



CHIANGMAI FROZEN FOODS PUBLIC CO.,LTD.

**Annual Report 2021
56-1 ONE REPORT**







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Message from Chairman of Board of Director

Dear Shareholders,

In the year 2021, remark as another challenging year from the spread of COVID-19 which affected the entire global in terms of economic and social activities. Japan and USA, which is the main customers of the Company also affected by the City lockdown policy from governments in attempts to decrease the spread of virus. However, the policy also limited the business activities and therefore negatively affect to the consumption, which caused the decline on the revenue.

In 2021, from financial statements, the company indicated decreasing revenue of THB 40.94 million and decreasing net profit of THB 82.03 Million. The major factor contributed to the decrease is the outbreak of COVID-19 which caused the business activities to slowdown from the city lockdown policy and pressured the consumption of household. The executive and all the employee has put all of their effort to the operation of the Company, ensuring the operation is moving onward aligning to the Company's strategy, which aiming to improve the production efficiency, reducing cost, and extend the competitive advantage for the Company. Also, we are exploring the possibility for the new market, especially for the potential in Middle East and also the attempt to expand domestic market.

The Company has an ideal and strong intention of virtuous in conducting business, acts in accordance with the laws of Thailand in order to resist misconduct and corruption, making communication and diffusion the policy of misconduct and corruption resistant to the customers, co-traders, creditors, related units, company officials inclusive subsidiary company, business representative and the people to acknowledge and formulates the directors, executives and officials to hold practice according to the policy of misconduct and corruption resistant strictly caused. The company has been certified as the member for the Private Sector Collective Action Coalition Against Corruptions, and has received Corporate Governance assessment in 5 Stars level which were Excellent level.



On behalf of the Board of directors, executives and employees. We would like to thank our customers, shareholders, suppliers and our business partners for helping us to achieve our business goals. With our vision and strategies' as well as excellent dedication of the management and staff members at all level. I believe that with the existing capability, the Company can worthy be trusted in growth and sustainable in the future.

Mr. Prayoon Pholpipattanaphong

Chairman of the Board of Director



Report from the Audit Committee

Dear Shareholders,

As the Board of Company has resolved to nominate the Board of Audit Committee which comprise three independent non-executives directors, namely Mr. Amnuay Yossuck as Chairman of the Board of Audit Committee, Mr. Ampon Ruayfupant and Miss Chutima Tangmatitham as Audit Committee to perform the duties assigned from the Board of Company which is according to the provision of The Stock Exchange of Thailand.

During the year 2021, the Board of Audit Committee conducted 4 meetings by inviting Auditors, Management and Internal Auditor. The significant tasks could be summarized as follows:

1. Reviewed the Financial Statements quarterly and Annual Financial Statements of 2021 and adequately listen the clear explanations and report from the Management and Auditor in related subject, therefore, the Audit Committee were of a same opinion with the External Auditors that said quarterly annual financial statements were correct in essence in conformity with the generally accepted accounting principles.
2. Reviewed the disclosure of connected and related information between the company, subsidiary company and concerned company and it was of opinion that such related information were adequately and correctly disclosed.
3. Reviewed the compliance with the laws and regulation of Securities and Stock Exchange and related laws with the company business and not found any point in the matter of not acting in accordance with the law of Securities and Securities of Stock Exchange and related laws with the company business.
4. Promoted the independence of internal audit operation, agreeing with annual internal audit plan and reviewing to have the adequacy and effective internal control system and risk management, evaluate to have the adequacy of internal control system accordance with guideline of The Securities and Exchange Commission (SEC) that are factor of Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities. In summary, The Board of Audit Committee reviewed and determined that to have the adequacy and effective internal control system and risk management and found no significant weakness of control that may have adverse impact.



5. Considered to propose the Board of Company for asking approval to appoint Auditor and audit fee for annual 2021 by proposing Auditor of AST Master Office who is independence and approved by the office of SEC.
6. Oversight of Fraud Prevention, The Committee encouraged improvement of the Company's internal controls system to assure optimal controls over fraud prevention. The Company has also become certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), demonstrating our determination to stand strongly and prominently against corruptive practices
7. Verify and oversight the operation of executive, manager and employee to practice according to anti-corruption policy in which result of checking by internal audit in 2021 the anti-corruption is not found.
8. From self-assessment of the Board of Audit Committee which was an assessment of yearly result. For result assessment of annual 2021, sum up the results overall that effective in performing duty of the Board of Audit Committee and accordance with plan.

Mr. Amnuay Yossuck

Chairman of Audit Committee



Financial Highlights

		2019	2020	2021
<i>Statement of Income</i>	(THB million)			
Sales and Service Revenue		1,174.80	1,108.49	1,064.39
Earning before interest, Taxes, Depreciation and Amortization (EBITDA)		91.87	56.36	5.59
Profit attribute to Equity Holders of the Company		34.76	1.15	(65.95)
<i>Statement of Financial Position</i>	(THB million)			
Total Assets		1,549.27	1,517.46	1,664.83
Total Liabilities		139.40	146.61	346.00
Non-controlling Interests of the Subsidiaries		0.00	0.00	32.93
Equity Attributable to Owners of the Company		1,409.87	1,371.04	1,285.90
<i>Shares or Information about Common Shares</i>				
Issued and Paid up Share Capita	(Million Share)	381.15	381.15	381.15
Book Value per share	(THB)	3.69	3.63	3.44
Earnings (Loss) per Share	(THB)	0.09	0.00	(0.17)
Dividend per Share	(THB)	0.06	Omission	Omission*
Dividend Payout Ratio	(%)	65.79	Omission	Omission*
Share Price at the End of the Period	(THB)	2.74	2.68	2.84

*Remark

1. The Omission of dividend for the operating result of 2021 is subject to the resolution from Annual General Meeting of Shareholder 2022 which will be convened on 27 April 2022

The Board of Directors



Mr. Prayoon Pholpipattanaphong

Chairman of Board of Company



Mr. Prapas Pholpipattanaphong

Chairman of Executive Committee



Mr. Ankoon Pholpipattanaphong

Managing Director



Mr. Lan, Mu-Chiou

Director



Mr. Amnuay Yossuck

Independent Director



Mr. Ampon Ruayfupant

Independent Director



Dr. Phusit Wonglorsaichon

Independent Director



Miss Chutima Tangmatitham

Independent Director



Section

1

Business and Operation Performance

1 Business Structure and Operating Performance

1.1 Business Policy and Business Overview

Chiangmai Frozen Foods Public Company Limited “CM” conducts business of producing and distributing frozen vegetables such as Frozen Soybeans, Frozen Green Beans, Frozen Sweet Corns, Frozen Baby Corns for consumption. The Company has sales proportion to overseas distribution over 90%. The major trade partner and market located in Japan, considered the market share of approximately 10% for the products. In addition, the Company also sell product domestically.

Vision, Mission and Corporate Philosophy

Vision

- We intend to develop for leadership sake in frozen agriculture products.

Mission

- The Company intends to develop and select vegetables of quality, clean, free from chemical and deliver the products quickly as required by the customers.
- The Company intends to make a good investment return by seizure the principle of good corporate governance.

Corporate Philosophy

- Maximum satisfaction of the customers is the maximum aspiration of us.

Corporate Value

- Shall treat toward the shareholders and ever group of stakeholders with equally and fair.
- Shall always think of risk and manage the risk appropriately.
- Shall create leadership to occur in every level of personal, promote to incur good working atmosphere with happy and safety in working.
- Shall create good relationship with society, community and intend to maintain environment.



- Shall create organization of quality and intend to reach an organization of learning.
- Shall resist every form of misconduct and corruption.
- Shall not violate and not support any activities that violate human rights.

Business Goals

- Maintain the product quality always in standard.
- Always strive to produce the goods to meet consumer requirement.
- Seek the business expansion channel for maximum advantage to every stakeholder.
- Fairly conduct business, not ruin environment, and promote of living together with good relationship between company and community.

Change of Controlling in the previous year

“Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Ankoon Pholpipattanaphong, Managing Director or Mr. Prapas Pholpipattanaphong to give signature with company seal”

- In 2021, There is no change of controlling.

Change of Business Operation in previous year

- There is no significant change in the business operating of the Company in the year 2021

Change of Shareholder's Structure, Management or Business performance in previous 3 years

- There is no significant change of Shareholder's Structure, Management or Business performance in previous 3 years



Significant change and development

Nov 1988	Established a company with register capital 50 million Baht with par value 10 Baht per share.
Apr 1989	Built 1 st plant at Nongjom, Sansai, Chiangmai on area 15 rais 36.6 square wahs and finished in Oct. 1989
Dec 1991	Increased register capital from 50 million Baht to be 125 million Baht.
Jan 1993	Permitted from The Stock Exchange of Thailand to be as register securities.
Jan 1993	Started buying-selling shares in The Stock Exchange of Thailand under the name “CM”
Feb 1994	Changed from company limited into Public Company Limited
Mar 1994	Built 2 nd plant at Maefagmai, Sansai, Chiangmai on area 26 rais 29.9 square wahs, then finished and started producing in Oct. 1995
Nov 1998	Increased register capital from 125 million Baht to be 210 million Baht.
Apr 2003	Joint investment with River Kway International Co., Ltd. in ratio 51:49 in Agrifood Processing Co., Ltd. with capital invested 120 million Baht, paid-up 30 million Baht.
Mar 2004	Built cold storage at Maefagmai, Sansai, Chiangmai on area 8 rais 3 ngans 97 square wahs and finished in Jul. 2005
Jul 2004	Bought capital investment in Agrifood Processing Co., Ltd. from River Kway International Co., Ltd. increased from 51% to 100%.
May 2005	Increased register capital from 210 million Baht to be 315 million Baht.
May 2005	Changed par value from original par value 10 Baht per share to be 1 Baht per share.
May 2007	Increased register capital from 315 million Baht to be 346 million Baht.
May 2009	Increased register capital from 346 million Baht to be 381 million Baht.
Aug 2014	Conduct Feasibility study in Land procurement and establish subsidiary company in The Republic of the Union of Myanmar.



Dec 2014	From December 2014 onward, the company proceeded an exportation of Frozen Sweet Corns to over sea directly without passing Agrifood Processing Co., Ltd.
Nov 2015	The Board of Director resolved to liquidate Agrifood Processing Co., Ltd. (subsidiary Company)
Mar 2016	The Company has signed the pre-deposit land lease agreement with the lessor as the part of the investment project in Myanmar
Dec 2016	Agrifood Processing Co., Ltd. (Subsidiary company) has completed the liquidation
May 2017	Investment in Sino Thai Freeze & Dry Co., Ltd., for the amount THB 37.5 Million, considered 15% share proportion.
Aug 2020	Increase Investment in Sino Thai Freeze & Dry Co., Ltd., for the amount THB 7.5 Million, considered 15% share proportion.
Mar 2021	Increase Investment in Sino Thai Freeze & Dry Co., Ltd., for the amount THB 120.20 Million, considered 68.7% share proportion.
Nov 2021	The Board of Director has resolved to cancel the investment project in Myanmar due to political unrest which could significantly affected the return of the project

Significant Development in 2021

Additional Investment in Sino-Thai Freeze and Dry Co., Ltd

The Board of Directors Meeting of Chiangmai Frozen Foods Public Company Limited (the “Company” or “CM”) No. 2/2021 has approved the Company to make additional investment in Sino-Thai Freeze & Dry Company Limited (“STFD”), a manufacturer, distributor, and exporter of fresh fruits, frozen fruits, and freeze-dried fruits and foods, which is the company that CM currently holds 15 percent of total issued and paid-up shares. CM will make additional investment in STFD for the amount 120.20 Million Baht. the Company will hold a total of 68.7 percent of shares in STFD after new share issuances for purpose of fund raising and capital restructuring. The Company



will then become STFD's new major shareholder the Company will benefit from increasing revenue and net profits of STFD. Furthermore, additional investment in STFD allows the Company to extend its core business, that is, the Company will receive more revenue from exporting frozen and freeze-dried fruits, on top of its sale revenue from frozen vegetables. Investment in STFD also provides the Company an opportunity to tap into STFD existing customer bases, which will provide benefits for the Company and its shareholders in long-term.

