



SURAPON

56-1 ONE REPORT 2022

SURAPON FOODS PUBLIC COMPANY LIMITED



Inspiring Your Smiles
เพื่อรอยยิ้มของคุณ

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Part 1

Business Operation and Operating Results

1. Organizational Structure and Operation of the Group of Companies

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

The Company has continuously developed and adjusted its business in response to the changes in business context 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 GHPs , 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 businesses are as follows :-

1. Revenue from sales of goods

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 has been operated through two of the subsidiary companies; namely Surapon Nichirei Foods Co., Ltd. and Surapon Supreme Foods Co., Ltd.
2. Frozen and processed shrimp products : The manufacturing of these products' group has been operated through one of the subsidiary company; namely Surat Seafoods Co., Ltd.
3. Frozen and processed foods products which produced from various raw materials and ingredients such as pork, fish, vegetables, and etc. : The manufacturing of these products' group has been operated through Surapon Foods PLC. The distribution in overseas has been distributed through Surapon Foods PLC., whereas the distribution in Thailand, Laos, Cambodia, and Myanmar has been solely distributed through one of the subsidiary company; namely Surapon Finest Co., Ltd.

2. Revenue from rendering services

1. Trading business of frozen foods products from the manufacturing of the group of companies and other manufacturers in Thailand and other countries. The operations of this business has been operated through one of the subsidiary company; namely Surapon Finest Co., Ltd.
2. Cold-chain Logistics service provider business. The operation of this business has been operated through one of the subsidiary company; namely Mobile Logistics Co., Ltd.

1.1 Policy and Business Overview

1.1.1 Vision, Objectives, Goals, and Business Strategies

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

1. Business Objectives and Goals

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

2. Vision : Inspiring Your Smiles

3. Mission : To Deliver Vibrant Experience

4. Delivering the values to the stakeholders

1. Delivering financial value by developing the business operations performance in order to maintain the business long-term growth and sustainability.
2. Delivering 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 set business directions and goals.

1. "A" stands for Agility
2. "C" stands for Continuous Learner
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.

1. Sales and marketing strategies : mainly emphasis on generating sales of quality and trustworthy products and services in appropriate price in response to the changes of consumers' behavior and to promote the consumers' accessibility to quality and safety foods products.
2. Efficiency and technology development strategies : mainly 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 as well as concern of environmental and social impacts are strongly put in place at all times.
3. Research & Development and Innovation strategies : mainly 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 supply chain to develop the business reliability under the concept of fair and sustainable business alliances in the long-term.

4. People management strategies : mainly emphasis on maintain of capable personnel as well as career 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 suppliers to treat their employee with fair and in accordance with the laws.

1.1.2 Materials Changes and Developments

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

The spread-out of COVID-19 pandemic around the world since the year of 2020, causes the overwhelming changes in global social and economic aspects, which has impacted the Company's business operations. The group of the companies is still focus on the operations of the manufacturing of existing products; frozen foods products, due to its long experiences and expertises. However, new production techniques, new competitive advantageously 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 2022 can be summarized as follows:-

1. Continuously increase of production machines' investments to reduce the impacts from labour shortage, to manage the production cost from minimum wage increase nationwide, and to help maintain high quality and safety of the products. The results from continuous investment of machines have highly contributed to cost management according to the targeted level, even the high volatility of raw materials supply. In addition, the additional investment in machines leaded to the increase of production capacity in one of the subsidiary company; namely Surat Seafoods Co., Ltd. to serve the increase of customers' orders, which highly eventually contributed to the growth of Surat Seafoods Co., Ltd.'s business performance in the year 2022.
2. Mainly focus on the production and distribution of machine-made products both existing products and newly developed products. In the year 2022, newly developed products have been commercially launched such as plant-based products and new stuffs with various filling wrapped in flour sheet. The sale of new products has been additionally contributed to the increase of sale value in retails channels both domestic and oversea markets, which is one of the Company's sale and marketing strategy 2023.
3. The progress of the investment and plant renovation in one of the subsidiary company; namely Surapon Supreme Foods Co., Ltd. in under the set timeline as planned. In December 2022, the main construction and installation of main machines has been almost completed. The first products delivery to the customers has been expected to be within the first quarter of year.
4. The installation of solar roof top in Surapon Foods PLC.'s plant has been completed in December 2022, which will help to manage energy cost under the continuous increase of electricity cost. The investment in friendly-environmental operations shall be one of the Company's policy.
5. The merger and acquisition of two subsidiary companies; namely Surapon Aquaculture Co., Ltd. and Chantaburi Marine Farm Co., Ltd. to be a new subsidiary company has been completed. A new subsidiary company from M&A is under the name of Surapon Prime Co., Ltd. to be effective on November 1, 2022. Details

of this M&A transaction is as prescribed and distributed the investors and shareholders through SET website on July 21, 2022.

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 2022		Year 2021		Year 2020	
		Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales of own produced goods (ready-to-eat products)	SSF	438,034	7.03	404,466	6.84	352,989	5.72
	SS	789,455	12.68	636,540	10.76	504,705	8.18
	SUNIF	3,220,962	51.72	3,260,513	55.10	3,733,718	60.48
	SUP	858,105	13.78	823,197	13.91	824,157	13.35
Revenue from sales of own produced goods (ready-to-cook products)	SSF	139,949	2.25	117,492	1.99	109,790	1.78
	SS	73,582	1.18	68,334	1.15	51,445	0.83
Revenue from sales of trading products	SSF	525,166	8.43	465,939	7.87	472,152	7.65
	SOFINE						
Revenue from rendering logistics services	MBL	178,346	2.86	136,581	2.31	119,227	1.93
Others revenues		4,634	0.07	4,259	0.07	4,850	0.08
Total		6,228,232	100.00	5,917,318	100.00	6,173,033	100.00

- Remarks :**
- 1) Ready-to-eat products such as dimsum (shumai, bun, hakao, gyoza and etc.), sushi shrimp, frozen cooked shrimp, frozen and processed chicken, and etc.
 - 2) Ready-to-cook such as frozen raw shrimp, frozen breaded products, and etc.
 - 3)

SSF	=	Surapon Foods PLC.
SS	=	Surat Seafoods Co., Ltd.
SOFINE	=	Surapon Finest Co., Ltd.
SUNIF	=	Surapon Nichirei Foods Co., Ltd.
MBL	=	Mobile Logistics Co., Ltd.
SUP	=	Surapon Supreme Foods Co., Ltd.
 - 4) Products of Surapon Nichirei Foods Co., Ltd. and Surapon Supreme Foods Co., Ltd. are frozen

and processed chicken products

5) Mobile Logistics Co., Ltd. provides cold-chain logistics services

6) Figures in the above table are shown as not consolidated financial statement but for managerial analysis internally

1.2.2 Product Information

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

1.1 Ready-to-eat products, which are processed from various raw materials such as chicken, shrimp, pork, vegetables, and etc. The processed products are such as dimsum (shumai, hakao, bun, gyoza, and etc.), fried chicken, steam 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 both domestic and overseas.

1.4 Cold-chain logistics services for foods products

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

Company	No. of BOI privileges	Important respective benefits
1. Surapon Foods PLC.	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.	2	Corporate income tax exempt for 6 years until year 2029 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 our core existing business; frozen foods manufacturer and distributor. The focused areas of R&D and business innovation are as follows:-

1. Products development : focus on existing products development to improve production cost to be matched with the consumers' purchasing power in each market but still put strong position of high quality and trustworthiness. In addition, new products development has been continuously developed to serve the changing consumers' behaviors 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
3. Services development : focus on developing better and reliable services to the customers from products' introduction, products' value proposition, quality checking, and all after sales services to promote and create the customers' better experiences from consuming our products
4. Process development : focus on internal process improvement and development in order to control and monitor all processes to ensure the products' quality and trustworthiness, as well as to manage production cost efficiently.

Expenses spent on R&D and business innovation are mainly personnel expense by hiring the expert and maintaining capable personnel in these functions. Total R&D expense in Surapon Foods PLC. during the past three years amounting Baht 8,679,064 in year 2020, Baht 11,716,975 in year 2021 and Baht 11,790,507 in year 2022 respectively.

2. Marketing and Competition

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

Group Company's revenue, according to consolidated financial statements, is mainly from export sales; accounted for approximately 88% of total revenue. Main export markets are Japan, accounted for 80% of total export sales revenue, Australia 3% and Europe 1% respectively. Main customers are importers; distributing the products to other buyers, restaurants, and retail shops.

Revenue from sales of goods in Thailand market, according to consolidated financial statements, is accounted for approximately 12%. Main customers in the year 2022 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, industry situation, and competition situation in same and almost same businesses are located in Thailand and other countries such as Vietnam, India, China, and etc. However, each manufacturer has standing on their own particular business position depending on their strengths and expertises in each different SKUs. The buyers in the markets also differently need depending on their preferences. However, the competitors in other countries are more advantageous in labour cost.

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

However, the impact of global economics and consumption slowdown in the year 2022, leaded the Group Company has changed and adjusted their business operations as well as various internal process within the organization in response to the changes of current and future markets, including new products development such as plant-based products and existing products' cost improvement. Overall industry's key success factors include but not limited to the following three factors:-

1. Production cost management to be matched with the markets and customers' purchasing power
2. Consistent delivery of products under the high volatility of raw materials, shortage of raw materials, and inconsistency of raw materials' quality
3. Maintain and control products' quality and safety as a results of the consumers' more awareness of health and safety consciousness

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

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

3. Procurement of Products

Production Capacity and Production Quantity

1. Surapon Foods PLC.

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

	Year 2022	Year 2021	Year 2020
Production Capacity (ton)	3,661	3,401	4,330
Actual Production Quantity (ton)	2,912	2,756	2,340
Capacity Utilization (%)	80%	81%	54%

2. Surat Seafoods Co., Ltd.

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

	Year 2022	Year 2021	Year 2020
Production Capacity (ton)	1,880	1,647	2,078
Actual Production Quantity (ton)	1,658	1,430	1,441
Capacity Utilization (%)	88%	87%	69%

3. Surapon Supreme Foods Co., Ltd.

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

	Year 2022	Year 2021	Year 2020
Production Capacity (ton)	6,000	6,000	6,000
Actual Production Quantity (ton)	4,454	5,005	4,905
Capacity Utilization (%)	74%	83%	82%

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 2022	Year 2021	Year 2020
Production Capacity (ton)	24,900	24,900	27,600
Actual Production Quantity (ton)	18,670	19,834	22,918
Capacity Utilization (%)	75%	80%	83%

Raw-materials and Suppliers

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

1. Shrimp materials : procurement shall be purchased from direct farmers. Buying from direct farmers shall be through both contract-farming and non-contract farming. Almost 100% cultivated shrimp materials and purchased from Suratthani province or neighboring provinces since these areas is the most highest shrimp cultivation area in Thailand as well as is not far from the factory. However, the buying shall be diversified from various farmers and suppliers. Import of shrimp material is mostly from India, which is sea-caught shrimp.

2. Chicken materials : procurement shall be directly purchased from chicken slaughtered factories in Thailand. The buying shall be diversified from various suppliers whose are in northeastern, east, and central parts of Thailand.

3. Other raw materials such as fish, flour, foods ingredients, and etc. : procurement shall be purchased from domestic and oversea depending on quality and specification of each materials.

Total Value of Main Raw-materials Procurement in the Year 2022

Main Raw Materials	Proportion to Total Procurement Value (%)
Chicken	69%
Shrimp	28%
Others	3%
Total	100%

Total Value of Main Raw-materials Procurement in the Year 2022

Proportion of Buying	Main Raw Materials			Total
	Chicken	Shrimp	Others	
Proportion of Buying from Domestic (%)	71%	26%	3%	100%
Proportion of Buying from Oversea (%)	0%	100%	0%	100%

4. Assets Used in Business Undertaking

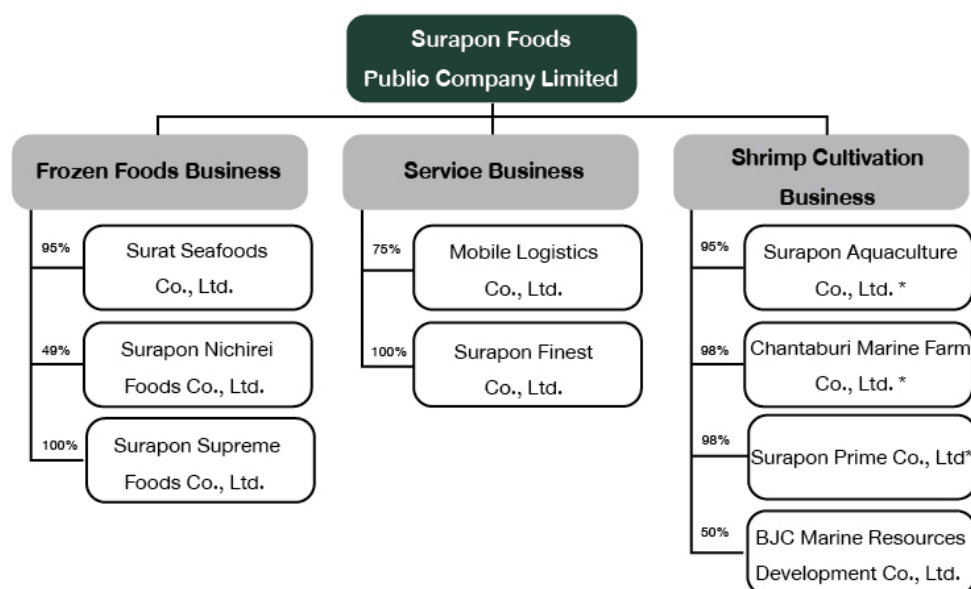
Group Company's core permanent assets used for business undertaking are mostly production building, production machines, and production equipments, which details are as shown in Attachment 4

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

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

Structure of Group Company



Remark : *Surapon Prime Co., Ltd. is a new subsidiary company from the M&A of Surapon Aquaculture Co., Ltd. and Chantaburi Marine Farm Co., Ltd. in November 1, 2022

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%
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%

Company	Details of the Company	
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%
Surapon Prime Co., Ltd.	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Registered Capital	107,600,000
	Shareholding by SSF	97.54%
BJC Marine Resources Development Co., Ltd. (BMRD)	Address	99 Soi Rubia, Sunkhumvit 42 road, Prakanong sub-district, Klongtoey district, Bangkok
	Type of Business	Shrimp Cultivation Farm
	Registered Capital	100,000,000 Baht
	Shareholding by SSF	50%

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

The Company's First Tenth Ranking Shareholders (Information as at February 7, 2023)

Name of Shareholders	Amount of Shareholding	Proportion (%)
1. Vongvadhanaroj Family	120,972,450	44.80%
- Pokai Holdings Co., Ltd.	83,131,300	30.79%
- Mr.Surapon Vongvadhanaroj	8,141,260	3.02%
- Mrs.Sukanya Vongvadhanaroj	8,099,970	3.00%
- 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 Kraisithisirin	7,150,000	2.65%
- Miss Sarin Kraisithisirin	7,000,000	2.59%
- Miss Silawan Kraisithisirin	7,000,000	2.59%

Name of Shareholders	Amount of Shareholding	Proportion (%)
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 Chansetikul	20,258,000	7.50%
5. Mr.Thanathip Pichetvanichchok	12,575,200	4.66%
6. Miss Woraran Taepaisithpong	5,000,000	1.85%
7. Thai NVDR Co., Ltd.	3,864,570	1.43%
8. Miss Orapun Asamongkol	3,186,000	1.16%
9. Mr. Cheung Lawrence Lup-Kwan	1,896,000	0.70%
10. Mr. Thiwa Jirapatanakul	1,883,000	0.70%

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 2022	Year 2021	Year 2020	Year 2019
Net profit per share (Baht)	0.76	0.44	0.21	0.58
Dividend payment pay share (Baht)	0.5185	0.3272	0.2063	0.3704
Proportion of dividend payment to net profit (%)	72.91%	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, as well as establishing risk management manual to be guideline of risk management's implementation throughout the organization. All function shall set up risk management plan and measure to deal with the relevant risk factors. The Company has publicized risk management policy through the website under the topic of investor relations and sub-topic of good governance.

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

2.2.1 Risk Factors on Business Operations

1) Risk from the Volatility of World Economic

Impacts of spread-out of COVID-19, world economic volatility, increase of global inflation, increase of interest rate, decrease of purchasing power have been affecting business operations. Group Company has preparing and adjusting the sales and marketing strategies at all times in response to the change of consumption behavior as well as pushing more sales to domestic market and other oversea markets in addition to the sales to current main markets.

Risk management measures :

- Appoint working team to closely monitor the situations in trading countries as well as analyze and assess possible business risks affecting business performance. The results of risk assessment shall be reported to the Managements for consideration of business strategies adjustment.
- Increase and more diversified selling channels in current main markets, which shall help to reduce the risk from slowdown of any selling channel as well as more stabilized overall business performance.
- Develop new machine-made products as well as utilize more technology and innovation to increase productivity, maintain business competitiveness, and manage production cost to be matched with the decrease of purchasing power.

2) Risk from Foreign Exchange Fluctuation

Group Company'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 of raw materials in Thai baht. Therefore, the fluctuation of foreign exchange rate shall inevitably impact the business performance of each purchasing order from the customers. During recent past years, there have been always new unforeseen and difficult to anticipate factors affecting foreign exchange situation.

Risk management measures :

- Assign specific person in charge to closely monitor and analyze the exchange rate situation and trend with the financial institutions and business partners. To protect and mitigate the risk, Group Company 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. Group Company shall manage the suitable selling price, which shall match with exchange rate situation and production cost in each selling transaction.

- Group Company has no policy to speculate the exchange rate. Forward contract of exchange rate shall be mainly booked from the purchasing orders, received from the customers due to the benefits of raw materials sourcing and production planning.

3) Risk from Supply Chain Fluctuation

There have been many situations and external factors occurred in the year 2022, which significantly impact the business operations throughout the whole business supply chain, especially a high increase of raw materials cost such as:-

- High increase of pork raw material from epidemic of African swine flu (ASF), caused severe decrease of pork supply.
- High increase of energy cost, especially fuel due to international dispute in some countries and electricity expense due to the increase of electricity rate charge
- Increase of labour cost due to the increase of minimum wage rate nationwide
- The change of weather which is rarely anticipated and much more severe than the past, affecting supply of raw materials.

Group Company has been changing and adjusting internal business managements in all aspects in response to the always-changing situations in order to manage the possible shortage and fluctuation of raw-materials.

Risk management measures :

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

4) Risk from Reliance on Major Partner

Group Company has no reliance on one only 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 of subsidiary companies; Surapon Nichirei Foods Co., Ltd and Surapon Supreme Foods Co., Ltd. Surapon Nichirei Foods Co., Ltd. is the joint venture company between Surapon Foods PLC. and Nichirei Foods Inc. of Japan, whereas Surapon Supreme Foods Co., Ltd. is one of Nichirei Foods Inc.'s OEM suppliers.

Risk management 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. 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 delivering 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
- Surapon Supreme Foods has policy to push its sales to others markets; Thailand and other countries.

5) Risk from New Epidemic in Human

Consequence from COVID-19 spread-out for years, has significantly impacted human's health and the change of human living. In the future, new severe epidemics might occur, which might affect overall labour market and the staffs' health and safety. Labour is highly considered as vital factor to generate the production and all business operations.

Risk management measures :

- Appoint risk working committee to monitor the situation of new epidemics in human as well as assess possible impact to human health and business operations. Supporting and preparation plans as well as BCP and DRP shall be established to deal with the situations
- Regularly review and establish the necessary and suitable measures to prevent and control the staffs' health and safety in each certain situation as well as more flexible working process in order to ensure the business continuity.

6) Risk form Cyber Threat

Risk form cyber threat has been considering as current risk and emerging risk that might occur in any new form of attacks in the future. Cyber threat might cause damage of the security of networking, important information storage especially production data and customer data, eventually might cause the business interruption.

Risk management measures :

- Group Company has implemented IT security policy, preventive measures on IT security audit, and IT disaster recovery plan as well as the regular rehearsal of DRP plan to recover the important business information in order to ensure business continuity
- Invest in more effective cloud technology system, which shall help to be more effectiveness of cyber attack's prevention. In addition, working under cloud system shall support more flexible working mode and strengthen more effective control of working
- Monitor new possible cyber threats, that might occur anytime as well as study new ICT and techniques that can help to more strengthen security system
- Build up and communicate the staffs' awareness of cyber threat, as well as promote IT literacy and new recent

technology. In addition, strengthen IT staffs for more and new IT skills and capabilities especially monitoring skill to detect new forms of cyber threat/attack.

7) Risk from the Change in Consumption's Behavior

The changes in consumption's behavior in Group Company's main markets such as Thailand, Japan, and Europe is considered as one of the important emerging business risks. Such changes might be caused from various factors such as aging/aged societies, higher concern of healthy, and higher concern of ESG issues among some consumer group, and etc. Group Company has been preparing for such possible changes by regular review of sales and marketing strategies in response to better serve the changing consumption's behavior and needs.

Risk management measures :

- Monitor and explore the consumption trend. The results and information shall be utilized by planning and working together with all concerned functions within the Company and the buyers in order to develop and improve the products that shall match with the situations
- Develop variety of the products; RTE and RTC which are produced from various raw materials such as seafoods, pork, chicken, vegetables, and etc. as well as develop new potential products to serve new trend of consumption such as plant-based products as alternative foods for some customers' group. Market penetration in new additionally selling and marketing channels has been always pushing.
- Customers' satisfaction survey has been conducting at least once a year to gather their opinions, the voices, the suggestions, and consuming preferences. The results and information from the survey shall be analyzed for the products and service improvement.

8) The Risk from Delivery of Safed Products

Nowadays, the consumer has been more expectation on the products' quality, safety, and hygiene. This issue might impact the business in case of are unable to deliver the products according to the consumers' expectation. Group Company is highly aware of the products' quality and good standard.

Risk management measures :

- Establish the strict screening and selecting supplier's system as well as auditing the suppliers' operations by focusing on consistent and reliable quality system
- Quality assurance function has been assigned to closely audit the quality of all raw materials and products throughout all operations' processes until delivering the products to the customers
- Continuously and closely audit and follow-up the operations in accordance with international standard of quality and safety
- Establish efficient traceability and customers' complaint response systems in order to ensure the confidence and trustworthiness in the products.

