting results to Chairman of the Board and CEO

1.4.10 The Board promotes the Managements 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 Managements. Chairman of the Board and CEO shall discuss the invitation of the Managements 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 each Board's important opinions. Company Secretary shall submit the minutes to the Board to consider 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 difference of 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, who shall be chairman of the Board's meeting and the Shareholders' meeting.

1.7 The Sub-committees

The Board appoints the specific the 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 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 international 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 external 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 Executive Committee. 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. CEO, the highest management position, is responsible for overall business managements and operations in order to ensure the achievements of business targets. The Board shall delegate their powers 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 and the Shareholders. Company Secretary is also responsible for convening the Board's meeting and the Shareholders' meeting.

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, both election of the Directors in replacement of those who retire by rotation, and election of new director in replacement of other vacant reasons. 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.

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 Evaluation

The Board shall conduct individual performance evaluation 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 evaluation.

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 this transaction.

The Directors and the Managements 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 Managements 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 to the Shareholders' rights and take care of the Shareholders' equal benefits even major or minor shareholders.

2.1.1 Equal rights as stipulated in the relevant laws and the Company's articles of association

2.1.2 Rights to protect their own rights by attending, questioning and voting in the Shareholders' meeting

2.1.3 Rights to participate in decision of significant matters including the election of the Directors'

2.1.4 Rights to receive information accurately, completely, and transparently

2.1.5 Rights to receive the equal dividend payment allocation

2.1.6 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 conducting 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 all Shareholders in advance.

In AGM, all shareholders have equal rights to receive information, opportunity to asking questions or suggesting. 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 transparency, 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 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 line with the relevant regulatory institutions' criteria and requirements

4.3 The Board establishes the policy of insider information usage, which the Directors and the Managements as defined in article 89/1 of Stock Exchange and Commission Act, including the staffs who has been informed the financial statements prior to generally publicizing 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 Managements 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 staffs 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' 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 Managements as defined in article 89/1 of Stock Exchange and Commission Act, shall have to disclose their trading transaction of the Company's stock to the Board.

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 as well as maintaining. 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 for 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 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 general manager and above 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 management level.

6.3 Performance Evaluation 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 CEO' s remunerations
18. Policy of information disclosure and transparency
19. Policy of posting the directorship in other companies

In addition, 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 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 person, 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 termination from the Company's employee
- 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) Provide the employees' development as well as concern the employees' career growth
- 3) Organize proper and safe working conditions as well as provide adequate 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 emotion 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

Report of Audit Committee to the Shareholders

The Company's Audit Committee consists of three Independent Directors namely Mr. Sathaporn Kotheeranurak; Chairman of Audit Committee, Mr. Kanett Chatthamrak, and Mr. Kunakorn Mekjaidee as the Committee whereas Mr. Wichian Roruksa, serves as the Secretary. All 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.

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 2021, there were five time meetings of Audit Committee and one time meeting with external auditor without the Management. Summary of the year 2021 performance can be summarized as follow:

1. Financial Statements Review and Audit

There are meetings with external 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 1 time meeting without the Management to consult and seek advices from the certified auditor regarding the independence of the workings and the issues might impact the financial statements. Audit committee considers and views that financial statements as at December 31, 2021 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 certified 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 Review to be in compliance with Laws and Regulations

Audit Committee conducts operational review 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 has transparent and equitable process in order to ensure that the decision is made by concerning overall benefit of the Company. The disclosure of information is accurate and adequate.

5. Internal Audit System Review

Audit Committee considers independence, scope of work, duty and responsibility of Internal Audit function concordantly with international 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 was set 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 2021

Audit Committee considers the Company's 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 2021.

8. Whistle-Blowing

In the year 2021, there is no whistle-blowing case to be submitted to the Audit Committee for consideration as prescribed in the Company's Whistle-Blowing policy.

9. Annual Performance Assessment of Audit Committee for the year 2021

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. Kunakorn Mekjaidee)
Member of Audit Committee



(Mr. Kanett Chatthamrak)
Member of Audit Committee



GMP Certificate
HACCP Certificate
BRC 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

Surapon Foods Public Company Limited

247 Moo.1, Theparak road, Theparak sub-district,
Muang district Samutprakarn province, Thailand 10270
Tel. : 02 385 3038-54 Fax. : 02 385 3179

Website : WWW.SURAPON.COM