The Cancellation of Investment Project in Myanmar

According to the Board of Director's meeting No. 4/2014 held on 14th August 2014 has resolved initiate the investment in Myanmar by incorporate the subsidiary and expand the frozen vegetables business purposely to export. The initial investment expected approximately 80 Million Baht budgeted for the either acquisition of land or the rights on the land area of 50-100 Acres. Further, On 25th March 2016, The Board of Directors' Meeting No. 2/2016 has considered and approved the investment project for the construction of frozen vegetables plant in Myanmar. The total project investment approximately 700 Million Baht. The Company shall establish a subsidiary and hold at least 60% but not exceed 90%. There is an opportunity to have person or juristic person incorporated in Thailand, Myanmar, or any specific country, investing in the mentioned subsidiary as partner shareholder. The determination of shareholder proportion shall abide by the Myanmar investment law and regulations. In addition, the Board of Director's meeting resolved to approve the engaging in land lease deposit agreement to the lessor in Myanmar purposely for the construction of frozen vegetables plant. In this regard, the Company shall arrange deposit at 50% of total lease fee. After the Company has completed the incorporation of subsidiary in Myanmar, the lessor shall engage the lease agreement with the subsidiary. However, the subsidiary has not been established. The Company has submitted the letters to lessor purposely to extend the period to engage in lease agreement which permitted by lessor. The Board of Directors has closely monitored the political unrest situation in Myanmar and carefully considered the current situation and resolve to cancel the investment project as there are uncertainties and possibilities of significant changes in laws or regulations that would affect the return of investment and the operation of the business. The Company has deposit of 50% of total lease value considered 715,950 USD. Further, the company has agreed to pay the compensation to reserve the right for land leasing at 30,000 Baht per month, in quarterly payable. The Company has paid the monthly amount since January 2020 until December 2021. The company considered the net realizable

value of the remaining refundable deposit by assessed the political and economic situation in Myanmar and determined the debtor's ability to repay, which cannot be consider in present because of the clarity of current financial information. The management of Group considered the situation as an indication that may be impaired. The company considers setting an allowance for expected credit loss of refundable deposit receivable amounted of Baht 25,358,949 for the financial report of 2021.

Achieving Awards for Corporate Governance

“Excellent” CG Score on the Corporate Governance Report of Thai Listed Company 2021



Organized by Thai Institute of Directors Association (IOD) and commissioned by the Stock Exchange of Thailand (SET)

Recertification of Thailand's Private Sector

Collective Action Coalition Against Corruption (CAC)



The Company became a CAC certified member since 2017 and latest recertified on 4 November 2019. The certificate covered the period until 2022

Quality Standard of the Company



Company's production process has standard start from Good Agricultural Practice (GAP) for agricultural promotion and taking care of farmer who produce raw material for company. As for internal management, company has certificate of Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), ISO 22000 (Food Safety Management System) and FSSC 22000 (Food Safety System Certification 22000) as well as TLS-8001:2020



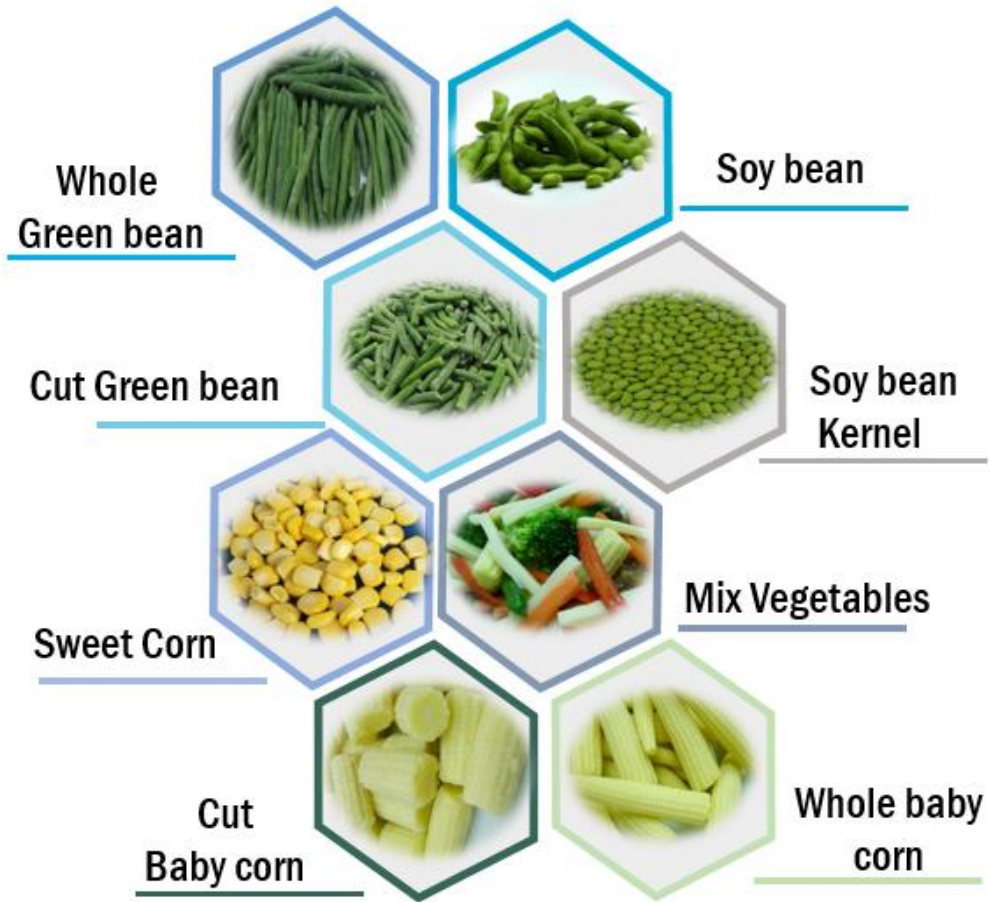
1.2 Nature of Business

Company produces and exports frozen vegetables such as green bean, soybean, sweet corn, baby corn and mix vegetables. The raw materials are agricultural products bought from the farmers who join the contract farming. The area of plantation covering northern part of Thailand. The Company buy raw material from farmer through contract farming. Company responsible for providing seed, fertilizer, and Insecticides to advance the payment to farmer. Our agricultural promotion staffs, who are professional in planting and taking care of crop will give advice and instruct according to GAP system and customer's standard from start plating until harvesting to factory so that famer will take care of planting crops in the right way and company buy crops at guaranteed price. As for processing, from choosing raw material, selecting, washing blanching to freeze, and storing the product at -25 Celsius and packing for distributing according to customer's order which all the production follow the standard of FSSC 22000, ISO 22000, HACCP, GMP, customer's standard and laws and regulations. Company mostly exports and business partner is mainly Japan.

Character of products

Products of the company are of frozen vegetables products which is brought an agricultural product such as Soy Beans, Green Beans, Sweet Corns, Carrots, Baby Corns chiefly to pass the processing method such as selecting, cutting, washing, boiling then bring to freeze and keep in cold storage to wait for grading, contain and export by having efficient producing steps according to the various standards such as ISO 22000, FSSC 22000, HACCP, GMP, GAP. The machines are up-to-date and the products are of quality, fresh, clean, tasty to correspond with the required customers. Further in 2021, the Company has added value to the products through selling frozen soybeans under the Company's own brand "Eda", also in traducing new product which added value further through production process which is edamame spread with white chocolate flavor, "Benas", and 2 flavors of freeze-dried sweet corn coated with white chocolate, and butter caramel, "Cornista". The new products have been selling domestically through on-line platform and modern trade.

Existing Products



New Products in 2021





Investment promotion

At present, the company has not received tax privilege from investment promotion certificate.

Market and competition

Marketing Strategy in previous year

In the year 2021, the company has a sales volume of 18,587 metric tons, considered 1,055.59 Million Baht, decreased from previous year 40.94 Million Baht, equivalent to 3.73%. The Company is a major exporter for products of Frozen Green Beans, Frozen Soybeans and Frozen Sweet Corns by having total export portion of 93.7%, sales Domestic 6.3% and having market share in Japan about 10% of above-mentioned products. For satisfaction degree of the customers are good to very good.

Further in 2021, the Company has introduced the new products under the Company's own brand to expand the market both export and domestic. The new product includes existing products in new brand, which is frozen soybeans "Eda", newly inventing extended through production process from existing raw material, which is Edamame spread with white chocolate flavor "Benas" and 2 flavors of freeze-dried sweet corn coated with white chocolate, and butter caramel, "Cornista". The new products have been selling domestically through on-line platform and modern trade.

Competitive Strategy

1. Listen every group of customer opinion along with return the customers expectation and requirement very quickly.
2. Develop quality of the goods to be of standardize in international level, free from chemical residue and additive continuously.
3. Manage to deliver the goods efficiently and always in accordance with the customer requirement.
4. Develop personnel to be of knowledgeable with capable and proceeding the work with maximum effectively.



Advantages

1. The company has a good relationship with the customers and join conduct business for a long time.
2. High rank executives of the company are having experienced with knowledge of trading in agricultural products for a decade
3. Main products of the company are the produces from agriculture of good quality, fresh and safety.
4. The growing areas are of plentiful and able to grow throughout the year and few affect from natural peril such as windstorm, heavy rain and flood when compare with the competitor country like China and Taiwan.

Disadvantages

1. The delivery distant both inland and sea are farther when compared to the competitor in overseas which make the delivery cost capital higher.
2. Size of growing areas are mostly small and scatter in wide vicinity, oversee of growing areas is done harder when compare with the competitors in overseas.

Target customers

Main customers of the company are importer, big co-trader, representative and small customers which scatter the goods to the supermarket, various retail shops and producer in industrial foods and consumer groups of the company are mostly group of middle class up and business group that needs in the form of semi ready-made, clean, healthy, and easy to consume.

Pricing policy

The Company has a policy to distribute the products at the price of capable to compete with the competitors both from domestic and overseas.

Distribution and distribution channels

Most all the company's products exported to the overseas through the distribution channels of:

1. Distribute through an importer and the representative.
2. Distribute directly to the customers.



Distribution portion in domestic and overseas

The company distributes goods mainly to the overseas such as Japan, USA, Sweden, Denmark, Taiwan, China with about 93.7% and domestic sells to other small customers with about 6.3%. Main market of the company is Japan which is a country that likes to consume frozen products due to better quality in product or equivalent to competitor products in oversea. Therefore, satisfaction degree of the consumers toward company products are good to very good.