9) Risk from the Changes in Trading Regulations and Measures

The changes in trading regulations and measures, issued by trading countries, have been implemented continuously and stricter. Group Company has been preparing at all times to respond to the changes, otherwise the selling might be obstructed in case of non-compliance with the changed regulations

Risk management measures :

- Appoint risk working committee to monitor and study new regulations as well as communicate to the concerned functions for internal process adjustment in response to the changed regulations. The risks and impacts from the regulations' changes have been also assessed for setting up risk management measures in advance.
- Promote and encourage the risk working committee on trading regulations to attend the relevant meetings and seminars to update and understand the requirements. Internal sharing and communication the essence of the changed regulations shall be regularly implemented with all concerned in the organization and the buyers.

2.2.2 Risk to Securities Holders

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

Risk management and measures :

- Group Company has policy and business guideline to focus on operating and investing in core businesses or related businesses that utilize Group Company's long time experiences and expertises. Decision of investment shall be taken into account with prudence and care by concerning the Company' 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.

2.2.3 Risk from Foreign Securities Investment

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

3. Business Sustainability Development

3.1 Policy and Objective of Sustainable Management

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

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

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

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

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, quality, safe, and trustworthiness as the vital part of uplifting the society of foods safety and foods security.

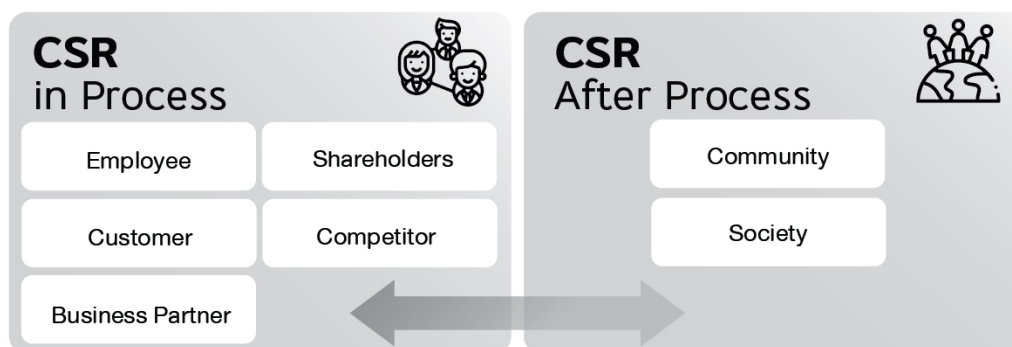
The Company has closely collaborating with business partners, suppliers, other relevant stakeholders to develop better and consistent raw materials to ensure the trusted quality and trustworthiness of the products throughout the supply chain.

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

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

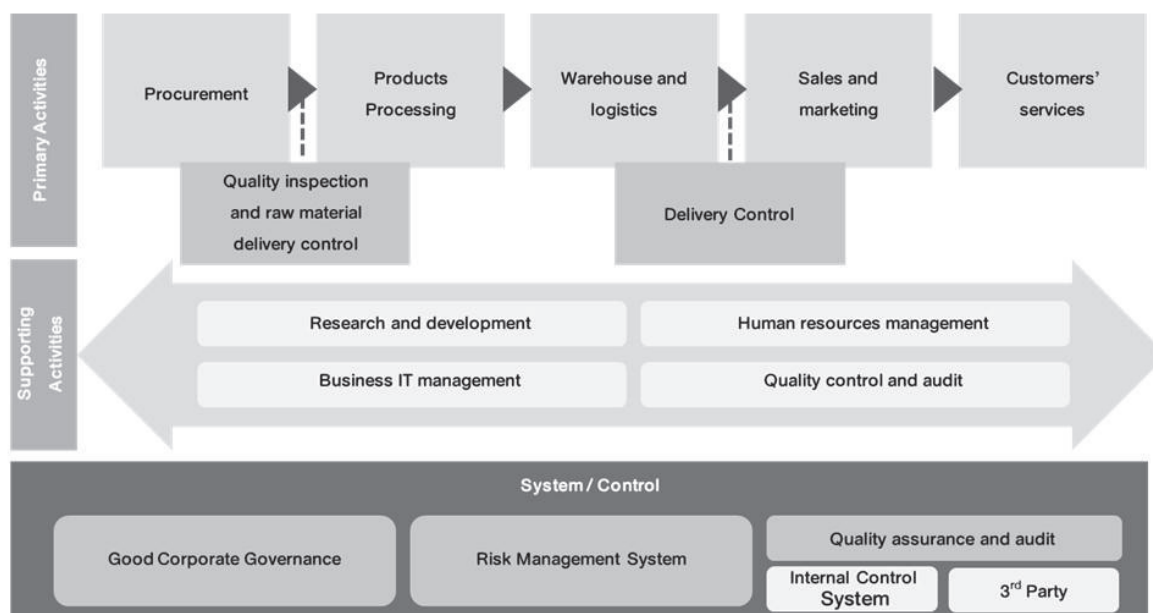
The Company has also promoting social activities for society and community in parallel to operate the business in compliance with the laws and regulations concerning environment and social.

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



3.2 Management of Impacts on Stakeholders in the Business Value Chain

The Company has committed to develop the business operations, which is aimed to create and deliver 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. Procurement : purchasing and procurement have been considered as important primary activity due to cost of raw materials is accounted for the highest proportion of total product cost. Quality of raw-materials is also highly impacted to quality of products delivering to the customers, therefore quality control and assurance of raw material before the processing process is strictly checked without compromise.
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, which all processes are traceable.
3. Warehouse and logistics : After the products processing, the finished products shall be moved to keep in temperature-controlled room with -18 degree celcius to preserve the most safe, cleanliness, and quality of the products. The warehouse area shall be strictly controlled according to the quality standards. The movement of the products from warehouse to transportation truck and deliver to the customers shall be also strictly controlled

by -18 degree celcius at all times.

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

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

2. Supporting Activities

The Company's supporting activities are as follows:-

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

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

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

4. Quality control and assurance : this activity is aimed to recheck and assure 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 as well as identified the necessary responses to the expectations of the stakeholders, and the working guideline to deal with the material topics regarding the business sustainability matters, which can be summarized as follows:-

Stakeholders	Expectations/targets	Response to the Expectations
1. Employee	<ul style="list-style-type: none">- Sufficient employee to support the business operations- Retain capable employee- Employee satisfaction- Fair treatments- Career growth and security	<ul style="list-style-type: none">- Establish human right policy and fair treatments- Comply with labor law- Fair remuneration according to potentials and working efficiency- Fair employment conditions- Implement safety measures in workplace- Open for opinions from the employees- Communicate the anti-corruption policy and monitor the implementations- Establish the Company's guideline of treatment to the employees

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

3.3 Management of Environmental Sustainability

3.3.1 Environmental Policy and Guidelines

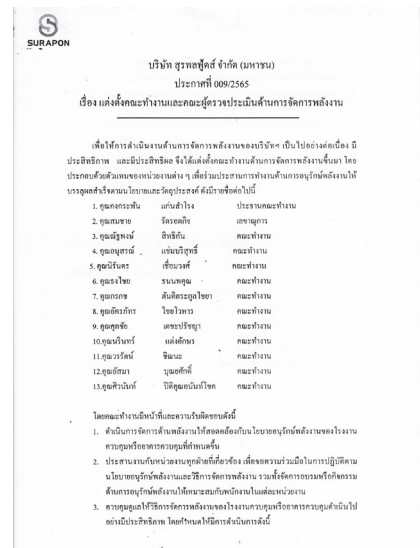
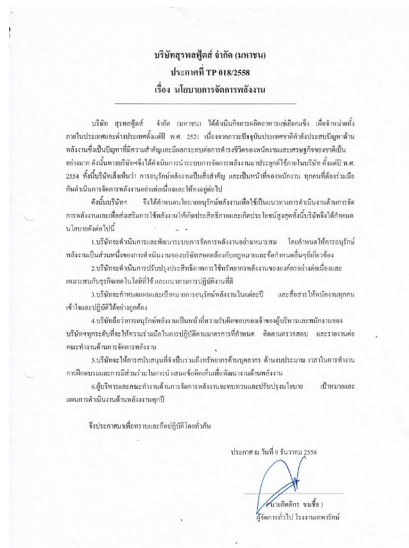
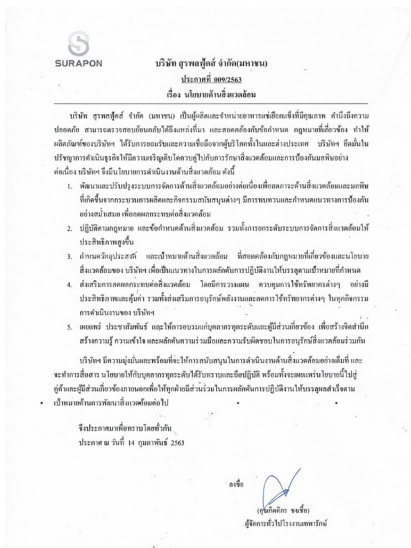
The Company is highly aware of business conducts by considering environmental concern. The management of water treatment, waste, and pollution from production process shall be strictly controlled in compliance with the laws and regulations. Moreover, the efficient use of resources is also managed and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

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

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

3.3.2 Environmental Operating Results

1. Establish the policies of environment management, energy management, and appoint the working committee on energy management assessment



2. Pollution Management

- 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. In conclusion, there is no environmental issue which is not in compliance with the regulations.

- The Company has no information of green-house gas emission

- Measure quality of air pollution emission, dust, sulfur dioxide, carbon monoxide, and nitrogen dioxide, at least twice a year. The results show the quality of air emission is in accordance with the laws and regulations

- Measure annoyance noise level at least once a year. The result shows the noise level is in accordance with the laws and regulations

- Efficient water emission management which the result shows the water is treated before emission accounted for 79.96% of total water emission quantity, increased by 0.07% compared to the year 2021.

3. Energy Management

- Efficient control of energy usage by concerning energy preservation. The energy data management system is implemented for energy usage planning

- Set up key performance indicators (KPIs) of energy usage in production process such as electricity, water, and etc. with an aim to reduce energy usage and control of energy cost. Monitoring energy usage has been regularly done at least once a month to ensure the achievement of the targets

- Submit the report of annual energy management which is in compliance with the regulations of Department of Alternative Energy Development and Efficiency. The report is covering the policy and the implementation of energy management such as the policy, the energy assessment, the implementation according to the plan

- Promote the campaign of energy and natural resources usage in order to most efficiently utilize the usage of energy, water, electricity, office stationery through expense saving projects; which the target of saving is set and assessed

- Communicate and train the employees to understand and be aware of environment protection and energy saving through many communication channels such as PR board, meeting, and morning talk activity, and etc.



- 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 less energy loss

- Install Solar rooftop which shall help to reduce electricity usage and pollution

- Change light lamp to LED lamp around 200 pieces, which can help to reduce electricity usage by approximately 58,300 baht per year

- In the year 2022, total production quantity is increased by 5.66% whereas electricity usage and water usage are decreased by 3.53% and 6.08% respectively

- The Company policy is to reduce the usage of ground water due to ground water is needed more energy usage to treat the water quality. In the year 2022, usage of ground water is decreased by 31.59%.

4. Waste Management

- 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 oil, unused vegetable waste, and etc. The policy and procedure of selecting the bidders of unused materials is clearly set

- Promote campaign of waste and garbage separation as well as continuously build awareness of environment protection.

- Total waste and garbage quantity in the year 2022 is amounting to approximately 303 tons, decreased by 76.5 tons. The Company operates the discharge of sewage and garbage is in accordance with the laws and the regulations.

5. The Company has been encouraging and communicating the suppliers to operate their businesses to be in accordance with the laws and regulations concerning environment as well as encourage their eco-friendly products development. In addition, the Company has been collaborating with the customers to develop the products in response to the customers' concerns of environment.

6. 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 loyalty and fairly to the relevant stakeholders such as customers, partners, competitors, debtors, and community. The Company has operated according to code of business conduct by concerning delivery of good and quality products and services. The contribution to social activities especially educational and environmental activities has been always in place.

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

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

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 wage, the Company's others welfares and employee's benefits are provided such as provident fund, social security, life insurance, health insurance, medical expense, dental treatment expense, scholarship to the employees' child, sick visit expense, funeral expense, annual health check-up, good performance staff rewards, daily free of charge steamed rice during meal time, shuttle bus, special discount price of the Company's products, and etc. The employee's remunerations are provided equally without the difference of gender, however, the remunerations shall mainly depend on experience, expertise, duties and responsibilities of each person.

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

The Company has been highly caring the employees by taking care of fair remunerations, sound working environment, jobs assignments according to each person's capability.

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
- Management 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 ensure 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 describe 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. The Company has designed the development program, which is aligned with the business strategies through various development method such as online training, on-site training, internal knowledge sharing, and public training, and etc.

2.1 Development of key persons' 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. The Company has identified the required topics as follows:-

Managerial Skill, focused on management and leadership, which is comprised of 4 topics.

- 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 and better solutions.

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 Skill; 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 their business planning skill by utilizing business model canvas tool.

2.2 Development of general group through attending public training on functional jobs

In the year 2022, there are all together 27 public training programs; such as Performance assessment on purchasing function, Transfer pricing, INCOTERM, Decision Rule, ISO IEC 17025:2017, ISO/IEC:17025 Microbiology, PDPA, Warehouse management, FSPCA IA Conducting Vulnerability Assessment, FSPCA Preventive Controls for Human Food, Biosafety law, Electronic withholding tax, Company secretary program, GMP, Risk Management, Effective Minutes Taking, and etc.

2.3 Development through internal training

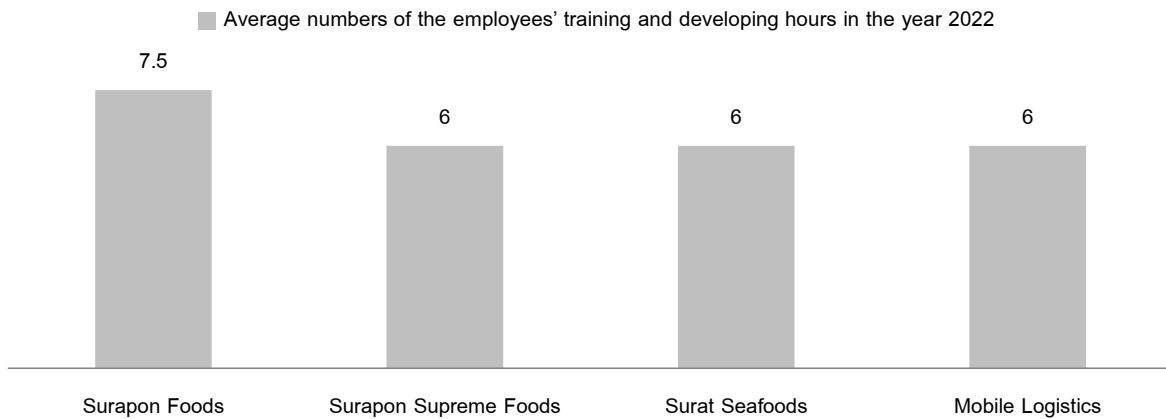
- Systematic thinking for making decision and problem solving
- The Manager program
- Food Safety Culture Implementation
- GHPs/HACCP, CODEX

2.4 Development through internal knowledge sharing

- COSO Enterprise Risk management

- SEDEX standard
- Business Experience Sharing : Export Sales
- GMP in factory

Average numbers of the employees' training and developing hours in the year 2022



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

3. Human Rights

The Company is aware of human rights and equal treatment to the employees. The Company, therefore, announces human right policy which is in compliance with Thai laws and 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, social status, education, or politics opinion.

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

The Company has implemented and complied with human right agreements and relevant laws regarding labor practices by not employing child labor and illegal foreign labor. The Company is always aware of treating the employees alike 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. The Company shall not employ child labour, illegal labour, as well as not discriminate labour upon their differences on gender, ethnics, religion, and culture
- Submit the Company's agreement to the partners and the suppliers to ask for their cooperation with the Company to comply with labor laws and anti-human trafficking
- Has been certified from the ad-hoc governmental agencies team that has no found the human trafficking and human right violation issues in the Company's operations

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

- The Company's total number of employment in the year 2022 is equal to 605 persons; which is of 127 males and 478 females.

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

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

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

4. Employee's Satisfaction

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

The Company has conducted annual employee satisfaction survey, 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 benefits
11. Jobs assigned
12. Authority assignment

Operating results

- The result score of employees' satisfaction survey in the year 2022 is equal to 76.29%, which is in line with the targets. The highest score of top three topics are organization pride, participation, and organizational relationships respectively.

- The Company also monitors turnover rate which the result in year 2022 is equal to 1.46% lower than target of 2%. The analysis of turnover rate together with exit interview results shall be discussed for further improvement.

5. Safety in the Workplace

The Company gives a high importance of safety and working environment in the workplace and highly aware of reducing 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 unsafe situations and their corrective and preventive measures
- Set up and monitor KPIs accidents within the organization. Number of the accidents in the year 2022 is equal to 7 times

Accidents	Number of cases
Quit the jobs more than 3 days	2 cases
Quit the jobs less than 3 days	1 case
Minor accident without quitting the jobs	4 cases

- Implement additional measures to monitor safety situation in front line of working as well as additional training and communicating the preventive measures and monitoring system to front line operators
- Organize safety and occupational health activities such as annual activity of safety week, fire extinguishing rehearsal, and etc. The safety week activity in the year 2022 has been held on October 27-28, 2022.

6. Customers

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

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

Operating results

- Establish customer services function as the channels to promptly contact with the customers through telephone, facebook, LINE, and etc. The customers can also question or give suggestion before, during, or after the buying. The Company has been striving to create the customers' good satisfaction and good experience.
- Set up clear process and procedure to manage the customers' complaints issues as following steps:-
 1. Coordinate with the customers within 24 hours after the complaint is submitted to get more information of the complaints. In some case, the appointment to meet the customers might be implemented for gathering additional and completed necessary information
 2. Coordinate with the relevant organizations/functions to review and audit the cause of the complaints/problems,

the response to the customers shall be responded by 3 days

3. In some case, the appointment to re-visit the customers might be implemented to ensure the problem is corrected or well-understood.

• 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 2022 is equal to 85.20%, compared to the target of 88.00% but increase from the year 2021, which the score is equal to 83.00%.

• Implement the project of services quality development to deliver total quality to the customers in all service touch points

• Review code of business ethics, which shall be working guideline of the treatment to the customers with fair and appropriate

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

• 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

• Establish the policy and working procedure in regard of communicating necessary information of the products and services to the customers accurately, sufficiently, not overstated. In addition, disclosure of the products' information and contact channels on the packages shall be conformed to the relevant laws strictly and completely

• Establish the policy and necessary measures of personal data protection, privacy notice, as well as implement the data protection in all business process, in accordance with Personal Data Protection Act, including its consequent notifications.

• There is no violation and illegal case of consumer protection laws or unsafety from consumption during past three years.

7. Partners/Suppliers

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

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

Operating results

• Establish the policy and working guideline of treatment to the partners as well as strictly implement according to the policy. There is no case of the violation of treatment to the competitors in the year 2022

• Review business ethics code, which is covering working guideline of the treatment to the partners/suppliers with fair and appropriate

• Meet and discuss regularly with the partners and suppliers to communicate the Company's important policies such as anti-corruption, targets of quality, and collaboration of quality development in order to ensure the good products and services to the stakeholders by concerning mutual and win-win benefits in the long-term as contributed to the achievement of the Company's vision and mission.

• Establish criteria of selection and assessment of the suppliers, covering quality, services, and delivery in order to

ensure the good quality of raw material and services are in conformed to the set quality standards, which shall finally ensure good quality of finished goods and service delivered to the end customers

- In process of the suppliers' selection, shall consider fairly and transparently upon the results of assessing quality of the suppliers as set criteria. Conflict of interest's the operators and the approvers shall be regularly audited
- Encourage and support the suppliers to develop eco-friendly products/green products as well as encourage their operations to be in compliance with the laws regarding environment and energy conservation
- Communicate and ask for cooperation from the suppliers to operate their businesses according to the Company's anti-corruption policy and the laws regarding labour and human right.

8. Debtors

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

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

Operating results

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

9. Competitors

The Company gives a high importance of

The Company is highly aware of treatment to the business competitors under the accepted internationally fair business competition principles. The following guidelines has been strictly implemented:-

1. Strive to operate the business under the fair business competition principle

2. Not seek the business competitor's confidential information with inappropriate action
3. Not discredit and not slander the business competitors

Operating results

- Establish the policy and working guideline to treat the business competitors as well as strictly operate the business according to the policy. In the year 2022, there is no dispute case with the business competitors
- Review code of business ethics, covering working guideline to treat the business competitors.

10. Intellectual Property and Copyright

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

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

Operating results

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

11. Anti-Corruption

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

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

2. Establish the anti-corruption policy and its guidelines in all possible forms of corruption; political support, donation, sponsorship, gifts, and reception and entertainment expenses. Moreover, other related anti-corruption policies have been established such as good corporate governance policy, internal audit and internal control policy, risk management policy, supervision of internal information usage policy, corporate social responsibility policy, and conflict of interest protection policy. The Company shall govern, monitor, and follow up the implementations according to the policies by concerning transparency, not violation of laws, and providing the best efforts to protect and prevent the wrongful actions in the organization
3. Develop efficient human management system to enable the employees' capability as well as to promote corporate value and culture of anti-corruption. Moreover, the Company shall regularly communicate the anti-corruption and code of business ethics to the employees
4. Arrange the suitable and efficient internal control system to support the anti-corruption prevention and good corporate governance in the organization
5. Assess risk of corruption as well as determine and implement the necessary measures to deal with the risk
6. Arrange the whistle-blowing channels for the employees and the stakeholders can submit and inform the Company regarding corruption and/or corporate governance cases
7. Arrange accurate financial reports, which are in compliance with the financial reporting standards
8. Procurement function shall operate with transparency and shall be in compliance with the laws, the regulations, and the procedure. Procurement process shall be audited regularly
9. The directors, the executives, and the employees, are responsible for monitoring and preventing corruption in the organization. In case of corruption or possible corruption case found, shall have to inform the incident to the heads or inform through whistle-blowing channels. The Company shall commit to keep the whistle-blower as strictly confidential.
10. The directors, the executives, and the employees agree and accept to perform their duties in compliance with anti-corruption policy and Thailand anti-corruption laws. In case of violation of anti-corruption policy, shall be penalized as stipulated in the working procedure and might be filed for legal punishment
11. Establish the process of declaring and informing anti-corruption policy and its working guidelines to the subsidiary companies.