Competition condition

Competition condition does not so violent owing Frozen Vegetable products are the products of having consumption demand in considerably volume and the main market of the company is Japan. Japanese customers are the customers of having consumption demand in the form of semi ready-made, fresh, clean, healthy, and easy to eat. Also, Thailand is a country of plentiful and rather scarce of natural peril problem which differ from competitor country like China which always suffer from natural peril problem that make irregular delivery which differ from the company goods that able to deliver the goods regularly the whole year round.

Trade competitor of the company is a competitor in overseas that is China having business size adjacent with the company which the company has capable potential enough to be able to make competition both in quality, price, and regularity in deliver. Also, the local competitor who sold the same products.

Procurement

Products of the company produce from raw materials bought from the farmers in project through the collector of raw materials, covering areas of 16 provinces of Northern region such as: Chiang Mai, Chiang Rai, Phare, Nan, Phayao etc., in which the company will arrange seeds, fertilizers and insecticides to the farmers for substitution and the company shall buy their produces under guaranteed price. During growing period, there will be the officer which is our agricultural promotion employee to provide knowledge and advice to the farmers for nursing, fertilizing and governance for using chemical to obtain quality of produces, safe for consumer and highest yield per rai. When the produces could harvest, the company would buy at guaranteed price and deduct the expenses of seeds, fertilizers, and insecticides from buying price of the produces.

**Buying portion of Raw Material**

Domestic: Approximate 200 collectors of raw material at portion 99%

Oversea: The Company imports raw material at portion 1%

Undelivered goods

Since the company produces the goods for selling all year and manage to deliver according to order regularly, so there was no order that unable to deliver.

Production capacity, production volume and production value

Items	Unit	2019	2020	2021
Full production capacity of machinery	Metric tons	42,000	42,000	42,000
Actual production volume (depend on season and raw material volume)	Metric tons	20,484	19,489	18,583
Actual rate of usage capacity	%	48.77	46.40	44.25
Increase (decrease) rate of production volume	%	(21.51)	(4.86)	(4.63)
Increase (decrease) rate of production value	%	(24.05)	2.44	(4.24)

Structure of Revenue

Categorized by products	2019	%	2020	%	2021	%
Frozen Vegetables	1,163.26	100.0	1,096.53	100.0	1,055.59	100.0
Others	-	-	-	-	-	-
Total sales	1,163.26	100.0	1,096.53	100.0	1,055.59	100.0
Profit (loss) from exchange rate	39.21		(25.23)		(9.08)	
Income from investment	4.35		3.38		0.26	
Others income	7.84		8.59		8.54	
Total revenues	1,214.66		1,083.27		1,055.31	



Categorized by market	2019	%	2020	%	2021	%
Overseas	1,092.29	93.9	1,022.83	93.3	989.59	93.7
Domestic	70.97	6.1	73.70	6.7	66.00	6.3
Total sales	1,163.26	100.0	1,096.53	100.0	1,055.59	100.0
Profit (loss) from exchange rate	39.21		(25.23)		(9.08)	
Income from investment	4.35		3.38		0.26	
Other's income	7.84		8.59		8.54	
Total revenues	1,214.66		1,083.27		1,055.31	

Seasonality of Sales	Percentage		
	2019	2020	2021
1 st Quarter	22.00	27.00	23.00
2 nd Quarter	26.00	27.00	28.00
3 rd Quarter	28.00	24.00	28.00
4 th Quarter	24.00	22.00	21.00
Total	100.00	100.00	100.00

Assets for business performance on 31 December 2021

The Company has net assets for business operation as of 31 December 2021 as follows,

Type of assets	Type of possession	Value (Million Baht)	Burden
Land of office building, No.149/32-34 Soi Anglo Plaza, Surawongse Road, Khet Bangrak, Bangkok 54.4 Square wahs	Owner	25.6	None
Land 1 st Plant No.92 Moo 3 Chiangmai-Phrao Road, Nongjom, Sansai, Chiangmai 15 rais 36.6 Square wahs	Owner	3.1	None
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 27 rais 3 ngan 98.9 Square wahs	Owner	34.7	None



Type of assets	Type of possession	Value (Million Baht)	Burden
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 15 rais 1 ngan 53.6 Square wahs	Owner	7.2	None
Land at Maefagmai, Sansai,Chiangmai 16 rais 108.2 Square wahs	Owner	9.6	None
Land at Maefagmai, Sansai,Chiangmai 6 rais 54.3 Square wahs	Owner	3.2	None
Land –New Cold storage No. 299/1 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai, Chiangmai 8 rais 3 ngan 97 square wahs	Owner	5.4	None
Land at Amphur Bangragum,Phitsanulok Province 154 rais 30 square wahs	Owner	15.4	None
Office Building, 4 Floors, 3 Units No. 149/32-34 Soi Anglo Plaza, Surawongse Road, Bangrak, Bangkok	Owner	2.1	None
1 st Plant Building No. 92 Moo 3 Chiangmai-Phrao Road, Nongjom,Sansai, Chiangmai	Owner	67	None
2 nd Plant Building No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai,Sansai,Chiangmai	Owner	24.4	None
New cold storage No. 299/1 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai, Chiangmai	Owner	29.6	None
Machinery & Equipment	Owner	168.4	None

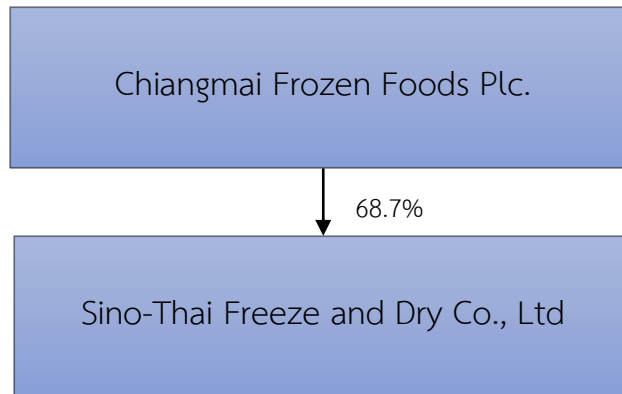
Sino-Thai Freeze and Dry Co., Ltd has net assets for business operation as of 31 December 2021 as follows,

Type of assets	Type of possession	Value (Million Baht)	Burden
Land for plant at Rachaburi, Huayyangtone, Paktor, Rachaburi 95 Rais, 3 Ngan, 37.6 Square wah	Owner	24.26	Mortgaged
1 st Plant Building No. 202 Moo 3, Huayyangtone, Paktor, Rachaburi	Owner	161.80	Mortgaged
Machinery & Equipment	Owner	80.97	Mortgaged



1.3 Investment Structure

As of 31 December 2021, the Company has investment as follows,



The Company has no other investment in any company exceeded 10%

Relationship with the Major Shareholder and shareholder's Information

1	Northern Agricultural Co., Ltd. ("NA")	NA is a company whose conducts business in agriculture which is not related with the main business of the company and no interrelated cross shareholding in which Mr. Prayoon Pholpipattanaphong is a major shareholder by 30% and is a shareholder in the company amount 306,517 shares come to 0.08% Northern Agricultural Co., Ltd., as at 31 December 2021, holds the share in the company amount 162,458,988 shares, considered 42.62%
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Shareholder's Information

Top 10 Shareholders as of 30 December 2021

Major Shareholder		30 December 2020		31 December 2021	
		No. of Share	%	No. of Share	%
1	Northern Agricultural Company Limited	162,458,988	42.62	162,458,988	42.62
	Mr. Prayoon Pholpipattanaphong	306,517	0.08	306,517	0.08
	Mr. Ekapong Pholpipattanaphong	769,090	0.20	769,090	0.20
	Mr Ankoon Pholpipattanaphong	3,702,600	0.97	3,702,600	0.97
	Mr. Nirand Pholpipattanaphong	2,876,000	0.75	2,876,000	0.75
	Mrs. Jarurat Pholpipattanaphong	181,500	0.05	181,500	0.05
	Ms. Phantira Pholpipattanaphong	181,500	0.05	181,500	0.05
	Ms. Atipa Pholpipattanaphong	181,500	0.05	181,500	0.05
	Total	170,657,695	44.77	170,657,695	44.77
2	Mr. Lan Mu Chiou and spouse	24,030,830	6.30	24,030,830	6.30
3	Nomura Securities Co., Ltd.	19,057,313	5.00	20,878,387	5.48
4	Mr. Prapas Pholpipattanaphong	9,102,800	2.39	9,102,800	2.39
5	Miss Chang, Min-Fang	8,837,730	2.32	8,837,730	2.32
6	Mr. Lan, Ming-Shih	7,037,625	1.85	6,302,625	1.65
7	Mr. Lan, Ming-Te	7,209,514	1.89	5,889,139	1.55
8	Mr. Liu, Chi-Rong	5,717,250	1.50	5,717,250	1.50
9	Thai NVDR	3,915,023	1.03	5,015,263	1.32
10	Mr. Hung, Hsin-Hsu	3,659,040	0.96	3,659,040	0.96
	Total	259,224,820	68.01	260,090,759	68.24



Items	As of 30 December 2020			As of 31 December 2021		
	No. of holders	Shares	%	No. of holders	Shares	%
Thai nationality	2,552	293,549,940	77.02	2,636	293,497,740	77.00
Foreign nationality	36	87,595,785	22.98	35	87,647,985	23.00
Total shareholders	2,588	381,145,725	100.00	2,671	381,145,725	100.00
- Taiwanese	14	60,028,569	15.75	14	60,028,569	15.75
- Japanese	10	22,758,595	5.97	9	22,758,595	5.97
- Hong Kong	2	4,381,740	1.15	2	4,381,740	1.15
- USA	3	162,076	0.04	3	162,076	0.04
- Others	7	264,805	0.07	8	317,005	0.08

- The company has no agreement between main shareholders that will impact toward issuance and selling propose of securities or work execution of the company.

Change on holding securities of company director in the year 2021

Names - Surname			Position	Share held at the beginning of the year	Share held at the end of the year	Change
1	Mr.Prayoon Pholpipattanaohong		Chairman of Board of Director and Authorized Director	306,517	306,517	-
	Ohters concert party			3,645,090	3,645,090	-
	Northern Agricultural Co., Ltd.			162,458,988	162,458,988	-
	Total			166,410,595	166,410,595	-
2	Mr.Prapas Pholpipattanaphong	Private Spouse	Chairman of Executive Committee and Authorized Director	9,102,800	9,102,800	-
				-	-	-
		Total		9,102,800	9,102,800	-
3	Mr.Ankoon Pholpipattanaphong	Private Spouse	Managing Director and Authorized Director	3,702,600	3,702,600	-
		Child		181,500	181,500	-
				363,000	363,000	-
		Total		4,247,100	4,247,100	-



Names - Surname			Position	Share held at the beginning of the year	Share held at the end of the year	Change
4	Mr. Lan, Mu-Chiou	Private	Director	18,886,724	18,886,724	-
		Spouse		5,144,106	5,144,106	-
		Total		24,030,830	24,030,830	-
5	Mr. Amnuay Yossuck		Independent Director	667,920	667,920	-
6	Mr. Ampon Ruayfupant		Independent Director	71,874	71,874	-
7	Dr. Phusit Wonglorsaichon		Independent Director	-	-	-
8	Miss Chutima Tangmatitham		Independent Director	-	-	-
Total				204,531,119	204,531,119	-
% of paid capital of the company (381,145,725 shares)				53.66	53.66	-

Change on holding securities of Executive officers and Manager in the year 2021

Names – Surname			Position	Share held at the beginning of the year	Share held at the end of the year	Change
1	Mr. Prayoon Pholpipattanaohong	Private Spouse Total	Chairman of Board of Director and Authorized Director	306,517 3,645,090 162,458,988 166,410,595	306,517 3,645,090 162,458,988 166,410,595	- - - -
	Others concert party					
	Northern Agricultural Co., Ltd.					
	Total					
2	Mr. Prapas Pholpipattanaphong	Private Spouse Total	Chairman of Executive Committee and Authorized Director	9,102,800 - 9,102,800	9,102,800 - 9,102,800	- - -
3	Mr. Ankoon Pholpipattanaphong	Private Spouse Child Total	Managing Director and Authorized Director	3,702,600 181,500 363,000 4,247,100	3,702,600 181,500 363,000 4,247,100	- - - -



Names – Surname		Position	Share held at the beginning of the year	Share held at the end of the year	Change
4	Mr. Tewin Rungratanapitak	Financial Controller (CFO) Company's Secretary	-	-	-
5	Miss Warissara Kangkanda	General Manager and Acting Office Manager 2	-	-	-
6	Miss Piyalak Chuapoodee	Plant Manager 1	-	-	-
7	Mr. Tummarat Charoensanti	Plant Manager 2	-	-	-
8	Mr. Sairung Boontom	Agricultural Promotion Manager	-	-	-

1.4 Authorized Share Capital and Paid-up Share Capital

- The Company's registered capital is 381,145,725 Baht, paid up of 381,145,725 Baht, divided into 381,145,725 common shares and each with par value of 1 Baht.
- The company has no other securities such as preference share, warrant, debenture share.

1.5 Other Securities (Debenture)

- The company only issued ordinary shares and has no other securities such as preference share, warrant, debenture.

1.6 Dividend Policy

Normally, the company has a policy to pay dividend not less than 60% of net profit except in case there is a plan to expand investment, then will consider to paid dividend as financial appropriate.



Dividend Payment for the last 5 years

Operation result of year	Rate (Baht/share)	Number of shares (Shares)	Date of closing register book for the right of dividend	Dividend payment dates
2016	0.35	381,145,725	Mar. 13-14,2017	May 12, 2017
2017	0.14	381,145,725	Aug. 25-28,2017	Sep. 8, 2017
	0.20		Mar. 12,2018	May 14, 2018
2018	0.10	381,145,725	Oct. 24,2018	Nov. 8,2018
	0.11		Mar. 13,2019	May. 9,2019
2019	0.06	381,145,725	Mar 18, 2020	May 8, 2020
2020	No payment Dividend			
2021	No payment Dividend*			

Items	Unit	2017	2018	2019	2020	2021
Net profit Consolidated	Million Baht	160.41	97.48	34.76	1.15	(65.95)
Number of shares	Million Share	381.14	381.14	381.14	381.14	381.14
Par value	Baht/share	1.00	1.00	1.00	1.00	1.00
Profit per shares	Baht/share	0.42	0.26	0.09	0.003	(0.173)
Book value	Baht/share	3.79	3.74	3.69	3.69	3.44
Annual dividend	Million Baht	129.59	80.04	22.87	Omission	Omission*
Annual dividend	Baht/share	0.34	0.21	0.06	Omission	Omission*
Pay-out ratio	%	80.79	82.11	65.78	Omission	Omission*

Remark:

*Omission of dividend payment date from an operation result of the year 2021 are still uncertain. It depends on the resolution of Ordinary Shareholder Meeting for annual 2022 which will be meeting on 27 April 2022.

2 Risk Management

2.1 Risk management policy

The Company has been aware of the risks and followed the impact of event which could be a risk to the business operations of the Company periodically to the consideration and the risk management is prudent and effective. The Company has appointed a Risk Management Committee comprised of Executive Director, Independent Director, and senior executive to act as analyzing risk factors and assessing the risks occurring. To find out method to prevent or manage risks appropriately.

2.2 Risk Factors

The Risk Management Committee will report to the Audit Committee and the Board of Directors to informed and consider at least every six months. The risks which have a significant influence on the Company concluded as follows.

Fluctuation of Raw Material Quantity and Price

The raw material used in the production is the agricultural products which are Soybean, Green Bean and Sweet Corn. The change of climate and natural disaster such as drought and flood would directly impact to the supply and price. Therefore, the Company has exposed to the risk of fluctuation of raw material in terms of quantity and price. This would directly impact to the cost and profit for the company.

The Company has managed the risk by determined the purchasing price in advance for such raw material using the mechanism of contract farming. Currently there are 7,700 families of farmers engage in the contract with the company. Of which, there is no family who supply the value more than 20% of total raw material purchased in the year. Moreover, the Company has planned the cultivation as the raw materials could be plant to 2-3 crops a year and harvesting life is only about 60-90 days. Therefore, the company can adjust the volume of raw material according to the level of supply in previous crops.

The Dependent on Market

The Company have presently exported Frozen Vegetables product to Japan market about 94.16% of the total sale which this dependence on Japan market at high portion would impact the company business



from their economic slowdown and/or change on the trade policy of such country. However, as the products of the company is food type that necessary for standard of living and Japanese peoples like to consume Frozen Soybeans and Frozen Green Beans also the company has a good relationship with the customer throughout, so the risk level for the dependence on Japan market is considered low.

The Fluctuation of Exchange Rate

As the company have its value export more than 93.3% of the total sale and the company sells the products in US Dollar currency, so the company may receive impact due to stronger exchange rate, would make the company receive less Baht value from less exchange rate.

The measurement to reduce risk in this case, the company has made a US exchange forward contract which can reduce moderate risk from foreign exchange rate in which the company will make forward sell contract for periods time 12 months make the company would be able to prevent risk in exchange rate approx. 8-10 months.

The Chemical Residue in Products

Quality products that must free from chemical causes the company having risk in returning products from the customers if incapable to control the quality to free from chemical as agreed with the customers. The chemical residue in products also would cause the serious impact to the profit of the company as well as the confident in the company's product.

The measurement of controlling quality products which is an impact incur from chemical residue, the company is available an inspection process strictly according to GMP standard in which the company has arranged detector for detecting chemical residue that having high efficient which presently the company available 2 detectors capable to detect the chemical residue more than 250 kinds whereas the company uses the chemical about 20 kinds. In the year 2021, there are no rejection of products from customers due to the present of chemical residue in the products.



The Shortage of Labour

Since the business is considered labour-intensive, considering the shortage of labour in Chiangmai is intense as the local business is expanding not only the industrial sector but also include the tourism sector. Therefore, the Company expose to the risk of exposing to the shortage of labour, or labour cost increasing. This will impact directly to the increasing production cost and ultimately affected to the Net Profit. Furthermore, the implementation on the Royal Ordinance on Foreigner's Working Management Emergency Decree, B.E. 2017 would pressure on the shortage of labor.

The Company manage the risk by setting the reasonable and attractive wages and salary, including other benefits such as living support, scholarship for the employee's children. Also, the Company has arranged the seminar to continuously improve the labour skill, and creating the working atmosphere to ensure the satisfaction of the workforce. However, since the government has implemented relax policy toward the alienate worker, the Company has hired alienate worker to ease the shortage of labor problem.

Management

Board of Company comprise 4 directors that represented main shareholders which are of experience in agricultural business for a long time and 4 Independent Directors jointly formulate the policy to the Board of Executive, take care and control operation of the Board of Executive continuously and efficiency.

Board of Executive comprise 3 high rank executive team which each of person is of knowledgeable and competent in managing agricultural business excellently, having scatter an authority in management and decision appropriately inclusive meeting together to make decision in an important point.

Working of the Board of Executive and Board of Company are conducting under the policy of Good Corporate Governance, think of every group of stakeholders, transparency, checkable and in every meeting of Board of Company, the meeting has reported operation result and open a chance to every director for making inquiry at their wish, so risk in management of the company then is in a low level.

Financial Risk

The Company had total assets amount 1,664.83 million Baht, total liabilities 346.00 million Baht or come to 20.78% of total assets and shareholders' equity 1,318.83 million Baht or come to 79.22% of total assets, ratio of liabilities per shareholders' equity 0.27:1, liquidity ratio 3.48 and quick ratio 0.80, also the credit line



from 4 financial institutes that the company using the service each is the credit line that must not have bonds surety altogether which show the financial status and reliability of the company that received from financial institutes is on the high level. Besides, the company has held the financial policy principle that stress on carefulness which make the risk of company financial is on the low level.

Investors

The Company has a good business result and profitable throughout. However, in the period 2020 – 2021, the Company has adverse affected from the spread of COVID-19 caused net loss as stated in the financial report. The Company expected the profit from operation once the situation has stable and return to normal, then the Company would resume dividend payment for the shareholders. At 31 December 2021 the company had retained earnings unappropriated net legal reserve amount 803.70 million Baht, equivalent to 48.28% of total assets and the company.

3 Sustainable Development

3.1 Sustainable Development policy

Company manages sustainability to accord with business operation which put importance in 3 dimension such as environment society and corporate governance and divided the policy as followed.

Social responsibility and Sustainability

Board of Company pays an important toward the development of community, society, and environment to have strong and live together with sustainable and happy. The company then formulates the role, duty and responsibility of the directors, executives and officials of the company that must treat toward community, society, and environment in the business ethics principle of the company to allow the directors, executives and offices of the company to hold for practice. Various policies for development on community, society and environment comprise:

Shareholder treatment policy

The Company holds the principle of equality treatment toward shareholders by having guideline as follows:

- The Company intends to create growth with quality and security in order the shareholders receive good return sustainable from efficient working and good business result of the company.
- The Company shall respect rights of shareholders in receiving equality necessary information and disclose business result, financial status along with support information that correct as the truth according to the Securities and Stock Exchange of Thailand and Securities and Exchange Commission formulated.
- The Company shall perform duty with honest, upright, transparent, fair in order to create conviction that any decision and act always think of maximum interest of every shareholder and every related group.
- The company shall control to have operation, act in accordance with company policy and develop performance to have better quality continuously.



Customer treatment policy

The Company has a policy to create satisfaction to customers then formulate a guide line as follows:

- The Company manages to have service system to create satisfaction to the customers by treating every customer with equality by equitable treatment.
- The Company shall provide information concerning services completely, correct and not distort the facts with thinking of customer interest as main.
- The Company shall manage the system for the customers capable to grievance concerning services or conducting business of the company by rush proceed and return reply to the customers at the best.
- The Company shall oversee an environment, internal areas and vicinity of the factory and office to have safety toward life and customer possessions and one who contact business with the company.
- The Company has an intention to create impression and satisfaction with the customers in order the customers receive best services.