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

1. Political supports policy
2. Donation and sponsorship policy
3. Human resources management to prevent corruption policy
4. Whistle-blowing policy
5. Conflict of interest prevention policy

Operating results

- The Company is re-certified to be member of Thailand's private sector coalition against corruption (CAC) on December 22, 2021
- The Board, the executive, and all employees sign to commit and to perform their duties according to the anti-corruption policy

- Assess risk of corruption as well as monitor the risk at least once a quarter through risk management committee
- Communicate anti-corruption in the organization through various channels such as whiteboard, training, VDO clip under the key concept of “not endure, not allow, and not ignore” to all wrongful actions
- Internal audit function has regularly audited the employees’ understanding of anti-corruption policy and its guidelines, and then report the audit results to Audit committee
- Establish whistle-blowing channels, by postal or whistle-blowing@surapon.com as well as communicate the channels, the protection system, the investigation committee according to the whistle-blowing policy. In the year 2022, there is no whistle-blowing case as prescribed in the policy, to be submitted to Audit committee for their consideration
- 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
- Communicate no gift policy
- Organize Anti-corruption day for the year 2022 on October 27-28, 2022. The activities include communication and awareness building of anti-corruption



12. Social and Community

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

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

Operating results

The Company has participated in social activities as well as encouraged the employees to participate in social activities. In the year 2022, some social activities and community supports are as follows:-

1. Surapon Foods’ Blood Donation with Hearts

The Company organized 2 times activity of Surapon Foods’ Blood Donation with Hearts. Total donated blood given to Thai Red Cross Society is equal to 36,650 c.c.



2. Surapon Foods’ Smiles’ Sharing

The Company and the staff collected and shared household equipment and educational medias through The Mirror Foundation.

3. Surapon Foods' Used Calendar Donation

The Company and the staffs collected and shared used calendar to reproduce as Braille code book through Foundation to the Blind in Thailand under the Royal Patronage of H.M. the Queen.



4. Surapon Foods' Delivering Loves, Smiles, and Delicious Meals

The Company sponsors the delicious and safe meals to the senior at Wai Wattananiwas Foundation, nursing home in Samutprakarn province.

5. Surapon Foods' Delivering Loves, Smiles, and Delicious Meals

The Company sponsors the delicious and safe meals to Association for the Promotion of the Status of Women under the Royal Patronage of HRH Princess Soamsawali Krom Muen Suddhanarinatha, an emergency home services provided to women and children.



6. Surapon Foods' Scholarship

The Company gives 50 scholarships to the staffs' children.

7. In the year 2022, there is no issue or dispute of social, community, and environment.

13. Innovation Development

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

4. Management Discussion and Analysis

The profit for the year 2022 of Surapon Foods Public Company Limited and its subsidiaries (or “the Company and its subsidiaries”) was Baht 166.7 million (2021: Baht 443.1 million), decreased by Baht 276.4 million or 62.4% compared to the year 2021. Profit attributable to owners of the parent is amounting to Baht 83.5 million (2021: Baht 205.2 million), decreased by Baht 121.7 million or 59.3%.

In the year 2022, the global pandemic situation of COVID-19 has been improved compared to the year 2021, the restriction policies to prevent the spread-out have been relieved, resulting an increase of economic. However, overall consumption has been deteriorated due to global higher commodities price and higher cost of raw materials as well as an increase of interest rate and fluctuation of foreign exchange fluctuation have been directly affected consumer’s purchasing power and their spending.

Revenue from sales of goods of the Company and its subsidiaries in the year 2022 was Baht 5,718.2 million, increased by Baht 223.6 million or 4.1% compared to the year 2021. The increase was mainly due to increase of sales of frozen and processed foods to domestic market, especially restaurants and hotels channel and sales of frozen and processed shrimp products to Japan.

Revenue from rendering of services of the Company and its subsidiaries in the year 2022 was Baht 130.3 million or increased by Baht 36.4 million or 38.8 % compared to the year 2021. The increase was in line with the recovery of Thailand’s economic situation. Moreover, one of the subsidiary company; namely Mobile Logistics Co., Ltd. has been able to provide more variety of cold-chain logistics services; including cold storage of frozen products, chilled products and ambient room-temperated products as well as distribution to more locations and routes, and other services of packing and sorting products to existing and new customers.

In the year 2022, the Company and its subsidiaries have been impacted by an increase of main raw materials’ price; especially pork, chicken and palm oil, due to overall supply of raw materials is decreased and volatile from weather change and international political and trading disputes in source of supply countries. Consequently, the Company and its subsidiaries’ overall cost of production in the year 2022 was significantly increased.

Operating results in the year 2022

Revenue from sale of goods

Revenue from sale of goods according to consolidated financial statements for the year 2022 was Baht 5,718.2 million, increased by Baht 223.6 million or 4.1% compared to the year 2021. The significant changes of revenue from sale of goods of the Company and its subsidiaries in the year 2022 compared to the year can be summarized as followings:

1. Revenue from sale of goods of Surapon Foods Public Company Limited (“SSF”) was increased by Baht 56.1 million or 10.7%. This is mainly due to sales value in Thailand was increased by Baht 38.4 million or 16.0% as result of pandemic situation of COVID-19 in Thailand has been relieved, leded to an increase of consumption. Sales of main products is increase; especially machine-made gyoza product, which is cost competitive and quality.

2. Revenue from sale of goods of Surapon Finest Company Limited (“SOFINE”), mainly operating in the sales of

frozen foods in Thailand, was increased by Baht 65.9 million or 14.4%. The increase was mainly due to pandemic situation of COVID-19 in Thailand has been relieved, leading to an increase of consumption and economic activities in Thailand. Accordingly, Main increase of sales is in restaurants and hotels channels. Another contribution of sales increase is sales of new foods' kiosk, named "Stupid Fries" which was established in the year 2020. Number of Stupid Fries branches has been continuously increased, contributing to an increase of sales by Baht 19.9 million or 118.5%. The contributing factors generating an increase of sales of Stupid Fries are such as continuity of new menu creation, good quality control of products and services, and standardized internal management. In the year 2022, Stupid Fries is prestigiously awarded Thailand's Best Small Franchise" and Thailand's First Runner-up Best Food Franchise" from Department of Business Development, Ministry of Commerce.

3. Revenue from sale of goods of Surat Seafoods Company Limited ("SS") was increased by Baht 158.9 million or 22.4%. This is mainly due to the additional production capacity, which previously invested in additional machines and facilities. In the year 2022, SS also received additional purchasing orders of frozen processed shrimp products from its customers; especially its main market of Japan who has been highly aware of products and delivery' quality and trustworthiness, which is in line with SS's business positioning in the market.

4. Revenue from sale of goods of Surapon Nichirei Foods Company Limited ("SUNIF") was decreased by Baht 39.6 million or 1.2%. During the first half of the year 2022, Production capacity of SUNIF and its suppliers of main raw materials was significantly affected from labour shortage due to COVID-19 pandemic, although, SUNIF still continuously received purchasing orders from its customer. However, labour shortage was resolved and resumed as normal during second half of the year 2022.

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 2022 amounting to Baht 130.3 million, increased by Baht 36.4 million or 38.8%. An increase of economic activities due to pandemic situation of COVID-19 has relieved, consequently demand for MBL's cold-chain logistics services has been increased as well as MBL has expanded its capacity by rent of new additionally cold storage to fulfill its existing and new customers' demands.

Gross profit margin

Gross profit margin of revenue from sale of goods was 10.7%, decreased from the year 2021 which was 15.3%. Main reasons of a decrease of gross profit margin can be explained as following:

1. An increase of raw materials price throughout the world; especially pork, chicken, palm oil and soy bean oil, leading the Company and its subsidiaries' cost of production were increased
2. Fluctuation of exchange rate, which directly impacted to the revenue and operating result of the Company and its subsidiaries due to its main revenue is from export sales. In the year 2022, an appreciation of Thai Baht against Japanese Yen, leading a decrease of Japanese consumers' purchasing power as well as impacting the Company and its subsidiaries' revenue in Japanese Yen currency after converted to Thai Baht currency.

Distribution cost

Distribution cost in the year 2022 was Baht 327.2 million, increased by Baht 85.5 million or 35.4%. This was mainly due to an increase of sea freight expense in the year 2022 especially transportation route to Japan as the Company and its subsidiaries 'main market.

Statement of financial positions

Assets

Total assets of the Company and its subsidiaries as at 31 December 31, 2022 was Baht 4,225.5 million, increased by Baht 56.2 million or 1.3%, compared to as at December 31, 2021. The significant changes can be summarized as follow:

1. Cash and cash equivalent as at 31 December 2022 was Baht 325.6 million, decreased by Baht 78.6 million or 19.5%. For the year 2022, there were a net cash from operating activities amounting to Baht 296.5 million, net cash used in investing activities, and financing activities amounting to Baht 307.9 million and Baht 67.2 million, respectively.

2. Inventories as at 31 December 2022 was Baht 652.1 million or increased by Baht 98.9 million or 17.9%. An increase was mainly due to an increase of revenue from sales of goods as prescribed above. Average inventories turnover of the year 2022 and the year 2021 was 43 days and 40 days respectively.

3. Outstanding balance of net property, plant and equipment as at 31 December 2022 was Baht 2,636.5 million, increased by Baht 43.9 million or 1.7%. The main reasons were additional investment of plant and equipment during the year 2022 amounting to Baht 342.6 million and the depreciation for the year 2022 amounting to Baht 325.9 million. Main increase of investment is in one of the subsidiary company; namely Surapon Supreme Foods Co., Ltd., due to its plant renovation.

Liabilities

Total liabilities of the Company and its subsidiaries as at 31 December 2022 was Baht 1,857.8 million, increased by Baht 279.5 million or 17.7%. The significant changes can be summarized as follows:

1. Trade accounts payable as at 31 December 2022 was Baht 225.1 million, decreased by Baht 66.3 million or 22.8% mainly due to a decrease of raw materials' purchasing amount. Average repayment period in the year 2022 was 18 days, while 21 days in the year 2021.

2. Short-term loans from financial institutions as at 31 December 2022 was Baht 675.3 million, increased by Baht 419.5 million or 164.0%. due to an increase of drawdown of short term loans in two subsidiaries to support their operating activities.

3. Long-term loans from financial institutions as at 31 December 2022 was Baht 326.3 million, decreased by Baht 64.2 million or 16.4% due to repayment of long term loans.

Equity

Total equity of the Company and its subsidiaries as at 31 December 2022 was Baht 2,367.7 million, decreased by Baht 223.2 million or 8.6%. During the year 2022, the Company and its subsidiaries posted its profit amounting to Baht 166.7 million, the dividend payment by the Company of Baht 140.0 million, and the dividend payment by the subsidiaries to non-controlling interests of Baht 240.0 million.

Liquidity

Cash flow statements of the Company and its subsidiaries for the year ended December 31, 2022 can be summarized as follows:

1. Net cash from operating activities was Baht 296.5 million, decreased by Baht 429.5 million or 59.2%. due to a decrease of net profit in the year 2022

2. Net cash used in investing activities was Baht 307.9 million, increased by Baht 98.8 million or 47.3%, mainly due to an increase of acquisition of plant and equipment in the year 2022

3. Net cash used in financing activities was Baht 67.2 million, decreased by Baht 638.4 million or 90.5%, mainly due to additional cash received from short-term and long-term loans from financial institutions.

In the year 2022, 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 their business's continuity. All sources of fund are from cash flows from operating activities, loans from financial institutions or its subsidiaries without issuances of bond, debt securities and capital increase.

Important forward looking factors that might affect the financial position or operations' result of the Company and its subsidiaries in current and future periods can be summarized as follows:

1. The Company and its subsidiaries' current and future businesses have been mainly operating in frozen foods or particularly related businesses; mainly rely on main raw materials of agricultural products such as chicken, shrimp, pork, fish, and etc. Quantity and price of agricultural products have been always unexpectedly fluctuating according to different seasons, environment, weather, consumption demands, disease in Thailand and foreign countries. Therefore, raw materials sourcing capability 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 measures and actions have been intensely implementing such as additional sourcing from new suppliers domestically and non-domestically, keeping the appropriated inventories balance, as well as developments of substituted and alternative raw-materials, which are more stabilized, in order to mitigate business risks and maintain business continuity.

2. Production process has been still required labor in which shall be able to be impacted by many uncontrollable factors such as labor shortages from the spread out of diseases in humans, restrictions of importing foreign labor during some certain periods, change of population structure, jobs selection behavior of the new generation, and national minimum wage policy. Such factors inevitably affect adequacy of labor supply and labor cost in the cost of production at the moment and might be tended to be more seriously in the future. The Company and its subsidiaries have been implementing various measures and actions to deal with this issues such as annually setting the investment budget and continuously applying the machines to the production process, increasing recruiting channels to fulfill labor supply in production process as well as applying more flexible and suitable benefits' payment which shall be fit with the labor market situation in each different production location. In addition, utilization of machines in production process has been also contributing to increase production efficiency, better manage cost of production, better control quality.

3. The Company and its subsidiaries' total revenue from sales of goods has been highly contributed by one of major customer in Japan. Accordingly, the Company and its subsidiaries have been managing this possible business risk by pushing sales to other customers as well as increasing additional sales and marketing channels in Japan together with expanding sales to other countries/markets such as Australia, United Kingdom, South Korea, Taiwan, and etc. To achieve this business target, the Company and its subsidiaries have been developing the products, suitable for each targeted markets.

4. The Company and its subsidiaries' businesses are mainly depended on export, which revenue from sales of goods to oversea. Fluctuation of foreign exchange rate shall significantly impact the Company and its subsidiaries' revenues and operating results. The Company and its subsidiaries, therefore, have been managing this business risk by entering into forward contract of foreign exchange together with using the spot rate from time to time for production cost management and selling planning. Selling price offering shall be carefully quoted by concerning the changed situation in each period. The Company and its subsidiaries have been also closely monitoring and foreseeing the situation of foreign exchange at all time.

5. In response to more continuously changing of consumption behavior by being more awareness of health, safety and hygiene, the Company and its subsidiaries has been closely monitoring the change and development of consumption behavior so as to be in advance prepared of internal business operations' adjustment in response to the stakeholders' expectation on business sustainability such as new product development of plant-based protein, long-term business competition in the markets by delivering reliable quality and services, internal business operations' adjustment to serve the stakeholders' expectation in aspect of responsible environment and social concerns, and together business collaboration with the partners and the suppliers of raw-materials in order to ensure quality of consistent raw-materials. The Company and its subsidiaries have strongly committing to generate the long-term best benefits to the shareholders and the stakeholders throughout the whole business value chain.

The Company and its Subsidiaries' Key Financial Ratio

Liquidity Ratio	2022	2021	2020
1. Liquidity ratio	0.99	1.20	1.22
2. Quick ratio	0.47	0.65	0.75
3. Operating cash flow to current liabilities	0.25	0.66	0.78
4. Account receivables turnover	19.54	20.85	21.98
5. Debt collection period	19	18	17
6. Inventory turnover rate	17.35	18.32	17.33
7. Average inventory period	21	20	21
8. Inventory turnover	8.47	8.90	9.16
9. Average sales period	43	41	40
10. Account payable turnover	20.28	17.03	18.37
11. Debt payment period	18	21	20
12. Cash Cycle	44	37	37

Profitability Ratio	2022	2021	2020
1. EBITDA (%)	8.90	14.43	13.14
2. Gross margin (%)	10.48	14.81	14.64
3. Operating profit margin (%)	3.20	8.53	7.55
4. Net profit to total revenue (%)	2.77	7.71	6.92
5. Return on equity	6.72	17.87	17.89
6. Capacity utilization Rate (%)	76.00	80.74	78.99
7. Return on fixed assets	2.13	2.05	2.18
8. Other revenues to total revenues (%)	2.68	2.72	1.18
9. Cash to profit margin (%)	158.35	152.36	197.53

Financial Policy Ratio	2022	2021	2020
1. Interest coverage ratio (ICR)	30.13	41.46	27.92
2. Debt service coverage ratio (DSCR)	0.64	1.65	1.29
3. D/E ratio	0.78	0.61	0.77
4. Interest bearing debt to equity (IBD/E ratio)	0.45	0.28	0.44
5. Dividend per share (Baht per share)	0.48	0.52	0.33
6. Dividend to profit (%)	69.78	72.91	75.00
7. Dividend yield (%)	5.96	3.76	2.95
8. Debt service coverage ratio	94.00	88.58	89.53
9. Current portion of interest-bearing debt to total interest-bearing liabilities ratio	78.75	68.84	57.77
10. Interest bearing debt to EBITDA ratio	1.99	0.88	1.35

Efficiency Ratio	2022	2021	2022
1. Assets turnover	1.43	1.38	1.42
2. Return on assets	3.97	10.61	9.82
3. Return on fixed assets	17.52	27.90	26.26

5. General Information and Other Material Facts

5.1 General Information

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

References

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

5.2 Other Material Facts

- none -

5.3 Legal Disputes

- none -

5.4 Secondary Market

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

Part 2

Corporate Governance

6. Corporate Governance Policy

The Board of Directors establishes good corporate governance policy by giving high importance of internal control and internal audit systems as well as aiming to govern the management to operate the business in accordance with good corporate governance policy in order to protect 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 has been disclosed the policy through the website, under topic of investor relations. Essence of the policy and its implementations can be summarized as follows: -

Policy and guidelines related to the Board

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

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

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

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

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

Policy and guidelines related to the Shareholders and Stakeholders

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

1. Equitable Treatment of the Shareholders

The Company establishes policy of facilitating the Shareholders to attend the shareholders' meeting in order to promote the shareholders' right in the Shareholders' meeting. 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 involve any trading transaction of the Company's stock in the period of one month prior to publicizing the financial statements. The Boards and the Executive as specified in Securities and Exchange Act shall have to inform the Company one day prior to involving in any trading transaction of the Company's stock.

The Company has been communicating the Boards, the Executives, the relevant staffs in regards to insider information protection quarterly as well as silent period of the Company's stock trading. In the year 2022, there is no violation case of insider information usage.

The Company also establishes conflicts of interest protection policy. The Directors and the Executives, 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 Executives, including their related persons when they first-time post in their directorship and management positions and if there is the change of related transactions during the terms in office. In the year 2022, there is no violation case of conflict of interest policy.

3. Responsibility towards the Stakeholders and Anti-Corruption

The Company is highly aware of roles of the stakeholders, therefore, establishes the written code of business ethics, guidelines of the treatments to each stakeholder group as prescribed in 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 resources management to support anti-corruption protection, whistle-blowing policy, and conflict of interest protection policy. The Company's policy is to not accept, offer, or request for money or other benefits in violation of anti-corruption policy and the relevant regulations. The Company has been re-certified to be the member of Thailand's private sector coalition against corruption (CAC). The investors and the shareholders can study details of the policy and its implementations from topic no. 3 (Business sustainability) of this report.

6.2 Business Code of Conduct

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

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

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

6.3.1 The Board regularly reviews the policies related corporate governance and anti-corruption as well as charters of all sub-committees at least once a year. The most recent revision is made according to the Board's meeting on September 29, 2022. The Boards has passed the resolution to amend the good corporate governance policy in regards of Board and the Executives' informing their trading transaction of the Company's stock one day prior to the trading day.

6.3.2 The Board annually reviews the appropriateness of adopting CG code principle to the Company's business operations and managements as well as considers other substitution measures; suitable for the Company's business context. The most recent review and consideration is made according to the Board's meeting on September 29, 2022.

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

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

6.3.5 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 Company's policy

6.3.6 The Company is highly aware of equitable treatments to the Shareholders, especially their participations in governing the Company's overall business operations through attending the Shareholders' meeting. In the year 2022, the Company convenes the AGM meeting on April 27, 2022 through electronic system.

The actions prior to AGM meeting

- Allow the Shareholders to propose the 2022 AGM agenda during October 1, 2021 to December 31, 2021 as the Company announces and publicizes the criteria to propose the AGM agenda through the website. There is no proposal of AGM 2022 agenda from the Shareholders submitted to the Company
- Disclose the Board's resolutions of the 2022 AGM invitation, AGM agenda, and record dates of AGM attending and dividend payment through website of the Stock Exchange of Thailand within the same date as the Board' meeting date
- Publicizes the AGM invitation letter and all supporting documents, both Thai and English versions through the Company's website on March 25, 2022 (more than 30 days prior to AGM date). The hard copy of full set of AGM invitation letter and all supporting documents were sent by registered postal to the Shareholders on April 4, 2022 (more than 21 days prior to AGM date). The Shareholders, therefore, shall have enough time to study all meeting's matters before the AGM date.
- The Shareholders can assign the Company's independent director or another person to be their proxy voting on their behalf. The Company encourages the proxy to use proxy form version of B (the proxy grantor can prior vote on each

specific agenda). The hard copy of proxy form is also distributed to the Shareholders together with the AGM invitation letter by postal

- The Shareholders can submit their questions to the Company prior to the AGM date.

The actions during AGM meeting

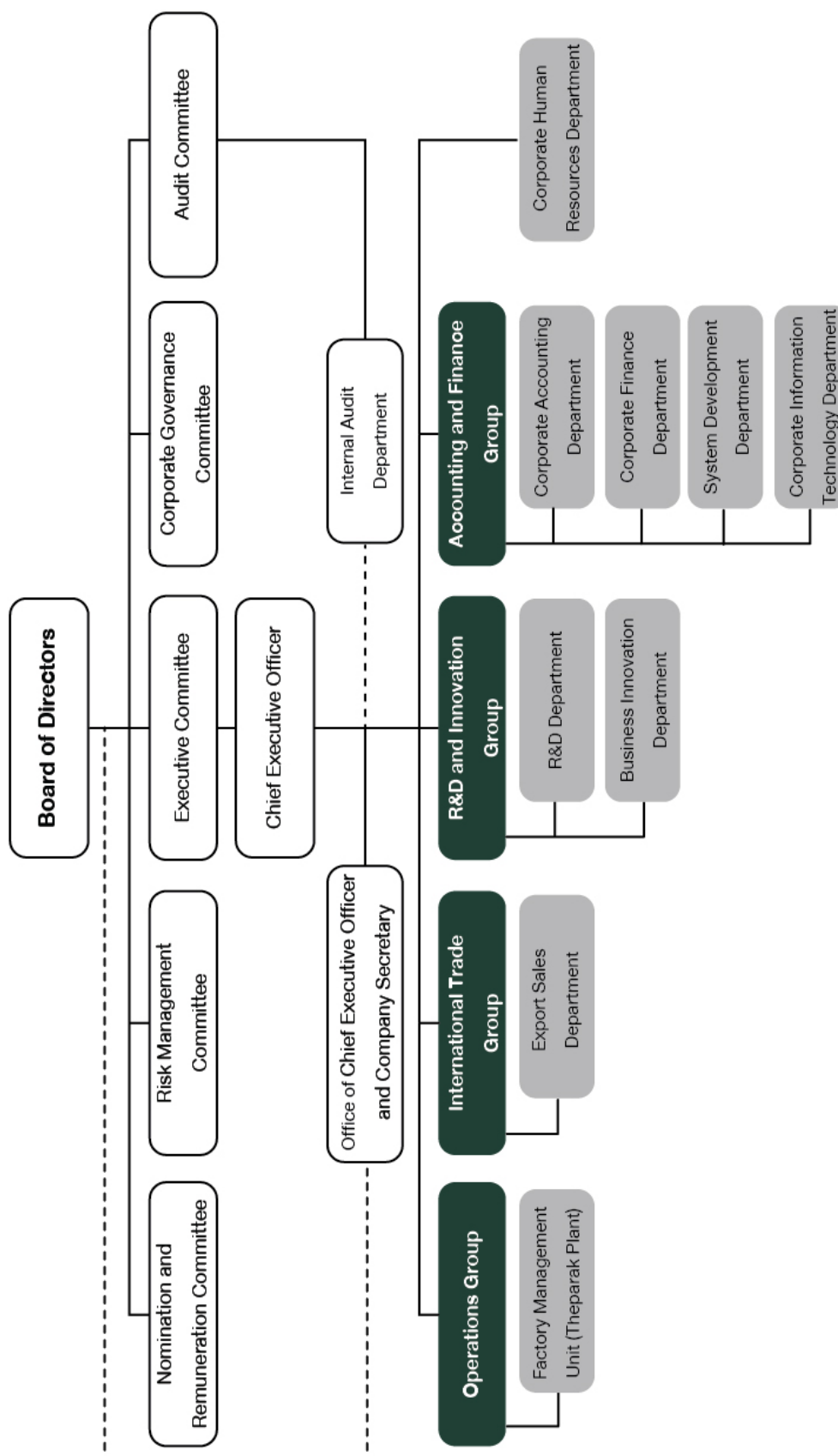
- Convenes the AGM through electronic meeting. The Company fully facilitates the Shareholders to attend the e-meeting
 - Provides and arranges enough staffs to help and support the shareholders attending the e-meeting
 - Implements efficient and fully integrated e-meeting system; e-registration, e-voting, and declaration of the voting results so the e-meeting can be proceeded accurately and precisely
 - Declares all required criteria and procedures of the meeting attendance before declaring the meeting starts
 - The meeting voting is done through electronic system in all agenda item. In the directors' election agenda, the shareholders 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 same date as AGM 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 Executives attended, all information presented in the meeting, details of questions and answers, and voting results in each agenda, and number of the Shareholders or the proxies presented and voted in each agenda item. The meeting minutes is done and disclosed through the Company's website and submitting to the Stock Exchange of Thailand within fourteen days after the AGM date.

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

7.1 Corporate Governance Structure



7.2 Information on the Board of Directors

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

7.2.1 The Composition of the Board of Directors

As at December 31, 2022, 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)
--	--	--

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

- | | |
|---------------------------------|--|
| 1. Mr. Kosol Chantikul | Independent Director and Chairman of the Board |
| 2. Mr. Sathaporn Kootheeranurak | Independent Director and Chairman of Audit Committee |
| 3. Mr. Kanett Chatthammarak | Independent Director and member of Audit Committee |
| 4. Mr. Kunakorn Makchaidee | Independent Director and member of Audit Committee |

7.2.2 Information of the Directors and Controlling Persons

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

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

The Board of Directors is responsible for the Shareholders to supervise and govern the business's operations by concerning business ethics in order to create the best benefits to the 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 transactions such as investment, acquisition or disposal of significant assets, and other transactions as required by laws
5. To consider significant related party transactions of the Company and the subsidiary companies as required by laws or regulations
6. To consider the Board's performance evaluation
7. To consider the Chief Executive Officer's performance evaluation

8. To establish and 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, resolution of the Shareholders' meeting, and resolution of the Board's meeting.
10. In consideration of conflict of interest transaction, Independent directors are required to present the meeting and consider the transaction
11. To appoint and assign the Sub-committees to be responsible for responsible for governing and screening some important issues
12. To consider duties, responsibilities, and power of authority of the CEO and chairman of Executive Committee
13. To establish relevant policies to support the business operations to be in compliance with the good corporate governance policy.

Chairman of the Board and Chief Executive Officer (CEO) shall be different person. Chairman of the Board is Independent Director, is responsible for promoting the Director's duty performing, presiding the Board's meeting and the Shareholders' meeting as well as managing relationships among the Directors, the Executives, and the Shareholders for the best benefits of the Company. CEO is responsible for managing and governing the business operations in accordance with the Board's policy in order to ensure the achievements of business targets.

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

7.3 Information on Sub-committees

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

7.3.1 Audit Committee

As at December 31, 2022, 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	Makchaidee	Committee (Independent Director)
Thereby, Mr. Wichian Roruksa carries out duties as Secretary of Audit Committee		

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

Audit Committee's Duties and Responsibilities :-

1. To review the Company's financial reporting in order to ensure the accuracy and adequacy
2. To review the Company's internal control system and internal audit system to ensure the suitability and efficiency, to consider independence of internal audit function, to approve the appointment, transfer and dismissal of the head of internal audit, as well as to approve annual internal audit plan and internal audit function's charter
3. To review compliance of the Company's performance with the laws
4. To review internal audit measures as well as to govern the implementation according to anti-corruption policy
5. To review the correctness of implementation of anti-corruption measures according to the self-assessment form of being the member of Thailand's private sector Coalition against Corruption.
6. To consider, select and nominate the Company's independent auditor, and to propose auditing fee, as well as to attend a non-management meeting with independent auditor at least once a year
7. To review related person transactions, or the transactions that may lead to conflicts of interests, to ensure the compliance with the laws and the Exchange's regulations, and are reasonable and are of the Company's best benefit
8. To prepare and disclose the report from Audit Committee through the Company's 56-1 one report; consist of at least the following information:
 - An opinion on the accuracy, completeness and reliability of the Company's financial report
 - An opinion on the adequacy of the Company's internal control system
 - An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
 - An opinion on the suitability of the independent auditor
 - An opinion on the related person/conflicts of interests transactions
 - Number of the audit committee meetings, and number of the meetings' attendance by each committee member
 - An opinion or overview comment from its performance of duties in accordance with the charter
 - Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board
9. To review the Company's risk management system independently
10. To consider the hire of the independent advisor or professional expert to give advices as the Audit committee sees it appropriate
11. To perform any other act as assigned by the Board, with the approval of the audit committee.

7.3.2 Corporate Governance Committee

As at December 31, 2022, 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 the Secretary

Corporate Governance Committee's Duties and Responsibilities :-

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

7.3.3 Nomination and Remuneration Committee

As at December 31, 2022, 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	Makchaidee	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 propose the nomination of the candidate(s) who possess the suitable qualifications, experiences, expertise to be elected or appointed as the Company's Directors by concerning loyalty, ethics, and the Company's benefits, which is in accordance with the Director's Nomination policy
2. To propose the Directors' remunerations which is in accordance with the Directors' remuneration policy by concerning duties, responsibilities, experiences, performance, and comparable remunerations with same/almost same businesses
3. To follow up the updated working guidelines regarding the Directors' nomination and remuneration as be introduced by the relevant regulatory institutions
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, 2022, Risk Management Committee is comprised of the following:-

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

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

Risk Management Committee's Duties and Responsibilities :-

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

7.3.5 Executive Committee

Executive Committee as at December 31, 2022 is comprised of the followings:-

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

Executive Committee's Duties and Responsibilities :-

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

7.4 Information of the Executives

7.4.1 The Executives

Names and positions of the highest ranking executive and the next four executives including the same level as the fourth highest ranking executives as at December 31, 2022 are as follows:-

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

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

7.4.2 Remuneration Policy

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

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

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

7.4.3 Total Amount of the Executives' Remunerations

Monetary Remunerations

Remunerations	Year 2022		Year 2021	
	No. of persons	Thai baht	No. of persons	Thai baht
Salary	5	18,687,588	5	18,065,124
Annual Bonus	5	6,234,471	5	5,016,281
Others	5	1,928,332	5	139,288
Total	5	26,850,391	5	23,220,693

Remark : 1. Other remunerations; comprised of gasoline expense, telephone expense, per-dium, and compensation benefit in case of retirement according to labour law.

2. Compensation benefit in case of retirement from working is only recorded in the year 2022.

The Company also provides 2% rate of provident fund for the employees. In the year 2022, the Company supports the provident fund for the five Executives amounting Baht 373,752.

Non-monetary Remunerations

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

7.5 Information of Employees

Since the main business of the group company is manufacturer of foods products in factories. Most employees are daily staffs who have been working in the production line in the factories. The remunerations of those employees shall be received upon actual date of working date and in full compliance with labor law. Number of daily staffs as at December 31, 2022 amounting 3,287 persons or accounted for 79% of total employees of the group company.

Total Employees of the Group Company as at December 31, 2022

Company's name	Monthly Staffs	Daily Staffs	Total
Surapon Foods PLC.	149	448	597
Surat Seafoods Co., Ltd.	68	607	675
Surapon Supreme Foods Co., Ltd.	139	448	587
Surapon Finest Co., Ltd.	110	-	110
Mobile Logistics Co., Ltd.	96	94	190
Surapon Nichirei Foods Co., Ltd.	327	1,690	2,017
Total	889	3,287	4,176

Total remunerations of the Employees in group company in the year 2022 amounting Baht 1,167,372,496 which is comprised of the following items :-

Remunerations	Baht
Salary and wage	726,739,527
Annual bonus	190,300,569
Overtime	100,187,658
Employee benefits	15,022,928
Other	135,121,814
Total	1,167,372,496

The group company provides provident fund for the employees. In the year 2022, there is all together 715 persons joining in the provident fund.

Company's name	No. of Persons joining the Provident Fund	% Joining the Provident Fund	Contribution Amount from the Company (Baht)
Surapon Foods PLC.	118	20%	1,570,001
Surat Seafoods Co., Ltd.	62	9%	459,052
Surapon Supreme Foods Co., Ltd.	108	18%	762,850
Surapon Finest Co., Ltd.	65	59%	797,275
Mobile Logistics Co., Ltd.	70	37%	383,653
Surapon Nichirei Food Co., Ltd.	292	14%	2,242,670
Total	715	33%	6,215,501

7.6 Other Significant Information

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

Company Secretary

The Board's meeting no.4/2008 dated August 14, 2008 has passed the resolution to appoint Mr. Patt Somchaikulsup to be the Company Secretary. Duties and responsibilities of the Company Secretary are as prescribed in article 89/15 and article 89/16 of Securities and Exchange Act together with duty of care and duty of loyalty as well as perform 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 conflict of interest filed by directors and executives
4. To follow up the implementations according to the Board's resolution.

The Person Assigned to Take Direct Responsibility for Accounting Oversight

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

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 attachment no. 3 of this report.

7.6.2 Investor Relations

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

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

7.6.3 The Auditor's Remunerations

Miss Krittika Kongkerd CPA no. 10634 of KPMG Phoomchai Audit Limited is appointed as the Company's auditor for the year 2022 with the following remunerations:-

The Auditor's Remuneration		Baht
Remunerations from the Company		
• Auditing fee		1,181,000
• BOI auditing		none
Remunerations from the Subsidiaries (7 companies)		
• Auditing fee		2,329,000
• BOI auditing		126,000
Other services		none
Total		3,666,000

Remark : *During the year 2022, additional auditing fee for a new Subsidiary company; Surapon Prime Co., Ltd. is approved.

8. Report on Key Operating Results on Corporate Governance

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

The Board performs important role on establishing and considering the policies and the strategies in supports of enhancing business competitiveness, building up corporate culture and values, supervising the business operations according to the policies and the strategies, as well as strengthening good corporate governance, internal control, and risk management. Summary of the Board's duties in the year 2022 are as follows:-

- Considers and approves the Company's year 2023 business targets, strategies, budget, and annual business plans in accordance with the three-year business targets (the year 2021-2023). The Board's meeting also regularly monitors and follow-ups the implementations from the Managements. The meeting agenda of performance results consideration is set quarterly and agenda of half-year performance reviews is also set specifically
- Considers and follow-ups the Company's business performance in the Board's meeting at least once a quarter, and also monitors the monthly performance through the monthly reports from the Managements. The Board shall be able to call for additional 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
- Considers and reviews the adoption of CG code for listed companies to apply for the implementations in the Company by concerning the suitability according to the Company's business context
- Considers and reviews important policies related to good corporate governance as well as the Sub-committees' charter regularly at least once a year. The recent revision is resolved on the Board's meeting on September 29, 2022.

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

The Board' meeting no.1/2016 on January 12, 2016 first-time approved the Directors' nomination policy. Furthermore, there has been all together five times revision of the policy in order to revise and amend the policy to be in compliance with the additional relevant regulations and the notifications of the regulatory organizations. The 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, legal, accounting, finance, public relations, or public administrations as well as has no consanguinity relationship with the major shareholders or the Managements. Moreover, has not involved in management, not being the employees, and not being any services providers such as the auditor and legal advisor
- 1.4) Performs their duties with care, loyalty, and ethics as well as devotes their sufficient time on being the directorship
- 1.5) Not possess non-trustworthy characteristics of the directors as prescribed in the relevant laws and regulations.

2) Nominating process

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

2.2) In nominating process, the Board shall consider the candidates from the shareholders, the managements, or outside persons by concerning required qualifications

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

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

2.5) Nomination committee has been assigned to nominate CEO and consider 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.

In the year 2022, there is no nomination of new Director in replacement of the existing Board member.

3) Nominations of the Directors and the Managements

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

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

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

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

8.1.2 Meeting Attendance and Remuneration Payment to Each Board Member

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

The Board approves the meeting schedule throughout the year in advance. The meeting document shall be distributed to the Board at least 5 working day prior to the meeting date whereas the minutes of meeting shall be distributed to the Board within 7 days from the meeting date. In the year 2022, there are all together 7 times Board's meeting and 1 time the Shareholders' meeting as the meeting schedule is set in advance.

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

Thereby, Mr. Patt Somchaikulsup performs duty of Company Secretary.

Mr. Wichain Roruksa performs duty of secretary of the Board

In the year 2022, there all together 7 times Board's meeting; 6 times onsite and 1 time through electronic as set the meeting schedule in advance. Secretary of the Board submits the meeting documents to the Board at least 5 working days prior to the meeting date.

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

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

In the year 2022, there is 1 time meeting of non-executive directors without the Management on November 10, 2022. The results and the opinions from the meeting is proposed to the Board's meeting and CEO for further improvement.

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

The AGM no.45/2022 on April 27, 2022 has passed the resolution of the Directors' remunerations, amounting Baht 6,040,000 whereas the actual payments in the year 2022 is amounting Baht 5,305,000 which is detailed as follows:

Name of the Directors			Board of Directors		Audit Committee		Corporate Governance Committee	Nomination Committee	Total Payment in the year 2022
			Retaining Fee	Meeting Allowance	Retaining Fee	Meeting Allowance	Meeting Allowance	Meeting Allowance	
1.	Mr. Kosol	Chantikul	960,000	140,000	-	-	-	-	1,100,000
2.	Mr. Sorapon	Vongvadhanaroj	300,000	105,000	-	-	15,000	-	420,000
3.	Mr. Chokchai	Jiengwareewong	300,000	90,000	-	-	30,000	20,000	440,000
4.	Mr. Surapon	Vongvadhanaroj	300,000	90,000	-	-	-	10,000	400,000
5.	Mr. Sithichai	Kraisithisirin	300,000	105,000	-	-	-	-	405,000
6.	Miss Malai	Wongwatroj	300,000	105,000	-	-	-	-	405,000
7.	Mr. Paiboon	Kangvonkit	300,000	105,000	-	-	-	-	405,000
8.	Mr. Sathaporn	Kootheeranurak	300,000	105,000	180,000	50,000	-	-	635,000
9.	Mr. Kanett	Chatthamrak	300,000	75,000	120,000	25,000	15,000	-	535,000
10.	Mr. Kunakorn	Makchaidee	300,000	105,000	120,000	25,000	-	10,000	560,000
Total			3,660,000	1,025,000	420,000	100,000	60,000	40,000	5,305,000

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 the policy and guidelines, approved by the Board. The Board also regularly reviews the policies at least once a year, which the recent revision is made on September 29, 2022. The Managements shall be responsible for implementing, whereas the Sub-committees shall supervise the management's

implementations as well as internal audit function shall regularly audit.

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

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

1. Protection of conflict of interest

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

- In consideration of conflict of interest or possible conflict of interest transaction, Independent directors must attend the meeting and consider the transaction
- The Directors and the Managements shall have to report their conflict of interest including their related persons to the Board, when they firstly post in the position and if there is the change during their terms in the office
- The Directors and/or the Managements, who involve in any conflict of interest, shall not participate in the decision
- In consideration of conflict of interest or related party transactions, shall strictly comply with the relevant laws and regulations
- Internal audit function shall regularly audit conflict of interest or related party transactions
- In the year 2022, 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 independent auditor, those persons must not disclose non-publicized information to other persons as well as must not involve in any stock trading transaction during one month prior to publicizing the financial statements.

According to the Boards' meeting on December 15, 2022, the Directors and the Management as stipulated in the Securities and Exchange Act, shall inform their trading of the Company's stock to the Board or the persons assigned by the Board such as Company Secretary or secretary to the Board one day prior to the trading date. In the year 2022, the Board is informed the Company's stock buying by Pokai Holding Co, Ltd. (wholly shared by the Company's major shareholder; Vongvadhanaroj family) for 16 times, is totally amounted to 2,131,600 shares or 0.79% of the Company's total shares.

In the year 2022, there is no case of usage of insider information, which is not in compliance with the relevant laws, the regulations, and the Company's policy.

3. Anti-corruption

The Company gives high importance of anti-corruption as a vital part of strengthening good corporate governance

in the organization. The Board has 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.

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

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

In the year 2022, there is no violation case of anti-corruption policy and business code of ethics.

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 2022, the report to audit committee has shown that there is no case in violation of good corporate governance policy and anti-corruption policy.

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

The Board conducts the whole group and individual performance assessments annually. In the year 2022, the Board's performance assessment is conducted on November 14, 2022. The whole group assessment by using the criteria suggested by SET with the score of 98.48% whereas, the individual assessment with the score of 97.20%. The results are discussed in the Board's meeting for further development.

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

The Board assigns Nomination committee to consider and approve CEO's succession plan by concerning the Company's business context.

The Board also approves framework on the Executives and all staff performance assessment as well as structure

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

The Board promotes and encourages the Directors' development by organizing new Directors' orientation and site visits, as well as training IOD development program. Currently, more than 75% of total Directors passed Thai IOD directorship training programs. In the year 2022, the Director and the Executive continues their development as follows:-

1) Mr. Sorapon Vongvadhanaroj attended CFO Refresher class no.3/2022 on November 22 and 24, 2022 as well as attended CEO club 2022 in topic of "Opportunities and Challenges in Thai's monetary system and capital market", organized by the Stock Exchange of Thailand

2) Mr. Sriprasert Sriprawatkul attended TLCA CFO Professional Development Program no. 1/2022 in topic of "Uplifting Quality of Thai Listed Companies' Financial Reports" and no. 2/2022 in the topic of "Economic Update for CFO", organized by Thai Listed Companies' Association. He also attended "E-Learning CFO Orientation for New IPOs" on March 2022 and "E-Learning CFO Refresher: on April 2022, organized by the Stock Exchange of Thailand.

8.1.5 IT security

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

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

8.1.6 Implementations according to IT policy

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

2. Risk Management : The Company specifies IT risk management measures as follows:

- IT department and working team together assess IT risk as well as possible IT security and cyber threats issues might impact business operations and business continuity. The sufficient risk management measures have been set to manage the risks
- Back up storage system of important data and back up sites in different locations under disaster recovery plan (DRP) have been placed. Rehearsal of working in DRP site is regularly implemented at least once a year

- IT department has been assigned to control and grant the rights to assess IT network/system such as usage and accession to important data, program installation, connection to intra-company networking system, and connection to outside networking system
- Intrusion detection system, intrusion prevention system, firewall system, anti-virus system has been installed in order to prevent cyber-attacks. Monitoring and updating necessary system/equipment have been being implemented at all times to strengthen effectiveness of intrusion prevention
- Communicates and builds awareness of IT threats/attacks as well as new patterns of IT threats/attacks have been always alerted.

3. Sufficient IT resources allocation:

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

4. Working plans :

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

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

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

Name list of Audit Committee as at December 31, 2022 are as follows:-

Name-surname			Position	Number of attendance in the year 2022
1.	Mr. Sathaporn	Kootheranurak	Chairman	5/5
2.	Mr. Kanett	Chatthamrak	Committee	5/5
3.	Mr. Kunakorn	Makchaidee	Committee	5/5

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

Remarks: The committee nos. 1 and 3 have adequate expertise and experience to review reliability of financial statement.

Summary of the Audit Committee's operating results in the year 2022

1. Governs and supervises the operations of internal auditors as well as audits the adequacy and appropriateness of internal control system
2. Reviews financial statements as well as consider important accounting policies and important changes of accounting policies

3. Reviews risk management system as well as reviews business operations to be in compliance with the laws and regulations
4. Reviews internal audit and internal control policies and charter of audit committee
5. Considers and proposes to appoint the financial reports' auditors and the auditing fee.