Co-trader treatment policy

The Company wish to see goods procurement and services in accordance with standard measure and aim to develop and maintain sustainable relationship with co-traders and co-partners which have clear objective in the matter of goods quality and services that suits with money value, technique quality and reliable with each other, the company then has a guide line concerning goods procure and services procedure as follows:

- The Company manages to have competition on received information equality.
- The Company manages to have basis in assessment and select co-traders and co-partners with just.
- The Company manages to make contract form with appropriate co-traders and fair.
- The Company manages to have management and pursuit system to ensure that it having follow the condition of contract completely and protect misconduct and corruption in every step of procure procedure.

The Company pays money to the co-traders and co-partners with on time according to the agreed payment condition



Supplier Selection Criteria

The Company has the transparent policy, criteria, and regulations to govern the selection process for supplier, purposely to the benefit of cost management and improving operating efficiency, also the better cooperation and continuity of business. The Company has supplier selection criteria as follows;

1. The supplier must strictly comply to the law, has ethical standard accepted by society, giving importance, and considered responsible to the human right, society, and environment.
2. The supplier must have stable and sufficient financial status, clear address which can be traceable, considerable trading history, no record of law violation, fraud activities, or record of termination of agreement without consent, or appear on the blacklist of government and private company
3. The supplier must provide the product or service at acceptable level at the reasonable price.
4. The supplier must deliver the product / service on time, consistency, and flexible to the requirement of the Company

Trade competitor treatment policy

The Company conducts business under rule frame of fair competition by holding the principle as follows:

- The Company shall not seek the secret information of trade competitors by the way of bad faith or not suitable.
- The Company shall conduct business under rule frame of good competition, not ruin fame of competitors by find fault with competitors.

Creditor treatment policy

The Company has a policy to treat with creditor with fair by having guide line as follows:

- The Company shall maintain and follow the guaranteed conditions toward creditors strictly.
- The Company shall control to return loans and interest to every type of loan creditors completely with on time and follow the conditions of loan as agreed by not using loan in the way that contrary to the objective of loan.
- The Company shall arrange the capital sufficiently to assure the creditors in financial status and ability in paying debt of the company.



- The Company shall report and provide correct information of the company and complete to the creditors.
- If there are incident that the Company would be unable to perform according to any conditions, the Company shall notify the creditor immediately to mutually consider the solutions.

Officials' treatment policy

The Company is fully aware of human resources value and wish the personnel proud of organization by having working atmosphere like participate and progress in profession equality. The personnel shall receive potential promotion development to have knowledge talent throughout and continuously for creating value and uphold excellence in business. The Company then has a policy on remuneration and welfare, policy on knowledge development and official potential, policy on safety and health and others policy by having guide line as follows:

- The Company selects a person for hiring to hold various offices with fair by thinking of property of each position, study qualification, experience, and other provisions which necessary to work without obstruct in the matter of sex, age, race, religion.
- The Company formulates remuneration and welfare to the officials fairly, having suitability with knowledge and talent, condition and character of work, performance result and coordinate with operation result of the company both in short-run and long-run by considering from business result of the company, administration, and assessment result of whole organization.
- The Company supports the officials to receive training, knowledge development, talent, develop working potential to be higher to add working efficient and open opportunity for officials to progress in duty.
- The Company supports the officials to always receive related news as opportunity and as far as it can be done for adding efficient and good relationship in collaboration.

The practice for the consideration of remuneration and the benefits of employee

- The Company determine the remuneration on the fairness basis, which is not below the level that determined by the labour law, while consider the appropriateness to the knowledge, experience, qualification of employee, including the performance of each individual employee.



The remuneration package shall align with the industry standard and suitable to the growth of the Company.

- The Company has arranged other benefits include bonus, overtime, cost of living allowance, uniform and accessories, insurance, provident fund, annual health checkup, and other benefits required by law such as social securities, and employee benefits for retired employee. As of 30 December 2021, the employee benefits according to the company financial statements indicated THB 65,985,757.25
- Provide to have provident fund with name: Provident fund Thai Commercial Piamsub which already registered under no. 77/1997 by having Thai Commercial Public Company Limited as fund manager at the date of 30 December 2021. Fund membership specific part of Chiangmai Frozen Foods Public Company Limited have 157 persons and having saving money, add money and interest total amount THB 75,381,075.01
- Provide the source for fund to the employee who would like to make a loan purposely to purchase and/or renovate a house, at the special low rate. Also provide the loan from provident fund.
- In the year 2021 The remuneration of the employees Amount THB 204,111,679 comprises salary, wages, remuneration, bonus, overtime, diligent cowries, hospital charge, cost of insurance group, cost of living, provident fund 3% of salary, employee benefit when reach age limit of 60 years.

The practice for the training of employee

- The Company provide the orientation to the new employee to ensure the understanding of the Company's rules and regulation, employee's right. Also provide brochure with the information.
- The Company has arranged in-house training with the qualified guest speaker/trainer, purposely to assure the understanding of safety of working practice, the teamwork, the practice of operation against corruption, the maximization use of resource.
- The Company provide external training to employee such as the training course from Dhamniti, IOD, and FAP
- The Company encourage the learning for the employee consider the potential of everyone to support the growth in their carrier.



Treatment policy on safety and health

The Company is fully aware that safety and health are the basis responsibility of the company and is an important factor toward sustainable growth of organization, the company then formulate the policy that would give the officials and co-partners work safety and in accordance with provision of related law by:

- The Company shall find a way to protect accident, wounded and illness due to work performance with earnestly cooperation of every official inclusive to seek a way to get rid and control risk in un-safety work performance.
- The Company shall give cooperation with government unit and other organizations in suppressing emergency trouble or accident which happen from work performance quickly, efficient, and cautious.
- The Company shall act in accordance with law and various regulations in the matter of safety strictly and shall bring management standard measure concerning reliable safety to be effective in case not yet available of laws and regulation formulated.
- The Company managed to have designed on equipment, making performance discipline, operation planning, and officials training to have knowledge and understanding and receive sufficient information in the matter of working safety to protect danger which may happen from machines, working method or various diseases.
- The Officials whose join working by having illegal narcotics essence in the body system or having liquor power or other narcotics essence in a level that able to cause damage on performance would receive punishment by discipline as company regulation.

The practice of safety and hygienic

- The Company shall arrange properly layout for the office and factory
- There will be proper entrance and exit to ensure the safety of worker
- There will be walkway within the factory with proper space
- There will be toolbox in each specific area
- There will be sufficient light and air ventilation in the factory
- There will be first-aid training, fire escape training, firefighting training, and regularly examination for the fire extinguish equipment.
- There will be sufficient area for the worker for exercise activities
- There will be sufficient toilet and infirmary



- There will be annual health check-up
- There will be work insurance for every worker

Participation development on community and society policy

In order to maintain for good community and society, the company then formulates the following guide lines:

- The Company shall behave as own rights in their capacity as a good population by law and/or discipline issued by corporate governance section strictly and give cooperation with public sector regularly.
- The Company supports the officials and related person to acknowledge, understand guideline in operation to participate in community and society development.
- The Company shall proceed the project or do activity for society continuously to create affection, union, to be unanimous with community and society.
- The Company shall take good care and protect not to allow company operation to incur damage toward life quality of community and society.
- The Company shall create mind conscious in responsibility toward community and society in every level of official group continuously and earnestly.

The Company shall cooperate to support and create community and society, support any activities which related with community development both in the part of life quality development and exchange experience from operation with community and society for bringing to improve working regularly

Environment and Natural Resources policy

The Company has an intention to attend business with responsibility, friendly toward environment and natural resources as below principles:

- The Company shall administer by having target in protection not to incur impact toward environment and natural resources and better than provision of laws.
- The Company intends to develop operation process to be in accordance with international standard measure through revise and operation assess regularly.
- The Company shall establish firmly and promote officials including related person to have responsibility toward environment and natural resources.



- The Company shall fully be aware of maintenance environment and natural resources for nice living and is a source of river and brook manage to have a process for providing knowledge to the officials by training in order to allow every official fully aware of its important, incur guarding jealously, maintain and use most worthwhile on natural resources.
- The Company shall maintain environment condition and biodiversity in operation areas to incur balance of residence system sustainable.
- The Company shall participate in reducing incurred greenhouse gas that shall impact toward change of climate.
- The Company shall seek an opportunity to exchange, learning and share experience from operation with other units for renovating operation continuously.

Human rights policy

The Company has a policy to conduct business by holding principle of respect toward human rights as international principle below:

- The Company shall treat every official with respect in honor and dignity.
- The Company supports the officials to use their legal rights as population according to edit of constitution and to be prescribed by the laws.
- The Company shall maintain personal information of the officials such as autobiography, health record, working resume, disclosure, or personal information transfer of the officials to the public would be able to do when receive consent from those official. All this, violation regards as fault by discipline except has done according to the company discipline or as laws.
- The Company does not violate and not support activities that violate human rights.
- Every official must not do anything that violate or threaten either by speech or act toward other persons on basis of race, sex, religion, age cripple on body
- The Company arranged employee termination practice aligned with Labour Protection Act B.E. 2541

Misconduct and corruption resistant policy

The Company has an ideal in conducting business with virtue, act in accordance with law, transparent, adhere to responsible toward society and every group of stakeholder according to the principle of good Corporate Governance (private) and ethics in conducting business, not supporting every form of misconduct and corruption. Therefore, in the year 2013 the company has joint the operation of Thai private sector in misconduct and corruption resistant and in 2015, the company applied for a member of net-work partnership on misconduct for Thailand in order to fight for every organization to aware of misconduct and corruption impact and formulate following guide lines:

- The Company formulate the written policy of Anti-Corruption and misconduct that is: the directors, executives and officials of the company are prohibited to do whatever that are related with every form of misconduct and corruption both for own benefit, family, friend and acquainted persons, both direct or indirect, not even in the status as recipient, provider or proposer, even its money or not to the government service units or private units that the company has conducted business or contacted and must perform strictly according the company policy. If not, shall be punished by discipline as company formulated rule and may be punished by law if that doing is illegal.
- The Company pays an important in human resources administration, can bring the policy of misconduct and corruption resistant to use practicing to incur form and appearance of things, communicating, provide knowledge and train officials concerning protection for seeking improper interest in duty and guideline to promote the personnel to understand and perform as organization culture.
- For the officials whose refuse to misconduct and corruption, the company has a policy not to reduce rank, punish or give result in a bad way to those officials, though refusal on misconduct and corruption would make the company lose an opportunity in business.
- The Company has available internal inspection section that having independence and upright by report direct to the Board of Audit Committee in inspecting risk assess on misconduct, possibility assess in the matter of misconduct and consider on protection and control measurement to have maximum efficiency to assure that the company shall be able to protect and control misconduct and corruption efficiently.
- The Company has a guideline to oversee and consult for protecting and follow performance assess as the policy of misconduct and corruption resistant by formulate Board of Audit

Committee perform duty on governance to act in accordance with policy of misconduct and corruption resistant at least once a year through revise, practical line, and provision in operation to coordinate with change on business, discipline, regulation, and provision by law.