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

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

8.3.1 Corporate Governance Committee

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

Name list of Corporate Governance Committee as at December 31, 2022 is as follows:

Name-surname			Position	Number of attendance in the year 2022
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 duty of secretary to Corporate Governance Committee				

Summary of Corporate Governance Committee's operating results in the year 2022

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

8.3.2 Nomination and Remuneration Committee

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

Name list of Nomination and Remuneration Committee as at December 31, 2022 is as follows:

	Name-surname	Position	Number of attendance in the year 2022
1.	Mr. Chokchai Jiengwareewong	Chairman	2/2
2.	Mr. Surapon Vongvadhanaroj	Committee	2/2
3.	Mr. Kunakorn Makchaidee	Committee	2/2

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

Summary of Nomination and Remuneration Committee's operating results in the year 2022

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

8.3.3 Risk Management Committee

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

Name list of Risk Management Committee as at December 31, 2022 is as follows:

	Name-surname	Position	Number of attendance in the year 2022
1.	Mr. Sorapon Vongvadhanaroj	Chairman	4/4
2.	Miss Malai Vongvadhanaroj	Committee	4/4
3.	Mr. Paiboon Kangvonkit	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	3/4
8.	Mr. Montai Chulatitta	Committee	4/4
9.	Mr. Thomas Ung	Committee	4/4
10.	Mr. Sriprasert Sriprawatkul	Committee	4/4
11.	Mr. Patt Somchaikulsup	Committee	4/4

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

Remark : Mr. Sorapon Vongvadhanaroj has been appointed to be Chairman of Risk Management committee in replacement of Mr. Paiboon Kangvonkit since November 1, 2022

Summary of Risk Management Committee's operating results in the year 2022

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

8.3.4 Executive Committee

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

Name list of Executive Committee as at December 31, 2022 is as follows:

Name-surname		Position	Number of attendance in the year 2022
1.	Mr. Surapon Vongvadhanaroj	Chairman	3/3
2.	Mr. Sorapon Vongvadhanaroj	Vice chairman	3/3
3.	Mr. Paiboon Kangvonkit	Committee	3/3
4.	Miss Soranee Vongvadhanaroj	Committee	3/3
5.	Mrs. Soraya Sorakraikitikul	Committee	3/3
6.	Mr. Sorapoom Vongvadhanaroj	Committee	3/3
7.	Mr. Montai Chulatitta	Committee	3/3
8.	Mr. Jittakorn Chairach	Committee	3/3
9.	Mr. Thomas Ung	Committee	3/3
10.	Mr. Patt Somchaikulsup	Committee and secretary	3/3

9. Internal Control and Related Party Transaction

9.1 Internal Control

The Board of Directors and the Management are highly aware of the importance on internal control. The Company puts strong emphasis on internal control and risk management in all operational activities. The Board has arranged the annual assessment program to evaluate the adequacy and suitability of Internal Control system. In the year 2022, the Audit Committee utilizes the assessment form as suggested by the Office of Securities and Exchange Commission and proposes to the Board for consideration. The Board has unanimously resolved that the Company's internal control system is sufficient and suitable for monitoring the achievement of business objectives and goals as well as the compliance with the laws and regulations. This includes the monitoring and oversight of the reasonable related party transaction(s) and operations of the subsidiary companies in order to ensure that the assets of the Company and the subsidiaries are protected from being used by the directors or the executives unlawfully or without authority.

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

1. Environment Control

The Company has a strong commitment to operate its business loyalty and ethically. The organization structure, line of command, power of authority, and segregation of duty have been set to comply with job functions and key responsibilities by concerning internal control supports. Human resources function focuses on retention and development of the capable employees. The Company and the subsidiaries 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 building continuously. The Company is re-certified as the member of Thailand's Private Sector Coalition against Corruption (CAC).

2. Risk Assessment

The Company establishes the efficient internal control and risk management systems. The Company appoints Risk Management Committee to monitor, consider, and identify the suitable risk management measures according to the Company's risk management policy. Risk Management Committee is responsible for assessing the corporate risks: strategic risk, financial risk, operational 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 operations in order to mitigate risk into acceptable level. The scope of work and segregation of authorities as well as checking and balancing system have been clearly determined. Approval of transaction shall be considered by concerning the best benefits of the Company and considering as at arm's length basis principle.

4. Information and Communication

The Company set up communication procedure and 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 of internal control monitoring has been reported continuously to the Executives and the Board.

Monitoring and Following-up the Internal Control

The Audit committee meeting on December 7, 2021 approved annual internal audit plan for the year 2022. 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 2022, there is no significant internal control weakness issue. In addition, the independent auditor has reported the opinion of no significant issue affecting the Company's financial statements.

The Audit Committee's Opinion

The Audit Committee has reported their opinions of the Company's good corporate governance, risk management, operational compliance, and internal control for the year 2022 as prescribed in Attachment no.6 of this report.

Internal Audit Head

The Audit Committee appoints Mr. Wichian Roruksa as the Company's internal audit function head. Mr. Wichian Roruksa 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 report.

9.2 Related Party Transaction

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

In the Board's meeting no.4/2008, the meeting has passed the resolution of entering into related transaction that

the Board of Directors approves in principle to allow the Company and subsidiaries can enter into related transaction with the director, executive or related persons. The Management can approve in case general trading conditions as specified by the Notification of the Board of Governors of the Stock Exchange of Thailand.

In the year 2022, the Company reported the related transaction to SET. The Board of Directors' meeting on September 29, 2022 had passed the resolution to approve the related transaction in rental contract of office room between Pokai Holding Co., Ltd. ("lessor") and Surapon Finest Co., Ltd. ("lessee") for two-years period (November 1, 2022 to October 31, 2024) with the agreed rental rate of Baht 166,500 per month as Surapon Finest Co., Ltd. need the workplace for the staffs in sales and marketing functions. Pokai Holding Co., Ltd. is 100% shared by six members of Vongvadhanaroj family, who hold all together 44.03% shareholding in Surapon Foods PLC. Value of this transaction in comparison with the net tangible asset showed that its size was equal to 0.22%, which was considered to be the medium-size connected transaction as specified in the Notification of the Stock Exchange of Thailand. The Company already reported details of this transaction to the Stock Exchange of Thailand on September 29, 2022.

In the year 2022, there is no violation case of conflict of interest or related party transactions.

Part 3

Financial statements

Independent Auditor's Report

To the Shareholders of Surapon Foods Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Surapon Foods Public Company Limited and its subsidiaries (the "Group") and of Surapon Foods Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, 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 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Krittika Kongkerd)

Certified Public Accountant

Registration No. 10634

KPMG Phoomchai Audit Ltd.

Bangkok

22 February 2023

Surapon Foods Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		(in Baht)			
Current assets					
Cash and cash equivalents	5	325,639,636	404,270,195	4,553,278	4,010,412
Trade accounts receivable	4, 6	309,770,039	283,497,249	59,490,540	65,033,012
Other receivables	4	42,690,178	26,358,915	6,254,606	4,303,018
Other current financial assets	27	475,080	8,312,549	-	175,891
Current portion of long-term loans to related parties	4	-	-	-	53,250,000
Short-term loans to related parties	4	-	-	47,000,000	69,700,000
Inventories	7	652,093,557	553,055,509	158,899,456	134,560,105
Total current assets		1,330,668,490	1,275,494,417	276,197,880	331,032,438
Non-current assets					
Investment in an associate	8	21,728,723	21,665,019	17,150,000	17,150,000
Investments in subsidiaries	9	-	-	844,127,375	844,127,375
Other non-current financial assets	27	1,157,473	2,882,172	1,157,473	2,882,172
Long-term loan to related parties	4	-	-	133,250,000	56,740,000
Investment properties	11	146,556,436	146,556,436	5,000,000	5,000,000
Property, plant and equipment	12	2,636,536,207	2,592,623,602	686,773,179	674,322,785
Right-of-use assets	13	41,324,501	59,993,611	4,493,163	5,969,854
Intangible assets	15	23,137,488	20,214,104	5,888,771	6,668,727
Deferred tax assets	24	1,580,712	2,429,105	-	-
Non-current non-cash financial assets					
pledged as collateral	29	2,000,000	2,000,000	-	-
Other non-current assets		20,847,176	45,448,258	10,271,040	14,854,990
Total non-current assets		2,894,868,716	2,893,812,307	1,708,111,001	1,627,715,903
Total assets		4,225,537,206	4,169,306,724	1,984,308,881	1,958,748,341

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

Surapon Foods Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	16	675,330,563	255,820,716	72,270,563	51,813,116
Trade accounts payable	4	225,076,535	291,338,072	40,497,337	52,578,527
Other payables	4, 17	266,228,622	261,014,948	66,823,400	70,902,659
Other current financial liabilities	27	-	-	84,685	-
Current portion of long-term loans					
from financial institutions	16	130,571,570	194,799,560	1,944,000	31,400,000
Current portion of long-term loans					
from related parties	4, 16	-	17,750,000	-	-
Short-term loans from related party	4, 16	5,000,000	5,000,000	-	-
Current portion of lease liabilities	4, 16	28,218,332	28,865,212	2,026,185	2,281,446
Income tax payable		9,332,539	10,095,382	-	-
Total current liabilities		1,339,758,161	1,064,683,890	183,646,170	208,975,748
Non-current liabilities					
Long-term loans from financial institutions	16	195,691,484	195,665,570	9,579,900	-
Long-term loans from related parties	4, 16	17,750,000	-	-	-
Lease liabilities	4, 16	12,973,571	31,671,327	2,348,498	3,475,179
Deferred tax liabilities	24	127,542,208	127,751,751	65,488,860	67,063,316
Non-current provisions for employee benefits	18	164,076,485	158,564,512	29,499,657	24,838,888
Total non-current liabilities		518,033,748	513,653,160	106,916,915	95,377,383
Total liabilities		1,857,791,909	1,578,337,050	290,563,085	304,353,131
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		824,588,422	891,229,853	840,485,085	801,134,499
Other component of equity	20	477,973,918	477,973,918	286,261,711	286,261,711
Equity attributable to owners of the parent		1,869,561,340	1,936,202,771	1,693,745,796	1,654,395,210
Non-controlling interests	10	498,183,957	654,766,903	-	-
Total equity		2,367,745,297	2,590,969,674	1,693,745,796	1,654,395,210
Total liabilities and equity		4,225,537,206	4,169,306,724	1,984,308,881	1,958,748,341

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

Surapon Foods Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
Income					
Revenue from sale of goods	4, 21	5,718,200,803	5,494,649,517	578,018,883	521,957,593
Revenue from rendering of services	4, 21	130,291,611	93,901,517	-	-
Interest income and dividend income	4	1,922,229	1,799,678	263,141,752	261,847,637
Net foreign exchange gain		54,394,699	50,167,940	272,691	1,130,213
Other income	4, 22	104,779,225	104,449,679	48,511,867	49,336,036
Total income		6,009,588,567	5,744,968,331	889,945,193	834,271,479
Expenses					
Cost of sale of goods	4,7	5,103,625,145	4,652,459,976	561,974,185	499,816,383
Cost of rendering of services		132,209,820	108,583,295	-	-
Distribution costs	4	327,186,499	241,705,258	36,762,414	36,869,355
Administrative expenses	4	241,978,833	246,847,462	103,396,125	104,522,993
Total expenses		5,805,000,297	5,249,595,991	702,132,724	641,208,731
Profit from operating activities		204,588,270	495,372,340	187,812,469	193,062,748
Finance costs	4	(17,750,162)	(19,994,755)	(1,379,817)	(2,330,842)
Impairment gain and reversal of impairment loss determined in accordance with TFRS 9		372,744	1,391,629	-	1,595,312
Share of profit (loss) of an associate accounted for using equity method	8	63,704	(255,833)	-	-
Profit before income tax expense		187,274,556	476,513,381	186,432,652	192,327,218
Tax expense	24	20,544,426	33,410,430	157,951	324,921
Profit for the year		166,730,130	443,102,951	186,274,701	192,002,297
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on revaluation of assets		-	171,262,300	-	60,242,000
Loss on remeasurements of defined benefit plans	18	(12,845,779)	-	(8,662,039)	-
Income tax relating to items that will not be reclassified	24	2,735,577	(34,252,460)	1,732,406	(12,048,400)
Total items that will not be reclassified to profit or loss		(10,110,202)	137,009,840	(6,929,633)	48,193,600
Other comprehensive income (expense) for the year, net of tax		(10,110,202)	137,009,840	(6,929,633)	48,193,600
Total comprehensive income for the year		156,619,928	580,112,791	179,345,068	240,195,897

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

Surapon Foods Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
Note		2022	2021	2022	2021
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the parent		83,471,031	205,215,113	186,274,701	192,002,297
Non-controlling interests	10	<u>83,259,099</u>	<u>237,887,838</u>	<u>-</u>	<u>-</u>
Profit for the year		<u>166,730,130</u>	<u>443,102,951</u>	<u>186,274,701</u>	<u>192,002,297</u>
Total comprehensive income attributable to:					
Owners of the parent		73,353,051	311,984,367	179,345,068	240,195,897
Non-controlling interests		<u>83,266,877</u>	<u>268,128,424</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>156,619,928</u>	<u>580,112,791</u>	<u>179,345,068</u>	<u>240,195,897</u>
Basic earnings per share	25	<u>0.31</u>	<u>0.76</u>	<u>0.69</u>	<u>0.71</u>

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

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

Consolidated financial statements										
	Note	Issued and paid-up share capital	Share premium	Retained earnings				Other component of equity		Total equity
				Legal reserve	Unappropriated	Revaluation surplus	Equity attributable to owners of the parent	Non-controlling interests		
									(in Baht)	
Year ended 31 December 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	654,873,774		2,367,435,851
Transactions with owners, recorded directly in equity										
Distributions to owners										
Dividends to owners of the parent	26	-	-	-	(88,343,673)	-	(88,343,673)	-	-	(88,343,673)
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	(268,235,295)		(268,235,295)
Total distributions to owners		-	-	-	(88,343,673)	-	(88,343,673)	(268,235,295)		(356,578,968)
Total transactions with owners, recorded directly in equity		-	-	-	(88,343,673)	-	(88,343,673)	(268,235,295)		(356,578,968)
Comprehensive income for the year										
Profit		-	-	-	205,215,113	-	205,215,113	237,887,838		443,102,951
Other comprehensive income		-	-	-	-	106,769,254	106,769,254	30,240,586		137,009,840
Total comprehensive income for the year		-	-	-	205,215,113	106,769,254	311,984,367	268,128,424		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	654,766,903		2,590,969,674

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

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

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

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

Surapon Foods Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					Total equity
		Retained earnings			Other components of equity		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus	
		(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							
Distributions to owners							
Dividends to owners of the Company	26	-	-	-	(88,343,673)	-	(88,343,673)
Total distributions to owners		-	-	-	(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

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

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Surapon Foods Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements					
		Retained earnings			Other components of equity		

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

Surapon Foods Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	166,730,130	443,102,951	186,274,701	192,002,297
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	20,544,426	33,410,430	157,951	324,921
Finance costs	17,750,162	19,994,755	1,379,817	2,330,842
Depreciation	325,912,277	328,485,237	65,782,930	60,615,134
Amortisation	3,852,761	4,068,033	1,403,352	1,452,378
Dividend income	(800,000)	(800,000)	(258,219,962)	(258,464,705)
Employee benefits	15,022,928	15,926,346	2,132,933	1,978,336
Unrealised (gain) loss on exchange	(7,370,158)	463,379	237,539	632,140
Loss on fair value adjustment of equity instruments	1,724,699	938,894	1,724,699	938,894
Share of (profit) loss of an associate accounted for using equity method	(63,704)	255,833	-	-
Reversal of impairment loss of trade and other receivables	(372,744)	(1,391,629)	-	(1,595,312)
(Reversal of) losses on inventories devaluation	(1,755,452)	1,321,490	750,568	(1,467,361)
Reversal of impairment loss on equity instrument	(1,784)	-	-	-
(Gain) loss on disposal of equity instrument	1,680	(26,161)	-	(26,161)
Loss on write-off of investment properties	-	346,449	-	-
(Reversal of) impairment loss on assets	(165,542)	(22,547,119)	(165,542)	165,542
Gain on sale of investment properties	-	(199,455)	-	-
(Gain) loss on disposal and written-off plant and equipment	(2,162,229)	2,557,869	(625,777)	204,531
Loss on disposal and written-off of right-of-use assets	-	3,464	-	-
Interest income	(1,122,229)	(999,677)	(4,921,790)	(3,382,932)
	537,725,221	824,911,089	(4,088,581)	(4,291,456)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(27,059,685)	(39,016,726)	5,336,989	(913,817)
Other receivables	(6,213,209)	2,145,461	(1,750,937)	608,178
Inventories	(97,282,596)	(61,807,898)	(25,089,919)	(30,092,248)
Other non-current assets	396,787	(7,888,792)	40,070	2,265,882
Trade accounts payable	(66,045,518)	23,712,145	(11,984,111)	(2,928,117)
Other payables	(3,145,559)	37,587,675	(5,033,543)	25,538,944
Provision for employee benefits paid	(22,356,735)	(13,879,478)	(6,134,203)	(2,558,102)
Net cash generated from (used in) operating	316,018,706	765,763,476	(48,704,235)	(12,370,736)
Taxes received (paid) - net	(19,467,156)	(39,738,711)	712,662	(1,438,563)
Net cash from (used in) operating activities	296,551,550	726,024,765	(47,991,573)	(13,809,299)

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

Surapon Foods Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2022	2021	2022	2021
	(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	320	-	-	-
Proceeds from sale of investment properties	-	200,000	-	-
Proceeds from sale of plant and equipment	4,233,472	1,737,697	1,006,318	121,640
Acquisitions of plant and equipment	(303,702,756)	(192,794,750)	(71,239,234)	(36,646,612)
Advance payment for plant and equipment	(9,789,682)	(18,091,490)	(255,000)	(3,937,819)
Proceeds from sale of intangible assets	-	24	-	-
Acquisitions of intangible assets	(627,247)	(1,977,378)	(412,782)	(314,476)
Increase in loans to related parties	-	-	(560,000)	(119,440,000)
Dividends received	800,000	800,000	258,219,962	258,464,705
Interest received	1,139,387	982,829	4,952,845	3,360,142
Net cash from (used in) investing activities	(307,946,506)	(209,116,907)	191,712,109	101,633,741
Cash flows from financing activities				
Proceeds from short-term loans from financial institutions	3,321,886,097	2,045,657,524	602,490,691	143,529,346
Repayment of short-term loans from financial institutions	(2,902,376,250)	(2,089,596,447)	(582,033,244)	(92,855,767)
Payment of lease liabilities	(33,020,211)	(35,851,003)	(2,569,323)	(3,792,773)
Proceeds from long-term loans from financial institutions	133,585,483	5,310,000	11,523,900	-
Repayment of long-term loans from financial institutions	(189,992,860)	(256,638,860)	(31,400,000)	(55,200,000)
Dividends paid to owners of the Company	(139,994,482)	(88,343,673)	(139,994,482)	(88,343,673)
Dividends paid to non-controlling interests	(239,850,038)	(268,235,295)	-	-
Interest paid	(17,473,342)	(17,943,785)	(1,195,212)	(2,031,869)
Net cash used in financing activities	(67,235,603)	(705,641,539)	(143,177,670)	(98,694,736)
Net increase (decrease) in cash and cash equivalents	(78,630,559)	(188,733,681)	542,866	(10,870,294)
Cash and cash equivalents at 1 January	404,270,195	593,003,876	4,010,412	14,880,706
Cash and cash equivalents at 31 December	5	325,639,636	404,270,195	4,553,278
Non-cash transactions				
Plant and equipment purchased during the year are detailed as follows:				
Plant and equipment purchased during the year	342,804,844	202,653,201	76,035,829	42,622,220
Less: advance payment for assets in prior period	(29,401,821)	(11,391,330)	(3,856,819)	-
interest capitalised	(1,975,320)	(381,098)	-	-
(Increase) decrease in payables on purchases of plant and equipment	(2,899,951)	4,473,222	(103,629)	(5,975,608)
Increase in retention payables	(4,824,996)	(2,559,245)	(836,147)	-
Net purchase of plant and equipment paid by cash	303,702,756	192,794,750	71,239,234	36,646,612

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

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2023.

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
- Kraithisiririn 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 2022 and 2021 are given in note 9.

2 Basis of preparation of the financial statements

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

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

3 Significant accounting policies

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

(a) Basis of consolidation

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

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

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

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

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

(b) Investments in subsidiaries and associate

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

(c) Foreign currencies

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

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

(d.1) Classification and measurement

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

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

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.

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

(d.2) Derecognition and offset

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

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

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

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

(d.3) Derivatives

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

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

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

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

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

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

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

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

(d.5) Write offs

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

(e) Cash and cash equivalents

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

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

(f) Trade accounts receivable

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

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

(g) Inventories

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

(h) Investment properties

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

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

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

No depreciation is charged on freehold land.

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

(i) Property, plant and equipment

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

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

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

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

Subsequent costs

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

Depreciation

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

The estimated useful lives are as follows:

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

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(j) Intangible assets

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

The estimated useful lives is as follow:

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

(k) Leases

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

As a lessee

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

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

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

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

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

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As a lessor

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

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

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

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

(l) Impairment of non-financial assets

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

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

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

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

(m) Employee benefits

Defined Contribution plan

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

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Defined benefit plans

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

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

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

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

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

(n) Provisions

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

(o) Fair value measurement

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

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

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

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

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

(p) Revenue from contracts with customers

Revenue recognition

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

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

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

(q) Income tax

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

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

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

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

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

(r) Earnings per share

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

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4 Related parties

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

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

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

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of raw materials and goods	-	-	278,191	239,465
Dividend income	-	-	257,420	257,665
Management, selling and marketing assistance income	-	-	32,490	34,302
Guarantee income	-	-	7,243	6,740
Storage warehouse income	-	-	1,413	1,488
Rental income	-	-	780	780

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Transportation income	-	-	175	517
Service income	-	-	785	762
Interest income	-	-	4,915	3,376
Purchases of raw materials and goods	-	-	5,203	17,127
Sales of plant and equipment	-	-	-	2
Purchase plant and equipment	-	-	200	1,874
Other expenses	-	-	232	154
Associate				
Interest expense	113	113	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	33,541	31,772	30,421	28,652
Post-employment benefits	1,769	474	1,769	474
Total key management personnel compensation	35,310	32,246	32,190	29,126
Other related parties				
Sales of raw materials and goods	4,187,552	4,197,010	116,156	96,678
Dividend income	800	800	800	800
Purchases of raw materials and goods	48,507	18,239	-	-
Technical assistance fee	15,858	16,429	-	-
Management assistance fee	3,967	4,425	-	-
Rental expense	1,832	1,798	-	-
Interest expense	598	598	-	-
Other expense	1,931	226	-	-

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

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

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.

As at 31 December 2022, the Company had commitments for the purchase of investment in a subsidiary (Surapon Prime Company Limited) which have not yet been called-up totaling Baht 6.8 million (31 December 2021: (Chantaburi Marine Farm Company Limited) which have not yet been called-up totaling Baht 6.8 million).

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<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	43,953	47,447
Other related parties	201,180	181,433	12,901	6,944
Total	201,180	181,433	56,854	54,391
Other receivables				
Subsidiaries	-	-	1,502	1,392
Other related parties	52	-	-	-
Total	52	-	1,502	1,392
Loans to				
Subsidiaries	-	-	180,250	179,690

In October and November 2022, the Company entered into short-term loan to agreement with 2 subsidiaries. This loan bears interest based on interest rate prescribed in the loan agreement. The loan will be repayable within January and November 2023. At 31 December 2022, the Company had loan balance of Baht 47.0 million (2021: Baht 69.7 million).

In August 2021, a subsidiary entered into a long-term loan agreement with the Company. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan will be repayable in monthly installment. In January 2022, the Company had the additional memorandum of agreement with the subsidiary which has the condition that such subsidiary will start the repayment of the remaining of loan to the Company in the next month from the month of completely repayment to a local financial institution and the principal will be repayable in monthly installment with amount specified in a memorandum. At 31 December 2022, a subsidiary had drawdown balance of loan of Baht 80 million. (2021: 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. In July 2022, the Company entered into a memorandum of extended loan repayment period with such a subsidiary to change the repayment schedule from within July 2022 to July 2024.

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Subsidiaries	-	-	116	348
Other related parties	2,735	1,395	-	-
Total	2,735	1,395	116	348
Other payables				
Subsidiaries	-	-	127	18
Other related parties	20,233	21,113	-	-
Total	20,233	21,113	127	18
Lease liabilities				
Other related parties	3,536	1,474	-	-

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<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Loans from</i>				
Associate	5,000	5,000	-	-
Other related parties	17,750	17,750	-	-
Total	22,750	22,750	-	-

In July and August 2020, a subsidiary entered into the long-term loan agreements with other related parties 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. In July 2022, the subsidiary entered into a memorandum of agreement to extend the principal repayment period to change the loan repayment schedule from within July 2022 to within July 2024.

Significant agreements with related parties

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

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

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

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

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

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	187	212	30	50
Cash at banks - current accounts	27,479	18,668	248	767
Cash at banks - savings accounts	86,449	105,365	4,275	3,193
Cash at banks - fixed deposits	211,525	280,025	-	-
Total	325,640	404,270	4,553	4,010

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>At 31 December</i>				
Within credit terms	280,361	262,244	38,437	44,140
Overdue:				
1-30 days	26,682	17,860	21,054	20,893
31-60 days	333	506	-	-
61-90 days	350	22	-	-
More than 90 days	3,226	4,420	-	-
Total	310,952	285,052	59,491	65,033
Less allowance for expected credit loss	(1,182)	(1,555)	-	-
Net	309,770	283,497	59,491	65,033
<i>Allowance for expected credit loss</i>				
At 1 January	1,555	1,351	-	-
Addition	-	218	-	-
Reversal	(373)	(14)	-	-
At 31 December	1,182	1,555	-	-

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

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Finished goods	318,550	282,263	20,120	29,872
Work in progress	14,963	14,181	10,274	5,202
Raw materials	261,063	202,488	106,541	88,401
Packing materials and supplies	52,065	65,028	11,791	10,991
Goods in transit	16,347	1,745	12,145	1,315
Total	662,988	565,705	160,871	135,781
Less allowance for decline in value of inventories	(10,894)	(12,649)	(1,972)	(1,221)
Net	652,094	553,056	158,899	134,560

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	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Inventories recognised in ‘cost of sales of goods’:				
- Cost	5,105,380	4,651,139	561,224	501,284
- Write-down to net realisable value	1,067	3,602	1,006	399
- Reversal of write-down	(2,822)	(2,281)	(256)	(1,867)
Net	<u>5,103,625</u>	<u>4,652,460</u>	<u>561,974</u>	<u>499,816</u>

8 Investment in an associate

Investment in an associate as at 31 December 2022 and 2021 was as follow:

An associate was incorporated and mainly operate in Thailand.

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

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Material Associate

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

	BJC Marine Resources Development Company Limited	
	2022	2021
	<i>(in thousand Baht)</i>	
Revenue	379	381
Profit from continuing operations	127	(512)
Total comprehensive income (100%)	127	(512)
Percentage hold	50	50
Group's share of total comprehensive income	64	(256)
Current assets	17,606	17,482
Non-current assets	25,947	25,947
Current liabilities	(96)	(99)
Net assets (100%)	43,457	43,330
Percentage hold	50	50
Group's share of net assets	21,729	21,665
Carrying amount of interest in associate	21,729	21,665

9 Investments in subsidiaries

	Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	1,267,560	1,267,560
Less impairment losses	(423,432)	(423,432)
At 31 December	844,128	844,128

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

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Investments in subsidiaries as at 31 December 2022 and 2021, and dividend income from those investments for the years then ended were as follows:

	Type of business	Separate financial statements										Dividend income for the year	
		Ownership interest (%)		Paid-up capital		Cost		Impairment (in thousand Baht)		At cost - net		2022	2021
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Subsidiaries													
Surapon Supreme Foods Company Limited	Manufacturing and distribution of finished and semi-finished frozen food	100	100	400,000	400,000	400,000	400,000	(18,692)	(18,692)	381,308	381,308	-	-
Surapon Finest Company Limited	Distribution of finished and semi-finished frozen food	100	100	30,000	30,000	30,000	30,000	-	-	30,000	30,000	-	-
Chantaburi Marine Farm Company Limited (dissolution due to amalgamation)	Assets lessor	-	100	-	79,590	-	281,807	-	(203,000)	-	78,807	-	-
Surat Seafoods Company Limited	Frozen seafoods exporter	95	95	40,000	40,000	79,949	79,949	-	-	79,949	79,949	28,481	-
Surapon Aquaculture Company Limited (dissolution due to amalgamation)	Assets lessor	-	95	-	21,250	-	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	228,939	257,665
Surqpon Prime Company Limited	Assets lessor	98	-	100,840	-	483,547	-	(404,740)	-	78,807	-	-	-
Total						1,267,560	1,267,560	(423,432)	(423,432)	844,128	844,128	257,420	257,665

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

All subsidiaries were incorporated and operated in Thailand.

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10 Non-controlling interests

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

	31 December 2022		
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries (in thousand Baht)	Total
Non-controlling interest percentage	51		
Current assets	705,293		
Non-current assets	896,412		
Current liabilities	(600,096)		
Non-current liabilities	(148,365)		
Net assets	853,244		
Carrying amount of non-controlling interest	435,154	63,030	498,184
Revenue	3,220,962		
Profit	145,765		
Other comprehensive income	174		
Total comprehensive income	145,939		
Profit allocated to non-controlling interest	74,518	8,749	83,267
Cash flows from operating activities	235,457		
Cash flows from investing activities	(18,123)		
Cash flows from financing activities (dividends to non-controlling interest: Baht 238.33 million)	(288,255)		
Net decrease in cash and cash equivalents	(70,921)		
	31 December 2021		
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries (in thousand Baht)	Total
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

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	Surapon Nichirei Foods Company Limited	31 December 2021 Other individually immaterial subsidiaries (in thousand Baht)	Total
Revenue	3,260,513		
Profit	467,524		
Other comprehensive income	40,271		
Total comprehensive income	507,795		
Profit allocated to non-controlling interest	258,203	9,925	268,128
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 decrease in cash and cash equivalents	(146,144)		

11 Investment properties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Cost				
At 1 January	318,932	326,106	5,000	5,000
Disposal	-	(7,174)	-	-
At 31 December	318,932	318,932	5,000	5,000
Accumulated depreciation and impairment losses				
At 1 January	172,376	201,639	-	-
Depreciation charge for the year	-	20	-	-
Disposal	-	(6,826)	-	-
Reversal of impairment losses	-	(22,457)	-	-
At 31 December	172,376	172,376	-	-
Net book value				
At 31 December	146,556	146,556	5,000	5,000
Year ended 31 December				
Amounts recognised in profit or loss				
Rental income			2,200	3,031

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.

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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

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

Valuation techniques and significant unobservable inputs

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

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

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12 Property, plant and equipment

Consolidated financial statements									
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems (in thousand Baht)	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Revaluation									
At 1 January 2021	770,996	-	-	-	-	-	-	-	770,996
Surplus on revaluation	171,262	-	-	-	-	-	-	-	171,262
At 31 December 2021									
and 1 January 2022	942,258	-	-	-	-	-	-	-	942,258
At 31 December 2022	942,258	-	-	-	-	-	-	-	942,258
Cost									
At 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									
and 1 January 2022	57,166	849,114	529,339	2,816,994	379,030	45,659	277,625	42,870	4,997,797
Additions	-	4,751	4,042	42,578	5,236	438	4,402	281,358	342,805
Transfers	-	9,455	9,870	49,978	8,335	-	332	(77,970)	-
Transfers from right-of-use asset	-	-	-	2,040	-	2,932	-	-	4,972
Disposals / written-off	-	(7,380)	(233)	(138,349)	(3,627)	(2,100)	(4,977)	-	(156,666)
At 31 December 2022	57,166	855,940	543,018	2,773,241	388,974	46,929	277,382	246,258	5,188,908

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		Separate financial statements								
		Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems <i>(in thousand Baht)</i>	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
<i>Revaluation</i>	At 1 January 2021	312,535	-	-	-	-	-	-	-	312,535
	Surplus on revaluation	60,242	-	-	-	-	-	-	-	60,242
	At 31 December 2021 and 1 January 2022	372,777	-	-	-	-	-	-	-	372,777
	At 31 December 2022	372,777	-	-	-	-	-	-	-	372,777
<i>Cost</i>	At 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 and 1 January 2022	12,780	236,725	61,081	471,595	69,359	9,968	42,992	4,458	908,958
	Additions	-	4,674	143	17,310	3,541	313	1,354	48,701	76,036
	Transfers	-	6,030	-	30,570	-	-	-	(36,600)	-
Transfers from right-of-use asset	-	-	-	-	-	1,383	-	-	1,383	
Disposals / written-off	-	(759)	(31)	(17,502)	(897)	-	(2,867)	-	(22,056)	
At 31 December 2022	12,780	246,670	61,193	501,973	72,003	11,664	41,479	16,559	964,321	

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	Separate financial statements							Total
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems (in thousand Baht)	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation
Accumulated depreciation and impairment losses								
Cost								
At 1 January 2021	10,597	114,262	54,479	304,443	34,925	3,734	35,119	557,559
Depreciation charge for the year	272	12,374	2,223	33,126	6,039	529	3,085	57,648
Transfers from right-of-use asset	-	-	-	-	-	4,908	-	4,908
Disposals / written-off	-	(4,685)	(26)	(7,587)	(239)	(46)	(120)	(12,703)
At 31 December 2021 and 1 January 2022	10,869	121,951	56,676	329,982	40,725	9,125	38,084	607,412
Depreciation charge for the year	273	13,046	2,262	37,910	6,132	1,075	2,942	63,640
Reversal of impairment losses	-	-	-	(166)	-	-	-	(166)
Transfers from right-of-use asset	-	-	-	-	-	1,114	-	1,114
Disposals / written-off	-	(598)	(29)	(17,288)	(898)	-	(2,862)	(21,675)
At 31 December 2022	11,142	134,399	58,909	350,438	45,959	11,314	38,164	650,325
Net book value								
At 31 December 2021	374,688	114,774	4,405	141,613	28,634	843	4,908	674,323
Owned assets								
At 31 December 2022	374,415	112,271	2,284	151,535	26,044	350	3,315	686,773
Owned assets								

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Capitalised borrowing costs relating to the acquisition of machinery and the construction of the new factory of the Group amounted to Baht 1.98 million (2021: Baht 0.39 million for the Group) with capitalisation rates ranging from 1.14% to 3.25% per annum (2021: ranging from 0.95% to 3.00% 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:

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

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.

13 Leases (as a lessee)

Right-of-use assets At 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
			(in thousand Baht)	
Buildings	3,525	1,417	-	-
Machinery and equipment	20,167	40,944	-	-
Vehicle	17,633	17,633	4,493	5,970
Total	<u>41,325</u>	<u>59,994</u>	<u>4,493</u>	<u>5,970</u>

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In 2022, reductions to the right-of-use assets of the Group and the Company were Baht 18.67 million and Baht 1.48 million, respectively (2021: additions to Baht 29.39 million and Baht 3.67 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 2022 and 2021, 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	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	1,738	1,703	-	-
- Machinery and equipment	20,485	21,529	-	-
- Vehicles	5,669	7,222	2,143	3,132
Interest on lease liabilities	1,720	2,622	193	287
Expenses relating to short-term leases	1,714	2,008	534	314
Expenses relating to leases of low-value assets	1,457	739	636	378

In 2022, total cash outflow for leases of the Group and the Company were Baht 36.2 million and Baht 3.7 million, respectively (2021: Baht 38.6 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.

<i>Lease payments to be received from operating leases At 31 December</i>	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
1 st year	2,200	2,017
2 nd year	2,017	-
Total	4,217	2,017

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15 Intangible assets

	Consolidated financial statements	Separate financial statements
	Computer software (in thousand Baht)	
<i>Cost</i>		
At 1 January 2021	66,889	33,530
Additions	1,611	128
Disposals	(58)	-
At 31 December 2021 and 1 January 2022	68,442	33,658
Additions	6,540	394
At 31 December 2022	74,982	34,052
<i>Accumulated amortisation</i>		
At 1 January 2021	44,453	25,767
Amortisation charge for the year	3,833	1,222
Disposals	(58)	-
At 31 December 2021 and 1 January 2022	48,228	26,989
Amortisation charge for the year	3,617	1,174
At 31 December 2022	51,845	28,163
<i>Net book value</i>		
At 31 December 2021	20,214	6,669
At 31 December 2022	23,137	5,889

16 Interest-bearing liabilities

Consolidated financial statements							
	<i>Note</i>	Secured	2022 Unsecured	Total (in thousand Baht)	Secured	2021 Unsecured	Total
Short-term loans from financial institutions		273,060	402,271	675,331	134,008	121,813	255,821
Loans from related parties	4	-	22,750	22,750	-	22,750	22,750
Long-term loans from financial institutions		288,291	37,972	326,263	270,755	119,710	390,465
Lease liabilities		-	41,192	41,192	-	60,537	60,537
Total interest-bearing liabilities		561,351	504,185	1,065,536	404,763	324,810	729,573
Separate financial statements							
		Secured	2022 Unsecured	Total (in thousand Baht)	Secured	2021 Unsecured	Total
Short-term loans from financial institutions		-	72,271	72,271	-	51,813	51,813
Long-term loans from financial institutions		-	11,524	11,524	-	31,400	31,400
Lease liabilities		-	4,375	4,375	-	5,757	5,757
Total interest-bearing liabilities		-	88,170	88,170	-	88,970	88,970

As at 31 December 2022, short-term loans from financial institutions of the Group and the Company bore interest at rates ranging from 1.36% to 2.20% per annum (2021: ranging from 0.6% to 1.68% per annum).

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Long-term loans from financial institutions

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

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

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

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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.

As at 31 December 2022, unutilised credit facilities totaled Baht 2,860.7 million and U.S. Dollars 50.5 million for the Group and Baht 1,767.9 million and U.S. Dollars 15.8 million for the Company (2021: 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).

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 2022, 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 2027, and bear interest at rates ranging from 1.70% to 12.57% per annum. Most of the agreements are repayable in 48 months installments and 60 months installments starting from February 2018 (2021: such leases 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).

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.

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Changes in liabilities arising from financing activities

	Consolidated financial statements			
	Short-term loans	Long-term loans	Lease liabilities (in thousand Baht)	Total
2022				
Balance at 1 January 2022	260,821	408,215	60,537	729,573
Changes from financing cash flows	419,510	(56,407)	(33,020)	330,083
The effect of changes in foreign exchange rates	-	(7,795)	-	(7,795)
Other changes:				
Leases	-	-	3,413	3,413
Other non-cash movement	-	-	10,262	10,262
Balance at 31 December 2022	680,331	344,013	41,192	1,065,536
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
	Separate financial statements			
	Short-term loans	Long-term loans	Lease liabilities (in thousand Baht)	Total
2022				
Balance at 1 January 2022	51,813	31,400	5,757	88,970
Changes from financing cash flows	20,458	(19,876)	(2,569)	(1,987)
Other changes:				
Leases	-	-	252	252
Other non-cash movement	-	-	935	935
Balance at 31 December 2022	72,271	11,524	4,375	88,170
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

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17 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Related parties	4	20,233	21,113	127	18
Other parties					
Accrued wage and bonus expenses		105,034	103,615	27,093	26,411
Other payables		36,839	43,561	12,785	15,165
Accrued operating expenses		46,919	41,307	7,533	5,850
Asset payables		25,611	20,191	8,814	8,152
Retention payables		8,777	3,951	850	14
Others		22,816	27,277	9,621	15,293
		245,996	239,902	66,696	70,885
Total		266,229	261,015	66,823	70,903

18 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Post-employment benefits	158,362	154,260	29,168	24,720
Other long-term benefits	5,714	4,305	332	119
Total	164,076	158,565	29,500	24,839

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.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	158,565	156,518	24,839	25,419
Recognised in profit or loss:				
Current service cost	11,015	12,065	1,456	1,373
Interest on obligation	4,007	3,861	677	605
	15,022	15,926	2,133	1,978
Recognised in other comprehensive income:				
Actuarial (gain) loss				
- Demographic assumptions	808	-	8,232	-
- Financial assumptions	(19,671)	-	(5,864)	-
- Experience adjustment	31,709	-	6,294	-
	12,846	-	8,662	-
Benefit paid	(22,357)	(13,879)	(6,134)	(2,558)
At 31 December	164,076	158,565	29,500	24,839

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<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
				(in percentage)
Discount rate	2.84 - 3.47	1.84 - 2.71	3.10	1.84 - 2.02
Future salary growth	1.00 - 7.00	1.34 - 5.95	1.00 - 4.60	2.54 - 4.47
Employee turnover rate	4.00 - 60.00	4.00 - 67.00	5.00 - 55.00	8.00 - 65.00

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

At 31 December 2022, the weighted-average duration of the defined benefit obligations was 17 years (2021: 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 At 31 December</i>	Consolidated financial statements			
	increase in assumption		decrease in assumption	
	2022	2021	2022	2021
				(in thousand Baht)
Discount rate (Changed 1.00% and 0.50%)	(10,008)	(5,582)	11,255	5,928
Future salary growth (Changed 1.00% and 0.50%)	10,895	7,017	(9,887)	(6,643)
Employee turnover rate (Changed 10.00% and 0.50%)	(6,950)	(7,827)	7,577	8,324

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	increase in assumption		decrease in assumption	
	2022	2021	2022	2021
				(in thousand Baht)
Discount rate (Changed 1.00% and 0.50%)	(1,679)	(750)	1,855	790
Future salary growth (Changed 1.00% and 0.50%)	1,844	1,035	(1,701)	(987)
Employee turnover rate rate (Changed 10.00% and 0.50%)	(1,751)	(1,160)	1,927	1,225

19 Share premium

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

20 Legal reserve

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

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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.

	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> <i>31 December</i>	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
<i>Information about reportable segments</i>						
External revenue	5,718,201	5,494,649	130,291	93,902	5,848,492	5,588,551
Inter-segment revenue	331,686	288,291	48,054	42,679	379,740	330,970
Total revenue	6,049,887	5,782,940	178,345	136,581	6,228,232	5,919,521
<i>Disaggregation of revenue</i>						
Timing of revenue recognition						
At a point in time	6,049,887	5,782,940	-	-	6,049,887	5,782,940
Over time	-	-	178,345	136,581	178,345	136,581
Total revenue	6,049,887	5,782,940	178,345	136,581	6,228,232	5,919,521
Segment profit (loss)						
before income tax	171,045	481,477	17,893	(4,869)	188,938	476,608
Tax expense (income)	20,575	33,454	(30)	(43)	20,545	33,411
Total segment profit (loss)	150,470	448,023	17,923	(4,826)	168,393	443,197
Segment assets	3,784,161	3,723,494	441,376	445,812	4,225,537	4,169,306
Segment liabilities	1,724,759	1,424,827	133,033	153,510	1,857,792	1,578,337

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Reconciliation of reportable segment revenue and profit or loss

	Consolidated financial statements			
	Revenue	Profit or loss		
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Reportable segments	6,228,232	5,919,521	168,393	443,197
Elimination of inter-segment transactions	(379,740)	(330,970)	(1,727)	162
Unallocated amounts:				
- Share of profit of associate	-	-	64	(256)
Total	5,848,492	5,588,551	166,730	443,103

Geographical segments

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

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Revenue from third parties		
Japan	4,700,191	4,628,073
Thailand	698,212	577,596
Australia	190,529	139,180
United Kingdom	74,800	74,559
Taiwan	72,674	71,685
South Korea	59,329	44,971
Other countries	52,757	52,487
Total	5,848,492	5,588,551

Major customer

Revenues from one customer of the Group's segment 1 represents approximately Baht 4,084 million (2021: Baht 4,151 million) of the Group's total revenue.

Promotional privileges

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

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<i>Year ended 31 December</i>	Consolidated financial statements					
	2022			2021		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	3,579,996	1,570,284	5,150,280	3,816,143	1,194,812	5,010,955
Local sales	18,715	880,892	899,607	12,324	759,661	771,985
Local services	66,800	111,545	178,345	81,899	54,682	136,581
Eliminations	(33,660)	(346,080)	(379,740)	(53,732)	(277,238)	(330,970)
Total revenue	3,631,851	2,216,641	5,848,492	3,856,634	1,731,917	5,588,551

<i>Year ended 31 December</i>	Separate financial statements					
	2022			2021		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	128,406	171,456	299,862	89,253	192,853	282,106
Local sales	18	278,139	278,157	1,387	238,465	239,852
Total revenue	128,424	449,595	578,019	90,640	431,318	521,958

22 Other income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Income from sales of raw material scraps		71,595	49,739	494	421
Reversal of impairment losses		-	22,457	-	-
Management, selling and marketing assistance income	4	-	-	32,490	34,302
Rental / services income		3,463	4,496	4,314	4,570
Gain on disposal of fixed assets		3,305	899	626	-
Others		26,416	26,859	10,588	10,043
Total		104,779	104,450	48,512	49,336

23 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress	(37,069)	(25,549)	4,679	(12,744)
Raw materials and consumables used	3,325,407	2,934,965	256,904	234,265
Employee benefit expenses	1,167,373	1,155,750	238,362	235,746
Depreciation	325,912	328,485	65,783	60,615
Amortisation	3,853	4,068	1,403	1,452
Others	1,019,524	851,877	135,002	121,875
Total cost of sale of goods, rendering of services, distribution costs and administrative expenses	5,805,000	5,249,596	702,133	641,209

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During 2022, the Group and the Company have contributed provident funds for its employees amounting to Baht 6.2 million and Baht 1.6 million, respectively (2021: Baht 6.0 million and Baht 1.4 million, respectively), which is included in employee benefit expenses.