- The Company makes risk assessment on misconduct and corruption by managing risk management policy that may happen from normal operation and risk that may happen from misconduct and corruption, to look for risk measurement and protection guideline.
- The Company will disseminate policy of misconduct and corruption resistant both in giving or receiving present, donation for merit, support money, political assistance, purchasing, personal administration through expenditure for business entertainment to the customers, co-traders, creditors, related units, company officials through subsidiary company, corporate company, other companies that has authorize to control, business representative, the people to acknowledge through communication channel of the company such as website of the company, e-mail, fax, annual report of disclosure information (type 56-1 and 56-2), fold sheet, responsibility toward environment report, first explanation, training, seminar and post letter.

Whistle blowing policy

The Company manages to have measurement in whistle blowing or for any activities concerned the law offending, misconduct, violation of rights, or any behaviour that may reveal for misconduct and corruption or improper of the person in organization both from directors, executives, officials and other stakeholders which grievance or clue by every group of stakeholder are likely to receive protection, its regarded as secret and not regarded as fault in discipline in case one who blowing is an official of the company and the company shall rush inspection and remedy problem quickly.

Safety channel in approaching information advice acceptance, whistle blowing or complaints on the rights violation channels

- Safety channel that the officials or stakeholders can approach to the information firmly when require an advice concerning performance in accordance with anti-measurement of misconduct and corruption by company website: www.cmfrozen.com click Investor Relations click required various heading such as anti-corruption policy or Business Morality or Corporate Governance Policy or other headings.
- Safety channel that the officials or stakeholders can approach firmly when requires to file complaint, notify information, or clue that concerns with misconduct and corruption, right



violation, without risk to the informant afterwards by sending complaint, clue or information by post letter to:

Chairman of Board of Audit Committee /
Chairman of Board of Corporate Governance /
Company Secretary / Human Resources Section
Chiangmai Frozen Foods Public Company Limited
No. 149/34 Soi Anglo Plaza, Surawongse Road,
Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand
or send by E-mail address: cg@cmfrozen.com
or by phone: 662-238-4091, 662-634-0061-4 or Complaint box.

3.2 Sustainability Report for Stakeholder in Business Value Chain, Society and Environment

Key stakeholder engagement

The Company operate business on frozen vegetables and new product that has more variety which connect many stakeholders' engagement including business partner, farmer, society, government sector and customer. We put important on evaluating relationship in every dimension and plan to develop organization to continue becoming sustainable. The Company has identified 6 key stakeholders as follows,

Stakeholder	Communication Channel	Expectation
Business Partners / Suppliers	<ul style="list-style-type: none"> Visiting / Meeting Training 	<ul style="list-style-type: none"> Quantity of Crops is stable and certainty. Procurement is fair and transparent. Increase the production and reduce cost.
Society	<ul style="list-style-type: none"> Activity with Society Meeting with representative of society Channel of receiving societies complains 	<ul style="list-style-type: none"> Supporting society's activities Not creating pollution to society
Employee	<ul style="list-style-type: none"> Creates relationship with employee through activities Meeting with employee Channel for complains 	<ul style="list-style-type: none"> Receiving fair amount of welfare benefit Safe workplace
State Agencies	<ul style="list-style-type: none"> One report 	<ul style="list-style-type: none"> Complying with the laws
Shareholder / Investor / Creditor	<ul style="list-style-type: none"> One report 	<ul style="list-style-type: none"> Received Dividend Transparent and open with inspection
Customer / Consumer	<ul style="list-style-type: none"> Market analysis Customer satisfaction survey and analysis 	<ul style="list-style-type: none"> Products price are reasonable New product

Key point Assessment

Company's Sustainability Development team has gathered the key point assessment of outside / inside business and related stakeholder which emphasize on GRI as well as topic that industry relate to company for assess and ranking the importance of sustainability that impact the company's business in every dimension including Economic, Society, Environment and Value chain. The assessment will be used to create the activity that led to sustainability.

1st Process

- Company do the keypoint assessment for specify the stakeholder that have impact on company through out value chain which either effect or affect the company's operation

2nd process

- Company do activity to create channel to communicate, exchange data with related deparment and stakeholder

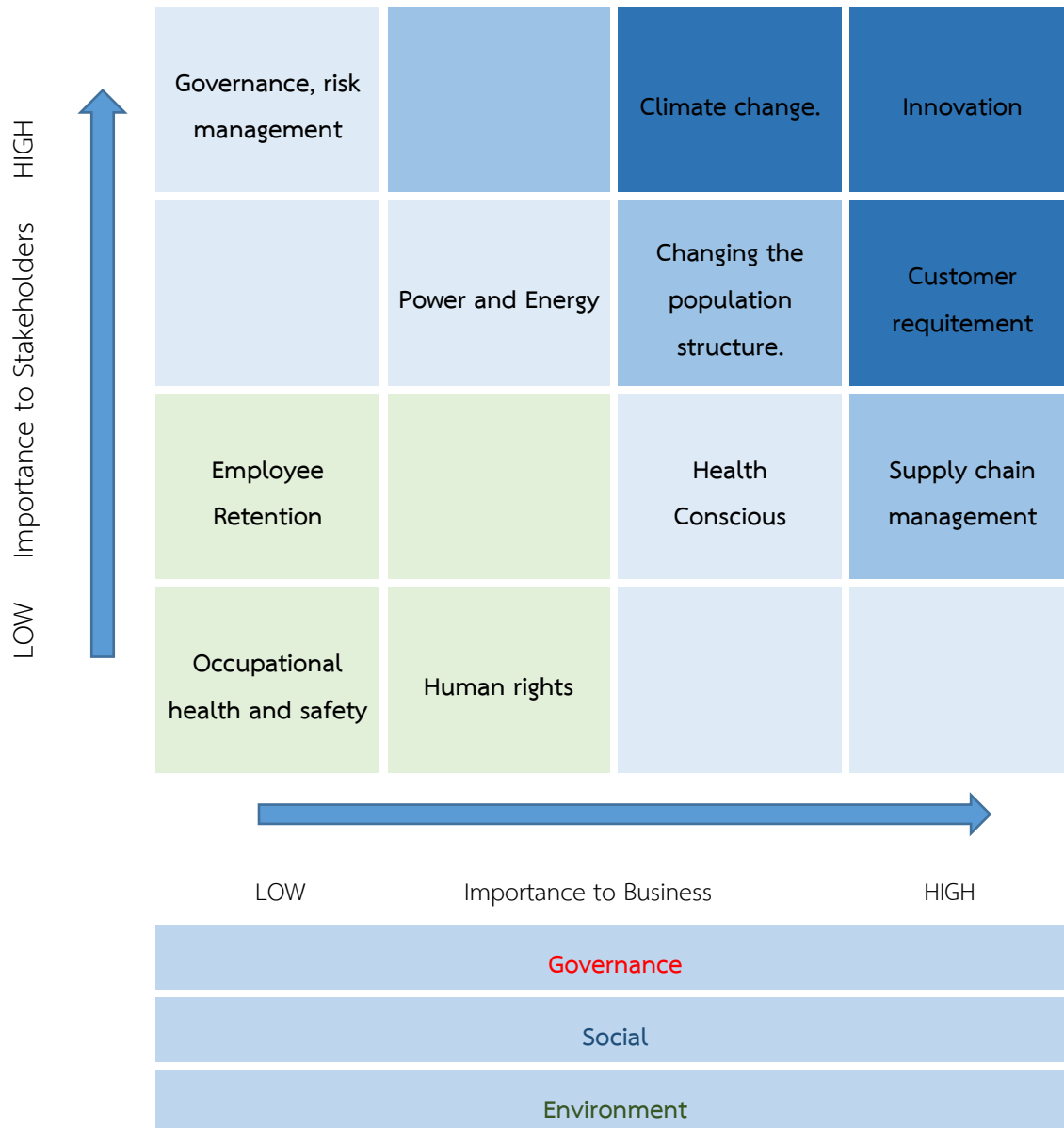
3rd process

Company consider the assessment to relate the expectation of stakeholder and impact of economic, society, environment including company's strategies

4th process

The Company asses the materiality of key point according to the risk of the company and impact to the stakeholders from the business operation

Materiality Matrix



Goals for Sustainability Development

Economy and Society	
<i>Importance</i>	<i>Organization target of 2020</i>
1. Increase customer satisfaction	Customers give the satisfaction score from using all products and services more than 75%
2. Human right and safety of employee	Injury of employee must be zero
3. Consider society	Zero writing complaint from society
4. Employee's development	Employee must develop and train at least 6 hour / person / year
5. Business is transparent	Every employee knows the policy and practice for anti- corruption
6. Business expansion	Focusing on Innovation and new product or new project to develop at least 1 project
Environment	
7. Focus on decreasing effect on environment and developing better environment	<p>There is no leak of chemical / oil / wastewater that effect society</p> <p>Amount of electricity produced by solar roof top is not less than 3,229,628 kwh/year</p> <p>Amount of reused water in factory (only production part) must be more than 5 % of the use of water each year.</p>

1. Increase customer satisfaction

The advice from customer is a mirror that reflect the data and idea, so CM's teams pay attention and use information to analyze and create guidelines on how to work to develop and improve in every dimension include the product itself, service, place, machine, and work process as well as innovate new product to respond needs of customer which target to create the highest satisfactory as corporate philosophy stated.

Target

Customer satisfaction's evaluation score is more than 75%

Implementation

Sale department send the survey to customer for them to evaluate the satisfaction on the usage of all products and services two times a year and use result to analyze and process the data.

Result

Customers give the satisfaction score from using all products and services in average of 79.66%

2. Employees' Safety

Target

Injury of employee must be zero

Implementation

Company has Safety committee according to the law as well as employer and employee representative 36 people in two factories distribute throughout department and time for taking care of activities for employees' safety. The meeting will be convened monthly to assess the risk and analyses the danger from activity safety walk, data from working behavior, environment that can create harm. Also, the committee communicate and give knowledge on how to prevent and decrease the amount of injury as well as create the warning banner in 3 languages so that employees can understand. Create the activity to support the safety in daily life for example wearing the helmet 100% to work, Random check for illegal substance.

Result

In 2021, Lost Time Injury Frequency Rate: LTIFR is 1.71 : 1 million working hour while employee dead from work is zero

3. Consider about society

Operations for Society and Community

Since the company has realized the importance of the coexistence with surrounded community and society, the policy framework has been focused on the assistance towards society and community to promote the good relationship and have cooperation and support the organization operations from community and society. Besides, the conflict had been decreased while the intensity of future problems has been relieved, the company can increase their understanding and create good recognition and be a good role model for society. All implemented activities had concerned on the benefits of organization and the development of community and society together which has made community confident and trustful towards organization in promoting intimate business relationship and sustainably being success partners to each other. In 2022, the company had organized activities beneficial for society and community as follows:

Target

Zero writing complaint from society.

Implementation

This year, company directly affected by pandemic of COVID-19. Some of the employee and society got diagnosed with COVID-19 so the company's activity is focusing on giving knowledge on how to live properly with the help of states agencies. The Company give importance of how to take care of hygiene and safety of employee to monitor the spread of disease so everyone confident to work together

Result

In 2021, there is no writing complaints from society concern the operation of the Company



Activity: Prevent the spread by giving the Alcohol spray to employee, farmers, and suppliers

4. Employees' development

Training

CM continuously training employees. Training courses divided into 5, which are system, management, law and regulations, know-how, and activity. Every employee considers being one of the resources that create foundation and a heart of work. The competitiveness, change of technology, pandemic of COVID-19 impacts the employees' way of living. Company manage to develop employee to have to potential to be ready to accept new knowledge or new environment under change of any condition. This year training is mainly online by adjust the people according to the amount of work.