24 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	17,170	28,763	-	-
Under provided in prior year	-	170	-	-
	<u>17,170</u>	<u>28,933</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	3,374	4,477	158	325
Total tax expense	<u>20,544</u>	<u>33,410</u>	<u>158</u>	<u>325</u>

Consolidated financial statements						
<i>Income tax Recognised in other comprehensive income</i>		2022 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>		2021 Tax (expense) benefit	Net of tax
	Before tax			Before tax		
Defined benefit plan actuarial losses	(12,846)	2,736	(10,110)	-	-	-
Revaluation of property, plant and equipment	-	-	-	171,262	(34,252)	137,010
Total	(12,846)	2,736	(10,110)	171,262	(34,252)	137,010

Separate financial statements						
<i>Income tax Recognised in other comprehensive income</i>	Before tax	2022 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2021 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	(8,662)	1,732	(6,930)	-	-	-
Revaluation of property, plant and equipment	-	-	-	60,242	(12,048)	48,194
Total	(8,662)	1,732	(6,930)	60,242	(12,048)	48,194

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<i>Reconciliation of effective tax rate</i>	Consolidated financial statements				Separate financial statements			
	2022		2021		2022		2021	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before tax expense		<u>187,275</u>		<u>476,513</u>		<u>186,433</u>		<u>192,327</u>
Income tax using the Thai corporation tax rate	20	37,455	20	95,303	20	37,287	20	38,465
Profit from promotional privileges		(30,890)		(73,703)		-		-
Current year tax losses for which no deferred tax assets was recognised		19,274		11,528		14,062		12,875
Dividend income not subject to tax		(160)		(160)		(51,644)		(51,693)
Additional expenses for tax purposes		(633)		(1,095)		(102)		(108)
Expenses not deductible for tax purposes		5,053		1,584		555		786
Recognition of previously unrecognised tax losses		(9,555)		(217)		-		-
Under provided in prior year		-		170		-		-
Total tax expense	11.0	20,544	7.0	33,410	0.1	158	0.2	325

<i>Deferred tax</i>	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2022	2021	2022	2021	2022	2021	2022	2021
<i>At 31 December</i>								
Total	22,807	24,488	(148,768)	(149,811)	6,286	5,103	(71,775)	(72,166)
Set off of tax	(21,226)	(22,059)	21,226	22,059	(6,286)	(5,103)	6,286	5,103
Net deferred tax								
Assets (liabilities)	<u>1,581</u>	<u>2,429</u>	<u>(127,542)</u>	<u>(127,752)</u>	<u>-</u>	<u>-</u>	<u>(65,489)</u>	<u>(67,063)</u>

Consolidated financial statements				
(Charged) / Credited to:				
<i>Deferred tax</i>	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	
			At 31 December	
2022				
Deferred tax assets				
Trade accounts receivable (allowance for expected credit loss)	311	(75)	-	236
Other receivables (allowance for expected credit loss)	-	-	-	-
Inventories (allowance for decline in value)	1,296	(304)	-	992
Property, plant and equipment (impairment losses)	27	(27)	-	-
Property, plant and equipment (depreciation gap)	281	(31)	-	250
Right-of-use assets (depreciation gap)	34	3	-	37
Derivatives	-	22	-	22
Provision for employee benefit obligations	22,539	(4,005)	2,736	21,270
Total	24,488	(4,417)	2,736	22,807

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	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1	Profit or loss	Other	At 31
	January		comprehensive	December
			income	
		(in thousand Baht)		
Deferred tax				
2022				
Deferred tax liabilities				
Right-of-use assets (depreciation gap)	(102)	59	-	(43)
Property, plant and equipment (revaluation)	(148,458)	-	-	(148,458)
Derivatives	(714)	639	-	(75)
Equity instruments	(537)	345	-	(192)
Total	(149,811)	1,043	-	(148,768)
Net	(125,323)	(3,374)	2,736	(125,961)
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)	-	-
Provisions for employee benefits	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)

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

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<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Tax losses	<u>154,237</u>	<u>171,004</u>	<u>87,586</u>	<u>89,278</u>

The Group incurred a tax loss which will be expire in 2024-2026. 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.

25 Basic earnings per share

	Consolidated financial statements		Separate Financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht/ thousand shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit for the year attributable to ordinary shareholders of the Company (Basic)	<u>83,471</u>	<u>205,215</u>	<u>186,275</u>	<u>192,002</u>
Number of ordinary shares outstanding	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.31</u>	<u>0.76</u>	<u>0.69</u>	<u>0.71</u>

26 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<i>2022</i>				
2021 Annual dividend	27 April 2022	May 2022	<u>0.5185</u>	<u>140.0</u>
<i>2021</i>				
2020 Annual dividend	27 April 2021	May 2021	<u>0.3272</u>	<u>88.3</u>

27 Financial instruments

(a) Carrying amounts and fair values

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

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

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

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

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

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

(b) Financial risk management policies

Risk management framework

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

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

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

(b.1) Credit risk

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

(b.1.1) Trade accounts receivables

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

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

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

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

(b.1.2) Cash and cash equivalent and derivatives

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

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to the subsidiaries (see note 30).

(b.2) Liquidity risk

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

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

Consolidated financial statements				
Contractual cash flows				
<i>At 31 December</i>	Carrying amount	1 year or less (in thousand Baht)	More than 1 years but less than 5 years	Total
2022				
Non-derivative financial liabilities				
Trade accounts payable	225,077	225,077	-	225,077
Other payables	266,229	266,229	-	266,229
Loans from financial institutions	1,001,594	818,934	203,981	1,022,915
Loans from related parties	22,750	5,711	18,083	23,794
Lease liabilities	41,192	29,235	13,641	42,876
Total	1,556,842	1,345,186	235,705	1,580,891

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Consolidated financial statements				
<i>At 31 December</i>	Carrying amount	Contractual cash flows		
		1 year or less	More than 1 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	201,899	661,593
Loans from related parties	22,750	23,195	-	23,195
Lease liabilities	60,537	30,554	32,553	63,107
Total	1,281,926	1,065,796	234,452	1,300,248
Separate financial statements				
<i>At 31 December</i>	Carrying amount	Contractual cash flows		
		1 year or less	More than 1 years but less than 5 years	Total
		<i>(in thousand Baht)</i>		
2022				
Non-derivative financial liabilities				
Trade accounts payable	40,497	40,497	-	40,497
Other payables	66,823	66,823	-	66,823
Loans from financial institutions	83,794	74,858	10,406	85,264
Lease liabilities	4,375	2,156	2,436	4,592
Total	195,489	184,334	12,842	197,176
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	3,631	6,094
Total	212,452	209,510	3,631	213,141

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(b.3) Market risk

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

(b.3.1) Foreign currency risk

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

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Exposure to foreign currency At 31 December	2022			Consolidated financial statements					2021
	USD	JPY	EUR	AUD	Total (in thousand Baht)	USD	JPY	AUD	Total
Cash and cash equivalents	4	2	-	-	6	4	2	-	6
Trade accounts receivable	76,838	149,648	-	-	226,486	94,540	121,961	-	216,501
Trade accounts payable	(14,054)	(53,962)	-	-	(68,016)	(1,739)	(2,665)	-	(4,404)
Other payables	(12,108)	(20,217)	-	(678)	(33,003)	(12,147)	(24,904)	-	(37,051)
Long-term loans	-	(26,448)	-	-	(26,448)	-	(88,310)	-	(88,310)
Gross statement of financial position exposure	50,680	49,023	-	(678)	99,025	80,658	6,084	-	86,742
Estimated forecast sales	201,900	751,594	-	-	953,494	309,537	958,360	-	1,267,897
Estimated forecast purchases of goods and assets	(9,308)	(2,022)	(2,497)	-	(13,827)	(18,557)	(15,866)	(24,532)	(58,955)
Gross exposure	243,272	798,595	(2,497)	(678)	1,038,692	371,638	948,578	(24,532)	1,295,684
Forward exchange purchase contracts	22,499	26,073	-	147	48,719	-	-	-	-
Forward exchange selling contracts	(59,792)	(147,716)	-	-	(207,508)	(257,230)	(244,655)	-	(501,885)
Net exposure	205,979	676,952	(2,497)	(531)	879,903	114,408	703,923	(24,532)	793,799

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	Separate financial statements					
	2022			2021		
<i>Exposure to foreign currency</i>						
<i>At 31 December</i>	USD	JPY	Total (in thousand Baht)	USD	JPY	Total
Trade accounts receivable	12,904	2,532	15,436	11,075	6,510	17,585
Trade accounts payable	(8,155)	(475)	(8,630)	-	(1,270)	(1,270)
Other payables	(6,209)	-	(6,209)	(12,147)	(72)	(12,219)
Gross statement of financial position exposure	(1,460)	2,057	597	(1,072)	5,168	4,096
Estimated forecast sales	31,142	19,583	50,725	59,488	24,237	83,725
Estimated forecast purchases of goods and assets	(9,308)	-	(9,308)	-	(15,858)	(15,858)
Gross exposure	20,374	21,640	42,014	58,416	13,547	71,963
Forward exchange purchase contracts	20,374	-	20,374	-	-	-
Forward exchange selling contracts	(20,072)	(8,906)	(28,978)	(36,920)	(9,503)	(46,423)
Net exposure	20,676	12,734	33,410	21,496	4,044	25,540

(b.3.2) Interest rate risk

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

<i>Exposure to interest rate risk</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statement	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	1,001,594	646,286	83,794	83,213
Net exposure	1,001,594	646,286	83,794	83,213

Cash flow sensitivity analysis of variable interest-rate instruments

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

<i>Impact to profit or loss</i>	Consolidated financial statements		Separate financial statement	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	(in thousand Baht)			
2022				
Financial instruments with variable interest rate	(10,016)	10,016	(838)	838
2021				
Financial instruments with variable interest rate	(6,463)	6,463	(832)	832

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28 Capital management

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

29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Capital commitment				
Buildings and other constructions	531	55,081	-	-
Machinery and equipment	31,812	85,787	7,624	7,732
Total	32,343	140,868	7,624	7,732
Other commitments				
Short-term and low-value asset lease commitments	5,080	2,000	1,426	1,465
Unused letters of credit for purchase goods and supplies	10,769	62,000	10,135	18,590
Bank guarantees	23,846	26,340	5,400	5,400
Total	39,695	90,340	16,961	25,455

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 March 2027.

At 31 December 2022, 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 (2021: Baht 2 million).

As at 31 December 2022 and 2021, the Group had outstanding forward exchange contracts covering periods less than one year as follows:

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

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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 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

30 Contingent liabilities

As at 31 December 2022, the Group had contingent liabilities for joint guarantee for credit facilities which financial institution extended to certain subsidiaries totaling approximately Baht 1,562.0 million and USD 5.0 million (2021: Baht 1,379.0 million and USD 5.0 million).

31 Event after the reporting period

At the Board of Directors meeting of the Company held on 22 February 2023, the Board approved the appropriation of dividends based on the operating profit for the year 2022 of Baht 0.4814 per share, amounting to Baht 129.98 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2023.

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

The Directors (Information as at December 31, 2022)

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)	76	- 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.

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)	77	- Master degree in Political Economics, Chulalongkorn University, Thailand - Bachelor degree in Political Science, Ramkhamhaeng University, Thailand - Role of the Chairman Program (RCP) class 7/2002, IOD - DCP class 41/2004, IOD - Developing Corporate Governance Policy 2008, IOD	Self 3.00 Spouse 3.02	<u>Between the Directors</u> Sibling : Miss Malai Wongwatroj <u>Between the Executives</u> Father : Mr. Sorapon Vongvadhanaroj	Dec 13, 1977 - now	Authorized director	Surapon Foods PLC.
					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, 2014 - now	Authorized director	Mobile Logistics Co., Ltd.
					Dec 30, 2014 - now	Authorized director	Pokai Plus Co., Ltd.
					Dec 18, 2017 - now	Authorized director	Pokai Holding Co., Ltd.
					Jun 15, 1988 - Oct 31, 2022	Authorized director	Surapon Aquaculture Co., Ltd.
					Jun 18, 1990 - Oct 31, 2022	Authorized director	Chantaburi Marine Farm 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)	77	- 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	Director Authorized director	Surapon Foods PLC.
					Dec 17, 1982 - now	Authorized director	Surat Seafoods Co., Ltd.
					Jun 15, 1988 - Oct 31, 2022	Authorized director	Surapon Aquaculture Co., Ltd.
					June 18, 1990 - Oct 31, 2022	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)	78	- 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 – 31 Oct 2022	Authorized director	Surapon Aquaculture Co., Ltd.
					Jun 18, 1990 - 31 Oct 2022	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.
					May 14, 2009 - now	Independent Director and Chairman of Audit Committee	Surapon Foods PLC.
					2012 - now	Independent Director and Audit Committee	Kaset Thai International Sugar Corporation Public Company Limited
					2015 - 2020	Independent Director and Chairman of Audit Committee	A A Electri Li PLC.
					1993 - now	Managing Director	DMBT Co., Ltd.
					1995 - now	Managing Director	Sahaporn and Co Co., Ltd.

Name-surname	Age	Educational Qualifications/ Professional Trainings	% Share- holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
6. Mr. Pailboon Kangvonkit (to be appointed as April 8, 2010)	55	- 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	Surapon Foods PLC.
					Nov 1, 2022 - now	Risk Management Committee	Surapon Foods PLC.
					Apr 8, 2010 - Oct 31, 2022	Chairman of Risk Management Committee	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)	67	- Bachelor degree in International Marketing, Baruch College, USA - DCP class 135/2010, IOD	0.03	<u>Between the Directors</u> Sibling: Mr. Surapon Vongvadhanaraj	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 - CFO Refresher class 3/2022, The Stock Exchange of Thailand	2.00	Between the <u>Directors</u> Son : Mr. Sorapon Vongvadhanaroj	Apr 4, 2012 - now	Authorized Director, Corporate Governance Committee	Surapon Foods PLC.
					Nov 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
					Nov 1, 2022 - now	Chairman of Risk Management Committee	Surapon Foods PLC.
					Apr 4, 2012 - Oct 31, 2022	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.

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-	Apr 2012 – Oct 31, 2022	Authorized Director	Surapon Aquaculture Co., Ltd.
					Apr 26, 2012 - Oct 31, 2022	Authorized Director	Chantaburi Marine Farm Co., Ltd.
					Apr 30, 2013 - now	Authorized Director	BJC Marine Resources Develop- ment Co., Ltd.
					Dec 30, 2014 - now	Authorized Director	Pokai Plus Co., Ltd.
					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.
					2018 – now	Managing Director	Touch Point Solution Co., Ltd.

Name-surname	Age	Educational Qualifications/ Professional Trainings	% Share-holding	Familial Relationship between Directors and Executives	Working Experiences		
					Period	Position	Company
10. Mr. Kunakorn Mekjaidee (to be appointed as April 27, 2021)	67	- Master degree in Business Administration, Delta State University, USA. - Bachelor degree in Accounting, The University of Thai Chamber of Commerce, Thailand - 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	0.00	-none-	Apr 28, 2021 - now	Audit Committee, and Nomination and Remuneration Committee	Surapon Foods PLC.
					Apr 27, 2021 - now	Independent Director	Surapon Foods PLC.
					2022 - now	ESG Committee	Bangkok Ranch PLC.
					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 Directors' Shareholding in the Company's stock (Information as at February 7, 2023)

Name-surname		Shareholding in the Company's Shares				
		February 10, 2022	Proportion (%)	February 7, 2023	Proportion (%)	Change
1.	Mr. Kosol Chantikul	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
2.	Mr. Surapon Vongvadhanaraj	8,099,970	3.00	8,099,970	3.00	-
	Spouse and minor child	8,141,260	3.02	8,141,260	3.02	-
3.	Mr. Sithichai Kraithisirin	14,436,000	5.35	14,436,000	5.35	-
	Spouse and minor child	0	-	0	-	-
4.	Mr. Chokchai Jiengwareewong	9,235,090	3.42	9,235,090	3.42	-
	Spouse and minor child	9,000,000	3.33	9,000,000	3.33	-
5.	Mr. Sathaporn Kootheeranurak	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
6.	Mr. Paiboon Kangvonkit	0	-	0	-	-
7.	Miss Malai Wongwatroj	77,000	0.03	77,000	0.03	-
8.	Mr. Sorapon Vongvadhanaraj	5,399,980	2.00	5,399,980	2.00	-
	Spouse and minor child	0	-	0	-	-
9.	Mr. Kanett Chathamrak	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
10.	Mr. Kunakorn Makchaidee	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-

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 - CFO Refresher class 3/2022, The Stock Exchange of Thailand	2.00	Between the <u>Directors</u> Son : Mr. Sorapon Vongvadhanaroj	Jan 1, 2017 - now	Chief Executive Officer	Surapon Foods PLC.
				Jan 1, 2017 - Dec 15, 2022	Chief Financial Officer	Surapon Foods PLC.
				Nov 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
				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 - Oct 31, 2022	Authorized Director	Surapon Aquaculture Co., Ltd.
				Apr 26, 2012 - Oct 31, 2022	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.
				Dec 18, 2017 - now	Authorized Director	Pokai Holding 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 -	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.
				Nov 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
				Dec 21, 2016 - now	Authorized Director	Surapon Supreme Foods Co., Ltd.
				Nov 25, 2014 - now	Authorized Director	Mobile Logistics Co., Ltd.
				Jan 3, 2012 - Oct 31, 2022	Authorized Director	Surapon Aquaculture Co., Ltd.
				Apr 30, 2013 - now	Authorized Director	BJC Marine Resources Development 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.
				Nov 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
4. Mr. Patt Somchaikulsup	- Master degree in Economics, Thammasat University, Thailand - Bachelor degree in Economics, Thammasat University, Thailand <u>Professional Trainings on</u> <u>Company Secretary</u> - Company Secretary Program (CSP) class 27/2008, IOD - Developing Corporate Governance Policy 2008, IOD - Effective Minute Taking (EMT) class 15/2009, IOD	0.00	- none -	Mar 2019 - now	Authorized Director	BJC Marine Resources Development Co., Ltd.
				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	- Fundamental Practice for Corporate Secretary (FPCS 18), Thai Listed Companies Association - DCP class 255/2018, IOD	0.00		Aug 2008 - Dec 31, 2016	Company Secretary Department Manager, and Company Secretary	Surapon Foods PLC.
				2009 - Dec 20, 2016	Authorized Director	Punpin Co., Ltd.
				Dec 15, 2022 - now	Chief Financial Officer	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 -	Nov 1, 2022 - now	Authorized Director	Surapon Prime Co., Ltd.
				Jan 1, 2019 - now	Vice President - Corporate Accounting and Finance	Surapon Foods PLC.
				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 Managements' Shareholding in the Company's stock (Information as at February 7, 2023)

Name-surname		Shareholding in the Company's Stock				
		February 10, 2022	Proportion (%)	February 7, 2023	Proportion (%)	Change
1.	Mr. Sorapon Vongvadhanaroj	5,399,980	2.00	5,399,980	2.00	-
	Spouse and minor child	0	-	0	-	-
2.	Mr. Montai Chhulatitta	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-
3.	Mr. Thomas Ung	0	-	0	-	-
4.	Mr. Patt Somchaikulsup	0	-	0	-	-
5.	Mr. Sriprasert Sriprawatkul	0	-	0	-	-
	Spouse and minor child	0	-	0	-	-

The Person Assigned to Take Direct Responsibility for Accounting Supervision (Information as at December 31, 2022)

The Company has assigned Miss Somjai Manodamrongtham to be responsible for supervising the accounting, who is qualified according to the criteria as stipulated in the notifications of Department of Business Development. In the year 2022, Miss Somjai Manodamrongtham attended professionally accounting training and development, accounted for 32 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 - Preparation of the Change in Financial Reporting Standard on TFRS15 and TFRS16, The Stock Exchange of Thailand	0.00	- none	2017 - now	Accounting Department Manager	Surapon Foods PLC.
				1991 - 2016	Accounting Department Assistant Manager	Surapon Foods PLC.
				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
	<ul style="list-style-type: none"> - 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 Directors and Controlling Persons

Names of Directors/Controlling Persons		Surapon Foods PLC.	Surat Seafoods	Surapon Nichirei Foods	Surapon Supreme Foods	Surapon Finest	*Surapon Aquaculture	*Chantaburi Marine Farm	Mobile Logistics	*Surapon Prime
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, III	I, II, III	I, II, III	I, II, III
Mr. Kanett	Chatthammarak	I, O, V, VI								
Mr. Kunakorn	Makchaidee	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	Sorakraikitikul						I, II	I, II	I, II, X	
Mr. Montai	Chulatitta				I, II		I, II		I, II	I, II
Mr. Sorapoom	Vongvadhanaroj				I, II, X					
Miss Yardphon	Comnungnat				I, II					
Mr. Kittikorn	Chongchere		I, II		I, II					
Mr. Sriprasert	Sriprawatkul		I, II		I, II					I, II
Mr. Bundit	Ruangratkul					I, II				
Mr. Auhtaphon	Ratana-arpom					I, II				
Miss Yupha	Fuangraya					I, II				
Mr. Patt	Somchaikulsup									I, II

Remark

/ = Director

// = Authorized Director

/// = Chairman

IV = Executive Director

V = Independent Director

VI = Non-executive Director

X = Chief Executive Officer/Managing Director

O = Audit Committee

*Surapon Aquaculture Co., Ltd. and Chantaburi Marine Farm Co., Ltd. has been merged to be a new company; namely Surapon Prime Co., Ltd.

Attachment 3 : Details of Internal Audit Head

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

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

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

6. Professional Trainings :

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

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

Surapon Foods PLC.

- Head-office and factory : address no. 247, Theparak road, Muang district, Samutprakarn province, Thailand.

Area : 14 rai, 3 ngan, 36 sq. wah.

The Company fully owns the whole land and buildings.

Main Production Machines and Equipment :

- Refrigerators, temperature controlling machines, freezers, Gyoza producing machines, top sealed product machines, weight checkers, flour rolling machines, stir machines, X-Ray machine, ice making machines, water supply system, generators, and water treatment system.

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

- Net book value of lands, property, and equipment as at December 31, 2022 amounting Baht 691,773,179.

- Net book value of right-of-use assets as at December 31, 2022 amounting Baht 4,493,163.

Surapon Supreme Foods Co., Ltd.

- Head-office : address no. 247, Theparak road, Muang district, Samutprakarn province, Thailand.

- Branch office and factory : address no. 509, moo.9, Kabinburi-Nakomrachasima 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 making 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, 2022 amounting Baht 588,396,302.

- Net book value of right-of-use assets as at December 31, 2022 amounting Baht 2,394,584.

Surat Seafoods Co., Ltd.

- Head-office : address no. 247, Theparak road, Muang district, Samutprakarn province, Thailand.

- Branch office and factory : address no. 21, Charoenlap road, Thakham sub-district, Punpin district, Suratthani province, Thailand.