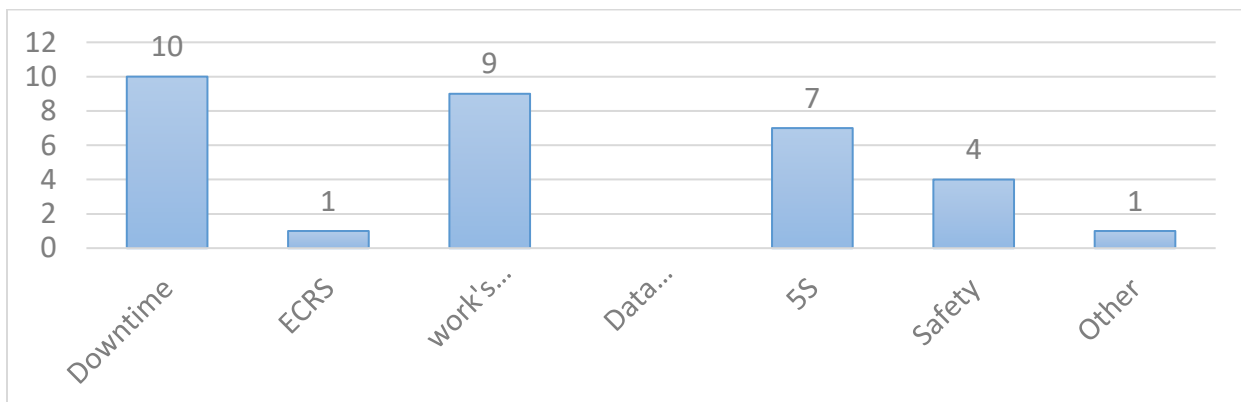
Target

Employee must develop and train at least 6 hour / person / year

Implementation

Employee is an important resource that help organization achieve the target. Taking care of employee and developing employees' knowledge is important to drive organization to success. However, in 2020, Pandemic of COVID-19 has accelerated the organizational adaptability, in which organization created strategies to develop employees to related to new normal emphasis on new technology to adapt to on how we work for example, social media, online meeting. This is strategic to develop the employees and to create the competitiveness and the innovation to respond new need of population in present days

- Line group activity is one of the technologies we use to work which we create group according to work's characteristic or department. The member can work inside or outside working time and can give advice on time which some group includes member from state agencies to coordinate the data for work to flow smoothly.
- Course OKRs & KPI. For developing employee to set target and purpose of their work to become clear and relate to organization's main purpose as well as to create strategies, analyze related activity and see the result of purpose that we set.
- All employees have participation in advice on how organization operate through Kaizen activity to increase productivity of work by develop on how to work or environment of workplace in which the heart of Kaizen is continuously develop, through the topics of Kaizen activities as follow





Result

In 2021, the Company has achieved average of 5.16 training hours per employee per year. Despite missed the goals of 6 training hours per employee per year due to the COVID-19 which limited the gathering activities, the Company shall approve and put more effort to achieve the target next year.

5. Business is transparent

Target

All employees know the policy and practice for anti- corruption.

Result

- All employee knows the policy and practice for anti- corruption
- Complain about corruption from inside and outside company was not found through communication channel.
- In operating year 2021, corruption from employees themselves or outside people was not found.
- Procurement system write the word on Purchasing order paper that “Company prohibited any form of corruption” which show the intention of fair trading.

6. Business expansion

Target

Focusing on Innovation and new product or new project to develop at least 1 project

Implementation

During the pandemic of COVID-19 which affecting society include the business and the people’s activities, such as limitation of travel, work from home. The Company considered the situation and attempts to create new product and selling directly to customer instead of only OEM activity. The new product has added value through

production process in response to customer's various need. The product therefore easy to purchase and consume, required frozen temperature to store and transport.

Result New Development and Innovation

Company release two products in 2021 which are

1. *Edamame Spread with White Chocolate brand "BENAS"*



2. *Freeze-dried sweet corn coated with white chocolate / butter caramel flavor brand "Cornista"*





7. Focus on decreasing effect on environment and developing better environment

The Company has promoted all directors, executives, employees to utilize resources effectively, suitably, and sufficiently for utmost benefits as well as communicated, provided the knowledge, supported and build awareness for employees and relevant parties to manage the utilization of existing resources for organization's utmost benefits

The Company has realized the significance of the environment then established the environmental management system to decrease the effect on environment and improve surroundings to be better continuously. All executives and employees have focused to strictly follow the policy by implementing activities under the scope and practice as follows:

The Leakage of chemical / oil / wastewater that affect the society

Target

There is no leak of chemical / oil / wastewater that effect society.

Implementation

The Company has prevention activity according to the law such as making the wall to prevent the leak of chemical, maintenance of machine, measure the pollution to not over standard, and do report about pollution send to related state agencies.

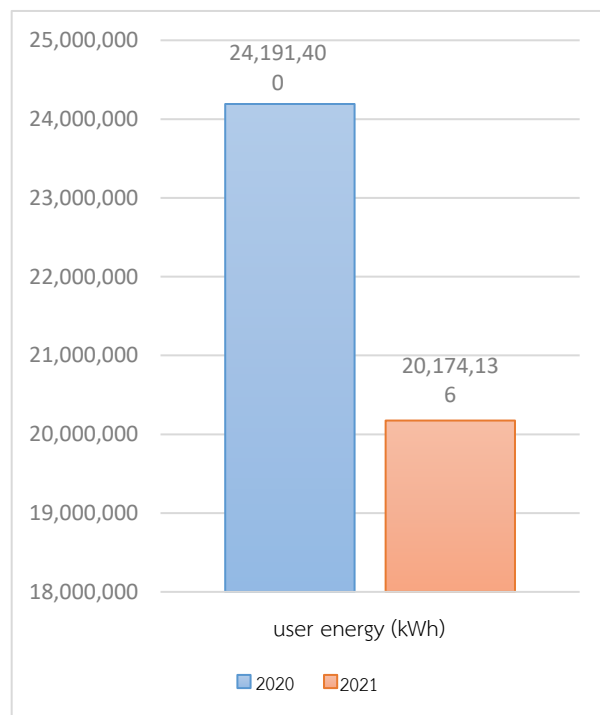
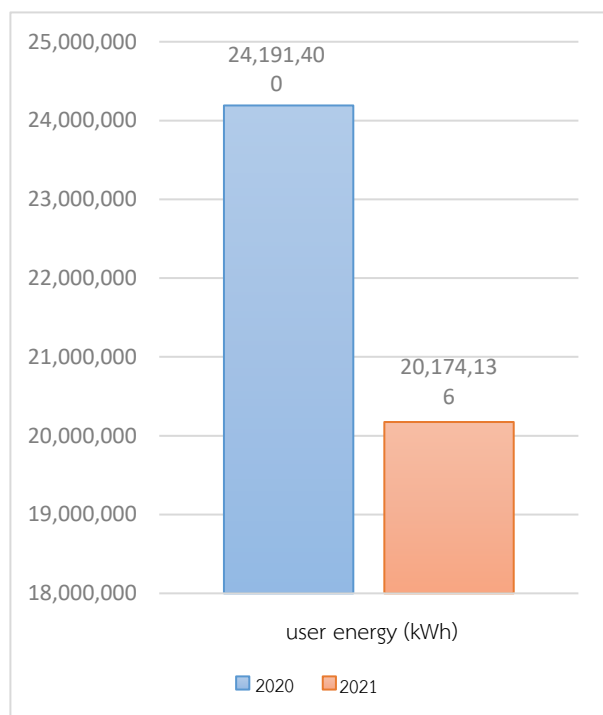
Result

In 2021, There is no leak of chemical / oil /wastewater that effect society.

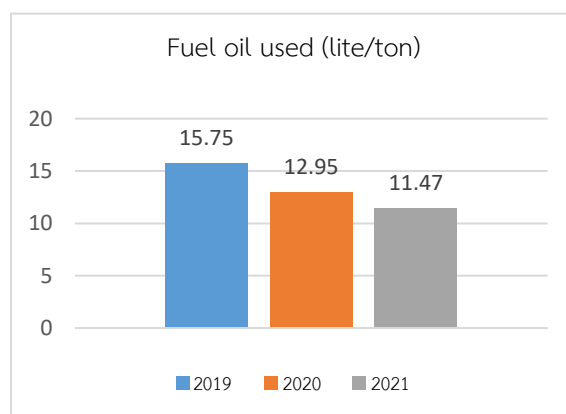
The energy conservation and promoting the efficient use of energy

energy usage under climate change, it is not only factory or Thailand, but the world must help each other. By creating stop global warming activity for better workplace, we do many activities such as increase productivity of energy usage, changing tools to preserve energy, use solar roof top (which in 2021 is fully operated), and reduce water usage by reused water. Company considers the importance of climate change, so we determine

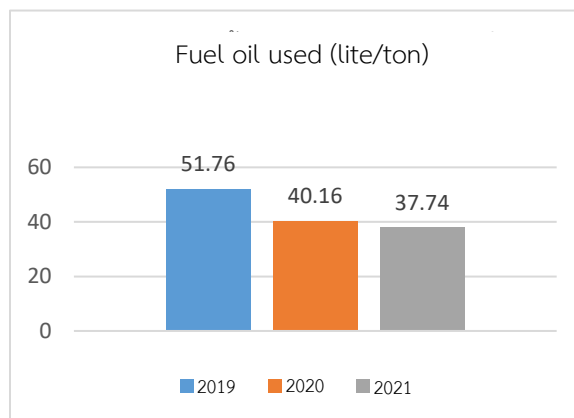
to reduce carbon footprint by using energy per unit to be more effective. In 2021, 2 factories use fuel oil 40,737,168 MJ and electricity 20,174,136 kWh.



Fuel oil used in sweet corn production compare between 2020 and 2021 found that energy per unit is decreasing 1.18 Liter or 11.72%



Fuel oil used in soybean – green bean production compares between 2020 and 2021 found that energy per unit is decreasing 2.42 Liter or 6.02%



In 2022 Target to reduce fuel compared to 2021 in every product at least 2.0%

Renewable energy usage

Target

Amount of electricity produced by solar roof top is not less than 3,229,628 kwh/year

Implementation

The Company run business with responsibility to society and environment, stay with society sustainably. In end of 2019, we set the clean Energy for Life: Solar Roof Top. The installation power of factory and cold storage is equal to 2.4 MW and solar rooftop is fully use in 2021, this reduce the carbon footprint, which is the cause of global warming.

Result

In 2021, amount of electricity produced by solar roof top is 3,436,348 kwh/year higher than target 206,720 kwh



Clean Energy for Life



Water Management

Target

Amount of reused water in factory (only production part) must be more than 5 % of the use of water each year.

Implementation

To have good sanitation and responsible for customer so that customer satisfy with our fresh and good quality product. The Company pay attention and put important into water management and take care of value chain from upstream to downstream including water use in farming, washing raw material before coming to factory, water use in production, water use for cleaning, washing blanching or cooling, and supporting the production process.