Area : 10 rai, 1.6 sq. wah.

The Company fully owns the whole land and buildings.

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, 2022 amounting Baht 125,307,331.

- Net book value of right-of-use assets as at December 31, 2022 amounting Baht 405,115.

Surapon Nichirei Foods Co., Ltd.

- Head office and factory : address no. 22/5, moo.1, Theparak road, Bangphli-yai sub-district, Bangphli district, Samutprakarn province, Thailand.

Area : 10 rai, 3 ngan, 97 sq. wah.

- Branch office and factory : address no. 509/1, moo.9, Kabinburi-Nakornrachasima road, Kabinburi district, Prachinburi province, Thailand.

Area : 31 rai, 3 ngan, 38 sq. wah.

The Company fully owns the whole land and buildings.

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, 2022 amounting Baht 864,195,014.

- Net book value of right-of-use assets as at December 31, 2022 amounting Baht 20,155,944.

Mobile Logistics Co., Ltd.

- Head office : address no. 247, Theparak road, Muang district, Samutprakarn province, Thailand.

- Branch office : address no. 279, moo.9, Bangchalong sub-district, Bangphli district, Samutprakarn province, Thailand.

Area : 9 rai, 2 ngan, 19 sq. wah.

The Company fully owns the whole land and buildings.

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

- Net book value of lands, property, and equipment as at December 31, 2022 amounting Baht 399,752,979.

- Net book value of right-of-use assets as at December 31, 2022 amounting Baht 4,528,770.

Surapon Finest Co., Ltd.

- Head office : address no. 247, moo.1, Theparak road, Theparak sub-district, Muang district, Samutprakarn province, Thailand.

- Branch office : address no. 589/131, Bangna tower 1 building, 24 fl., Theparatna road, Bangna district, Bangkok, Thailand.

- Net book value of lands, property, and equipment as at December 31, 2022 amounting Baht 2,497,731.

- Net book value of right-of-use assets as at December 31, 2022 amounting Baht 9,346,925.

Surapon Prime Co., Ltd.

(a new subsidiary company from M&A of Surapon Aquaculture Co., Ltd. and Chantaburi Marine Farm Co., Ltd. in November 1, 2022)

- Head office : address no. 247, moo.1, Theparak road, Theparak sub-district, Muang district, Samutprakarn province, Thailand.

Address no. 40, moo.1, Klongnamkaem sub-district, Laemsingha district, Chantaburi province, Thailand.

Area : 480 rai, 3 ngan, 22 sq. wah.

The Company fully owns the whole assets.

Address no. 89/1, moo.15, Tagardngaw sub-district, Thamai district, Chantaburi province, Thailand.

Area : 1,495 rai, 3 ngan, 43 sq. wah.

The Company fully owns the whole assets.

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, 2022 amounting

Baht 127,354,317.

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 October 31, 2022 amounting

Baht 29,384,588.

Chantaburi Marine Farm Co., Ltd.

- 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 October 31, 2022 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 13 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 filed of the knowledges or experiences; industry, commerce, service, legal, accounting, finance, or public administration
- 1.2.3 Not be untrustworthy qualifications as stipulated in the relevant regulations
- 1.2.4 Possess knowledge, capability, experience, loyalty, honesty, and ethics as well as be able to devote sufficient time to perform their directorship duty.

1.3 The Board's Duties and Responsibilities

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

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

The Board's duties and responsibilities are as follows:

- 1.3.1 Consider and approve vision, mission, and important business management policies
- 1.3.2 Consider and approve annual business plan and budget
- 1.3.3 Consider the quarterly business performance results
- 1.3.4 Consider and approve important transactions such as significant investments, significant assets' acquisition or disposal, or other matters as specified by the laws and the regulations
- 1.3.5 Consider important related parties' transactions of the Company and the subsidiary companies to be in compliance with the regulations
- 1.3.6 Consider the Board's performance assessment
- 1.3.7 Consider CEO's performance assessment
- 1.3.8 Establish the written good corporate governance policy as well as review the policy regularly at least once a year
- 1.3.9 Other matters which are in compliance with the laws, the Company's objectives, the Company's articles of association, the Shareholders' resolutions, and the Board's resolutions

- 1.3.10 In consideration of conflict of interest transaction, Independent Directors must attend and consider such transaction
- 1.3.11 Appoint the specific Sub-committees to be responsible for some specific matters on the Board's behalf
- 1.3.12 Consider the duties, responsibilities, and power of authorities of the Executive Committee and CEO
- 1.3.13 Establish the important policies to be the business management's guidelines.

1.4 The Board's Meeting

- 1.4.1 The Board shall convene the Board's meeting at least six times in each year. The meeting agenda and the meeting documents shall be informed in advance. In consideration of each agenda, the Board shall consider carefully by concerning the Shareholders' benefits as well as each Board member shall express their opinion independently. Chairman of the Board shall conduct the meeting with appropriate time allocation. Number of each Board member's meeting attendance shall be disclosed in the Company's annual report
- 1.4.2 The Sub-committees' meeting shall convene their meetings regularly by concerning the necessity and the jobs assigned by the Board
- 1.4.3 The annual Board's meeting schedule shall be fixed and informed in advance
- 1.4.4 The Board shall consider the quarterly business performance report in the Board's meeting. In addition, the Company shall submit the monthly business report to the Board once a month
- 1.4.5 Chairman of the Board and CEO shall together consider and set the Board's meeting agenda. However, Chairman of the Board might discuss with other Directors in some case
- 1.4.6 The Company shall inform the meeting agenda as well as submit the completed meeting documents to the Board in advance more than seven days prior to the meeting date in order to ensure the Board shall have sufficient time to study the meeting information prior to the meeting date
- 1.4.7 At the time of approval, the Board's member must present and vote such agenda at least two-third of total Board's members
- 1.4.8 Chairman of the Board shall allocate sufficient and appropriate time for discussion
- 1.4.9 Non-executive Directors can meet one another without the 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 the Board's important opinions. Company Secretary shall submit the minutes to the Board for their consideration prior to official approval in the next Board's meeting.

1.5 Financial Reports

The Board shall provide annual financial statements, which shall be disclosed in the Company's annual report reports, submit to the Shareholders.

The Board assigns Audit Committee to govern and supervise the preparation of financial reports to be in compliance with accepted accounting standards and the relevant regulations.

1.6 Chairman of the Board

By concerning different roles of Chairman of the Board on behalf of the leader of policy matters and CEO on behalf of the leader of business management, the Company has determined that chairman of the Board and CEO must be different person as well as set up the segregation of clear and balanced duties and authorities.

Chairman of the Board shall not be Executive director, presiding chairman of the Board's meeting and the Shareholders' meeting.

1.7 The Sub-committees

The Board appoints the specific Sub-committees to be responsible for governing and supervising some specific matters. Currently, the Board appoints five sub-committees; comprised of Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee. The Sub-committees shall submit their performance reports to the Board.

1.7.1 Executive Committee

Executive Committee shall be comprised of at least three persons from the Directors and the Executive Committee. The Board shall appoint chairman of Executive Committee from one of the Directors. Executive Committee is responsible for governing and supervising the business operations and managements to be in accordance with the policies, vision, and business targets. Executive Committee is also responsible for considering important policies and working procedures. Executive Committee shall be able to appoint any working committee or group in support of business management and business supervision.

1.7.2 Audit Committee

Audit Committee shall be comprised of at least three Independent Directors. Audit Committee is responsible for auditing the business operations to be in compliance with the policies, the regulations, the laws, the procedures as well as promoting the development of financial reports' system to be in line with accounting standards, and reviewing the efficiencies of internal control system, internal audit system, and risk management system

Audit Committee shall perform their duties independently with internal audit function shall support Audit Committee. Audit Committee has authority to ask for independent advisor's opinion in some matters as well as shall convene the meeting with the independent auditor without the Management at least once a year.

1.7.3 Nomination and Remuneration Committee

Nomination and Remuneration Committee shall be comprised of at least three persons. Nomination and Remuneration Committee is responsible for considering the suitable person to be appointed as the Board, the Sub-committees, and CEO as well as considering the Boards and CEO's remunerations. Nomination and Remuneration Committee shall discuss with CEO to consider the criteria and procedure of the Management's appointment.

1.7.4 Corporate Governance Committee

Corporate Governance Committee shall be comprised of at least three persons from the Independent Directors and the Managements. Corporate Governance Committee is responsible for governing and supervising the implementations according to corporate governance policy.

1.7.5 Risk Management Committee

Risk Management Committee shall be comprised of the Directors and the Managements. Risk Management Committee is responsible for considering risk management system, risk management procedure, and reviewing and auditing the efficiency of risk management system.

1.8 Chief Executive Officer

The Board shall appoint Chief Executive Officer to be responsible for overall business managements and operations

in order to ensure the achievements of business targets. The Board shall delegate their powers of authority to CEO to be able to appoint any group or person in support of the business managements.

1.9 Company Secretary

The Board appoints Company Secretary to be responsible for following-up and giving preliminary recommendations of the laws and the regulations related to listed companies, the Company's articles of association, the Company's resolutions of the Board's and the Shareholders' meetings. Company Secretary is also responsible for convening the Board's and the Shareholders' meetings.

1.10 Qualifications and Nomination of the Directors

Nomination and Remuneration Committee is responsible for nominating the suitable person to be elected as the Directors. Nomination and Remuneration Committee shall consider the Directors' nomination by concerning the qualifications, knowledge, capability, experiences, working history, and other specific characteristics which are of benefits to the achievement of business targets and strategies.

1.11 The Directors' Term in the Office

The Directors' term in the office as stipulated in the Company's articles of associations is one-third of total directors shall retire by rotation at the AGM. The Director who retires by rotation shall be able to re-elect for another term. The Sub-committees' term in the office is two-year period since the appointment date or according to the Board's resolution. The Sub-committee, who retires by rotation, shall be able to re-elect for another term.

1.12 The Directors' Remunerations

The Board shall propose the Directors' remunerations for the Shareholders' approval by concerning duties, responsibilities, and working performance. Nomination and Remuneration Committee shall propose the remunerations by concerning nomination policy and shall disclose the actual payment of the remuneration in the Company's annual report.

The Management's remunerations shall be considered and approved by CEO by concerning duties, responsibilities, working performance, the Company's operating results in short-term and long-term, and competitive level in order to retain the capable persons.

The remunerations of the Board and CEO should be competitive with the industry as well as be suitable for duties, responsibilities, and scope of working.

1.13 The Directors' Performance Assessment

The Board shall conduct individual and the whole group performance assessment once a year, which the results shall be discussed and considered in order to develop the Board's performance. The Board's working standard is set and be in consideration of performance assessment.

1.14 Conflict of Interest

The Board is highly aware of consideration of conflict of interest transaction with fair, careful, transparent, and be in accordance with the Company's conflict of interest policy. The Director, who involve in possible conflict of interest, shall not attend and vote such transaction.

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

1. Equal rights as stipulated in the relevant laws and the Company's articles of association
2. Rights to protect their own rights by attending, questioning and voting in the Shareholders' meeting
3. Rights to participate in decision of significant matters including the election of the Directors
4. Rights to receive information accurately, completely, and transparently
5. Rights to receive the equal dividend payment allocation
6. The Company's policy is to pay the dividend as approximately 60% of annual net profit after tax of Separate Financial Statement, except when investment or cash flow is needed – the Board of Directors could present the Shareholders to pay the dividend as it fits.

2.2 The Shareholders' Meeting

The Company shall convene the Shareholders' meeting to be in accordance with the relevant laws, the Company's articles of association, and meeting organizing guideline as specified by the regulatory institutions.

Invitation to AGM letter shall be contained all meeting agenda items and the Board's opinions in each agenda item. Invitation letter shall be circulated to the Shareholders in advance.

In AGM, all shareholders have equal right to receive information, opportunity to ask questions or suggest. Chairman of the meeting shall allocate sufficient time and promote the Shareholders to suggest or ask questions during the meeting.

The Board has duties to facilitate the Shareholders to attend the AGM by themselves or granting proxy to the Company's Independent Director.

The Director has duty to attend AGM and answer the question raised in the AGM.

The Shareholders shall be able to gather the group with clear reasons to submit the Company to convene EGM according to the criteria as stipulated in the Company's articles of association. In this case, the Board shall have to convene EGM within one month after the date of receiving the written official request from the Shareholders.

The Board shall complete the minutes of AGM within fourteen days after AGM date. The minutes shall disclose through the Company's website (www.surapon.com) as well as shall submit to the relevant regulatory institutions as stipulated in the relevant laws.

Article 3 : Roles to the Stakeholders

The Board is aware of rights of the Stakeholders; the shareholders, the employees, the customers, the partners, the debtors, social, and community. The Company shall be responsible for all stakeholders fairly as well as establishing the written code of business ethics and corporate social responsibility policy to be working guideline to all directors and employees.

The Board strives to perform itself to be good corporate citizen, strictly operate its business in accordance with the laws, and conduct its business to be benefits to the society.

The Board provides communication channels for the Shareholders and the stakeholders to submit their opinions to Audit committee.

Article 4 : Information Disclosure and Transparency

4.1 The Board establishes the policy to disclose financial and non-financial information in regards to business, operating results, financial status, future of the business accurately, completely, regularly, and timely. The Company's information shall be disclosed through the Company's annual report, the Company's website, and the Stock Exchange of Thailand's website

4.2 The Board has the policy to non-discrimination of the information even positive or negative aspects as well as equal accessibility to the information. Information disclosure shall consider the importance of confidential information, however, still be in compliance with the relevant regulatory institutions' criteria and requirements

4.3 The Board establishes the policy of insider information usage, which the Directors and the 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 general publication such as secretary to the Board, secretary to Audit Committee, and the auditors, are not allowed to disclose confidential information to others and not allowed to trade the Company's stock during one month prior to the date of financial statements disclosure

4.4 The Board assigns the 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 inform their stock trading transaction one day prior to the trading date.

Article 5 : Internal Control and Risk Management

5.1 Internal Control and Internal Audit Systems

The Board promotes and is aware of importance of internal control and internal audit systems by establishing efficient internal control and internal audit throughout the organization. The systems shall be in full supports of business operations but full aware of controllability and traceability.

The Company establishes internal audit function, under the supervision of Audit committee, to be responsible for auditing the operations in compliance with the policies, work plans, the procedure as well as assessing the suitability of risk management and internal control. Audit Committee is responsible for the appointment 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 effectively by providing the Director's manual, which contains important information required for performing the Directors' role as well as arranging site visits to all operations' sites and organizing the new Directors' orientation.

6.2 Succession Plan for the Managements

The Board is highly aware of personnel development especially top management positions, who vitally contribute to current and future business operations. The Board, therefore, establishes succession plans for top management positions by concerning business operations, knowledge, experiences, performance, potential, and required skills for future positions.

The Board assigns Nomination and Remuneration Committee to consider and set up succession plan for CEO, whereas assigns CEO to consider and set up succession plans for other top management level.

6.3 Performance Assessment of the Directors

The Board establishes the Directors' performance evaluation regularly at least once a year as well as organizes every Board's meeting evaluation.

Article 7 : The Policies Strengthening Good Corporate Governance

The Board considers and approves the policies in response to supporting and strengthening good corporate governance. The policies shall be reviewed regularly.

The policies strengthening good corporate governance in the organization, which the Board already approved, are as follows:-

1. Policy of nomination of the Directors and CEO
2. Policy of remuneration of the Directors and CEO
3. Policy of internal audit and internal control

4. Policy of risk management
5. Code of business ethics for the Directors and the Managements
6. Policy of insider information usage
7. Policy of corporate social responsibility
8. Policy of conflict of interest protection
9. Policy of facilitating the Shareholders to attend AGM
10. Policy of whistle-blowing
11. Policy of anti-corruption
12. Policy of donation and sponsorship
13. Policy of political supports
14. Policy of human resource management in supports of corruption prevention
15. Policy of supervision of the subsidiary company
16. Policy of diversity of the Board's structure
17. Policy of information disclosure and transparency
18. Policy of posting the directorship in other companies

Code of Business Ethics

The Company establishes code of business ethics to be the working guideline as follows:-

1. Practices to the Company

- 1) Strive to work with full effort and perform their duties and responsibilities with accountable, care, and loyalty as well as decide to operate any matter by concerning information and fact which is correct, careful, and sufficient
- 2) Adhere to perform the duties, monitor and control the operations to be in accordance with the laws, the Company's articles of association, the policies, the procedures, code of business ethics, corporate value, and corporate competencies
- 3) Perform the duties under the scope of authority and the Company's scope of business by concerning the Company's benefits
- 4) In any decision or operation, shall not involve in any conflict of interest or related to the transaction which lead to the damages or undermine the Company's benefits. In case of possible conflict of interest, shall have to report the Company for prior acknowledgement
- 5) Agree and accept to the commitment to the consequences of their operations
- 6) Communicate and distribute code of business ethics to the employees and provide best efforts to ensure the employees' understandings
- 7) Utilize the Company's assets and resources economical and worth as well as take care of assets to maintain their values and prevent the loss
- 8) Report their actual performance regularly and completely including report of future trend with logical, reasonable, and sufficient information support
- 9) Not disclose business confidential information to other persons, group of persons, or outside organizations as well as not utilize such confidential information for own or others benefits without prior approval
- 10) Not involve in working with the business competitors within two years period after the date of employment termination
- 11) Perform and supervise the operations by concerning welfare and safety of their own, colleagues, and the Company's assets

12) Perform their duties with transparency, free from all forms of corruption for their own and others benefits both money and non-money benefits.

2. Practices to the Shareholders

- 1) Perform their duties with care and loyalty as well as decide any matter based on sufficient and completed information by concerning the Shareholders' benefits
- 2) Not disclose any information, which is not yet disclose to the Stock Exchange of Thailand as well as not disclose business confidential information to others, and not involve in any conflict of interest transaction.

3. Practices to the Customers

- 1) Strive to produce quality foods by concerning foods standards, foods safety, and food traceability
- 2) Strive to deliver quality products and services in all operations' processes to meet the customers' expectations with suitable price
- 3) Strive to provide the customers with accurate, sufficient, and timely information regarding details of the products and services without over statement or mislead statement of quality, quantity, or any condition
- 4) Contact the customers with politeness, effectiveness, and trustworthiness as well as establish the efficient system and process to handle complaints from the customers
- 5) Strive to keep the customers' confidential information as well as not utilize such information for own and/or others sake illegally
- 6) Strive to provide the recommendations regarding products' usage and services, which are of benefits to the customers
- 7) Not involve in all forms of any corruption for own and/or others sake. In case of offering or receiving the gifts or any benefits from the customers, shall have to strictly proceed and follow the Company's policy and procedure.

4. Practices to the Partners

- 1) Strive to conduct the mutual agreement with the partners in regards to the implementations according to food safety standards and food traceability
- 2) Not involve in all forms of any corruption for own and/or others sake. In case of offering or receiving the gifts or any benefits from the partners, shall have to strictly proceed and follow the Company's policy and procedure. In case of any corruption is found, the Company shall disclose details of the case to the partners and shall together try all the bests to find the best possible solution with fair and timely
- 3) Strive to conduct the business with the partners based on good corporate governance principle
- 4) Strive to follow the agreed conditions with the partners.

5. Practices to the Debtors

1. Follow the agreed conditions with the debtors. In case of some condition needed to amend, shall discuss with the debtors without delay
2. Pay off loan and loan interests to the debtors according to the loan amount, payment schedule, and the agreed loan conditions
3. Follow the objective of loan submitted to the debtors
4. Manage the business efficiently in order to maintain the ability to pay the loans.

6. Practices to the Competitors

- 1) Conduct the business under the fair trade competition framework
- 2) Not involve in acquiring the competitors' confidential information illegally
- 3) Not slander the competitors' reputation.

7. Practices to the Employees

- 1) Treat the employees with proper manners and respect to individual prestige
- 2) Support the employees' development as well as concern the employees' career growth
- 3) Organize proper and safe working conditions as well as provide sufficient working equipments 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 to Shareholders

The Company's Audit Committee consists of three Independent Directors; namely Mr. Sathaporn Kotheeranurak; Chairman of Audit Committee, Mr. Kunakorn Mekjaidee, and Mr. Kanett Chatthamrak 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 2022, there were five-time meetings of Audit Committee and one time meeting with independent auditor without the Management. Summary of the year 2022 performance can be summarized as follow:

1. Financial Statements Review and Audit

There are meetings with independent auditor, the Management, and internal auditor to consider financial statements, accounting policy, changes in important accounting policy, discuss with the management before submitting for Board of Directors' approval. Besides, there is 1 time meeting without the Management to consult and seek advices from independent auditor regarding the independence of the workings and the issues might impact the financial statements. Audit committee considers and views that financial statements as at December 31, 2022 is correct and adequate according to Generally-accepted Accounting Principles. Certified Auditor has operated and shown independent opinion on Financial Statements.

2. Internal Control System Review

Audit Committee considers efficiency and effectiveness of internal control system by considering quarterly internal audit report, which covered important activities, together with the report from the independent auditor. The result of internal control system report is not found any significant weakness. Audit committee views that the Company's internal control system is adequate, appropriate, and efficient according to the objectives and compositions of internal control system.

3. Operational Reviews to be in Compliance with Laws and Regulations

Audit Committee conducts operational reviews to ensure the compliance with relevant business laws and regulations by considering the quarterly report from laws and regulations monitoring working committee under Risk Management Committee. Moreover, Internal Audit function has regularly done the audit sampling. Audit Committee has an opinion that the Company has the adequate and proper monitoring system.

4. Related Transaction and Conflict of Interest Transaction Reviews

Audit Committee gives an opinion that consideration of related transaction and conflict of interest transactions 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 Reviews

Audit Committee considers independence, scope of work, duty and responsibility of Internal Audit function concordantly with professional standard. Audit Committee also reviews internal auditor charter, considers the internal auditor's self-assessment, approves annual audit plan; which has been settle based upon the risk assessment, reviews the auditor report, and evaluates performance of Internal Auditor function and head of Internal Audit function including considering the appropriateness of the

head of Internal Audit's qualifications and in-duty competencies. Audit Committee views that the Company's Internal Audit system is independent, adequate, and efficient. The Company's Internal Audit system 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 2022

Audit Committee considers the Company's independent auditor by considering the reliability, working standard, independence, quality of works and services. Audit Committee also considers the suitable auditing fee before proposing to Board of Directors and Shareholders' meetings for approvals. Audit Committee recommends to appoint the auditors from KPMG Phoomchai Audit Ltd. to be the Company's auditor for the year 2022.

8. Whistle-Blowing

In the year 2022, 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 2022

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



SURAPON

GHPs / 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 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

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