The Company has policy to reserve water and have plan to use water effectively and there is risk management on water shortage. The proportion of water reused is increasing and promote on how to use water effectively. From preserving water and use water efficiently to put importance on how to get water into society, company has managed water and think about water usage. We have effective waste water treatment following law before releasing to society. Company also support tools and resource to build weir, advice on how to use water to growing crops which our agricultural promotion staff will assess the water to make sure that the water is not contaminate from chemical or bacteria before starting cultivation so it is certain that product is safe before coming in factory.

Source of Water used in operation

Raw water that use in factory come from pumping the ground water and go through factory treatment system to become consumable. To reduce risk from using water, we start from check source of water (recheck) reduce water use unit (reduce) reuse water (recuse) and recycle water (recycle) to maximize the usage. Not only company pay attention to water management inside factory, we also care about water that release outside factory as well. We do the water treatment before release so that it is up to standard and following the law.



Recheck

Have the data for evaluating the amount of use which the amount will vary according to production. We will assess and if the water usage is increasing, we will contact the related agency and get advice to pump more water or increase more wells to fit our capacity. We follow law and regulation according to state agencies and ask for permission correctly and not effecting the water usage of society

Reuse

Water that use in main production process must be clean and pass standard. We assess and reuse some of the water and it is not affecting the product produced.

Recycle

The water used will be manage and use in other activities that are not directly contact to the product to reduce the water usage.

Result

In 2021, reused water is equal to 2.17% of the total use of water.

Other activities that support society

Wearing helmet 100%

Other than environment for employees, we are focusing on employee and family to have a safety drive to work and daily life by creating campaign wearing helmet 100%. We put banner of warning on driving and doing survey on how much in need of helmet and supply the helmet that is not too expensive which we got support from state agencies and there is some random inspection from them of wearing helmet during going in and out of the factory under the concept of 1 accident 4 illness, which means that if one got hurt then the surrounding will get in trouble as well.



From this activity, accident, severe illness, or death was not found.

Supporting the education of employees' children



Education is the foundation and create the future for young generation. Our company want to support the good future for children and society, so we want to be a part of supporting the education by doing activity which giving out scholarship to employees' children every year to support their knowledge and reduce their spending and improve the morale of employees.

Blood Donation



The Company determine to helping society by coordinate with The Thai Red Cross Chiang Mai every year for the blood donation. In 2021 we donate two times for the total amount of 19,200 cc, accumulated amount of 417,700 cc



Random check for illegal substance

To prevent employee from taking drugs or illegal substance, with help of state agencies there are random check on employees.



Traditional Activity

Company communicates to society to make sure they understand that we are part of the societies that many people come, work, and do traditional activity.



Donating disinfectant tunnel

Cooperative Education

Now the labor market has high competition, so the students must have skill such as problem-solving, human relation, creativeness, discipline, communication, presentation, leadership, etc. which these skills are able to learn and develop when has practical experience because experience from inside the class might not be enough. To develop skill of student, our company sees that create the project Cooperative Education which is focusing on having real practice in factory like one of the employee (temporary) will create the skills for student. The benefit is company can choose new generation to become new employee as well as company can receive new knowledge and new technology from student to develop the production process for example, how to use machine, tools or new technology to increase productivity. Our company try to continue this project every year to support educational institution to produce good quality student and have characteristic that society need.



Purpose

1. for searching new employee who have knowledge that meet the need of organization to replace and inherit the job of organization effectively.
2. for using the knowledge in educational institution to use in production process of organization effectively.
3. for create good image of organization to be known among educational institution and other agency in Chiangmai and close area.
4. for create a chance of getting a job and get to choose the employee to the right job and support student to the real workplace.

The benefit that student will get

1. Practice experience outside classroom
2. Obtain skills such as presentation, communication, human relation, and leadership.
3. Have responsibility and more confident
4. Have more opportunity to be accepted to work before graduation more than student who never have work experience before.

The benefit that organization will get

1. Create the good image of organization and make organization well-known
2. Can use project to adapt and develop organization.
3. Can choose the student who meet standard of organization to replace the one that is retired.
4. The cost cause Cooperative Education by can be use as double tax reduction.

The benefit that institution will get

1. Get the information from student to improve current course.
2. institution got accepted from labor market.
3. have a good relationship between institution and organization

4. create good quality student that meet standard of labor market

From doing this Cooperative Education project in 2021, company accept 4 students from Chiang Mai University and can develop 4 project from students' research and when project finish, company accept 1 student to become regular employee.

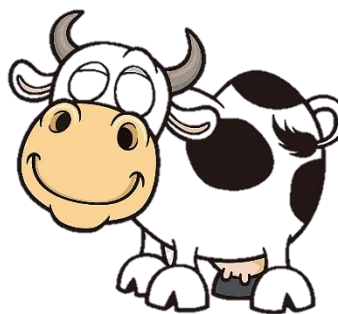


Waste separation activity

The Company consider the improper waste separation can lead to bad environment. Even though we are not big organization, but we want to be one of the businesses that run to responsible for environment by doing waste separation activity to reduce contamination to ecosystem.

Most of the wastes from production are from crops so we can use to feed animal. We corporate with farmer who raise cow in the area to use them as animal feed.

As for General waste, factory do the waste separation activity by sorting according to type of waste and reduce waste by landfill or reuse





Business Operation under Pandemic of COVID-19 and the Coordination with State Agencies

In 2021, there is still pandemic of COVID-19, which impact every industry and the way of living around the world. Company also considered being one of the organization that got affected as well. Company manage and take care of employee by coordinate with state agencies to do Bubble and Seal as well as closing factory temporary for employee to rest in specific area, and prevent the spread of disease. We hold the practice of state agencies strictly and keep the impact to society at the minimum.

Operation Protocol

release the
company
announcem
ent according
to state
agencies for
every
employee to
practice

Some of
Employee
work from
home

Prevent
spread of
covid by
flexible
working time

Welfare
benefit for
employee
who affect
by covid with
state
agencies

coordinate
with state
agencies to
act fast and
accurate

diagnose
with RT-PCR
to prevent
and ATK the
stakeholder
who come in
the factory



MOPH-STCV-R6-AJ155277-V3/2564



กรมอนามัย
DEPARTMENT OF HEALTH

สถานประกอบการ สำนักงาน องค์กร สถานประกอบกิจการ หรือโรงงาน ขนาดใหญ่
สะอาดปลอดภัย ป้องกันโรค COVID-19
บริษัทเชียงใหม่ฟรอสต์ จำกัด (มหาชน) โรงงาน 1

ผ่านมาตรฐาน

Pass the evaluation of Thai Stop Covid Plus

Activities

- Supplier, Farmer, and stakeholder who contact factory must filled out the risk assessment to prevent the spread of COVID-19
- Set the resting area for delivers and suppliers separate from employees
- Set the resting area and time of employees according to department in case if there is spread of disease, we can self-isolate according to department.
- Set the workplace for those who are at risk for monitoring separate from normal employee
- Employee in factory wearing double mask and measure the temperature before working
- Clean the workplace, resting area and related area by spraying disinfectant 4 times
- Do D-M-H-T-T-A activity according to state agencies' recommendation
- Create group to coordinate between company and state agencies to follow and practice fast and the right way
- Arranges ATK for employee according to plan
- Finding and giving out vaccine to employee for free 100%

Raw material and developing society sustainably

Company operates the business of processed agricultural crops and have relationship with many groups of stakeholder. Under the policy of fair treatment of business partner, we set criteria to search and select the farmer that have potential related to that policy. We support and develop the partner through contract farming to respond need and expectation as well as part of helping the farmer to create the income at least 7,700 family in the north which mostly are farmers that send the raw material to our company



Create job – income for society
Soy bean farmer (family)

2019
1,849
family

2020
2,108
family

2021
2,292
family

Create job – income for society
Green bean farmer (family)

2019
3,973
family

2020
3,161
family

2021
2,826
family

Create job – income for society
Sweet corn farmer (family)

2019
2,648
family

2020
3,222
family

2021
2,826
family

Training and giving knowledge to farmer, inspect the area to have the good quality of crops to meet the standard of the factory. Growing together like the same family.







Relations with investors

Board of Company realize that company information both concern and not concern with financial are entirely effected to the decision of investor and stakeholders of the company. Board of Company then have a policy to let the executives section disclosing complete information to correspond with truth, reliable, regular and in time which the company has paid an important and kept throughout practicing. With regard to work in investment relation, the company has not set up this section owing such activity is not much but has assigned Mr. Tewin Rungratanapitak - Company Secretary /Investor Relations, to contact and communicate with institution investors, shareholders, analyst and state concerned which the investors can see the company information at Website : www.cmfrozen.com or contact at phone : (662) 634-0061-4,Fax (662)238-4090 or at E-mail address : cg@cmfrozen.com.

Business Operations Affecting Social Responsibility

The company has operations guidelines to assure that the direction and main target of the sustainable development is following the changes of economy, society, and environment as well as the expectation of stakeholders to grow and develop effectively, efficiently, and sustainably. The summary of main operations for many areas is as follows

Operations for Economy

In 2021, the Company had key performance for economy and could provide the economic value to all stakeholders as following details.

Item	Value (Million Baht)*
Income from sales, helping in driving economy	1055.59
Salary and Wages to remunerate employees **	221.14
Employees' training expenses	0.31
Taxes paid to government for utilizing in further development of the country ***	0.71

* Data from 2021 Financial Statements of the Company

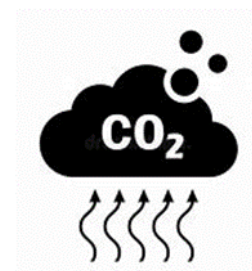
** Consisted of salary, wage, welfare and contributions to the providence fund and social security fund

*** Corporate income tax, local tax, property tax, sign tax and withholding tax

The Emission of Greenhouse Gasses (Carbon Footprint)

Now there is change in climate, World's temperature is rising. Cm is a small organization under the world that run business with responsibility to society. We study on how to use energy effectively, try to do activity that reduce carbon footprint by setting Solar rooftop with capacity of 2.47 MW at the end of 2019 and fully use in 2021 onward which generate electricity 3,435,464 kwh/year or equal to reducing 1,638,716.33 KgCO₂ of greenhouse gas emission.

The calculation is based on Low Emission Support Scheme. Which has related organization such as Greenhouse Gas Migration Organism, Ministry of Natural Resource and Environment, Carbon Market, and Thai Carbon Label. (website: <http://ghgreduction.tgo.or.th/th/calculation/less-calculate-document/less-energy.html>.)





4 Management Discussion and Analysis

4.1 Analysis at Business and Financial Performance

In 2021, global economic in the first half of the year has recovery signal from COVID-19 outbreak. However, the recovery is at the different paces among countries, depend on the ability to contain the spreading of COVID-19, the coverage and readiness of vaccines, and the size of government stimulus. Also, as entered 4th Quarter, the Omicron variant has been spread. Further, the supply-chain disruption has limited trading activities and cause the global economic slowdown.

Thailand economic has also recovered but at decreased growth due to the impact of the COVID-19 Delta variant outbreak, which result in less export activities and the domestic consumption has decreased drastically. In the last quarter of 2021, the Omicron variant has spread throughout the world and caused the slowdown in Thailand.

Regarding Japan, the important trade partner, government has request businesses “Work from home” basis, temporary closing the school, request restaurant and shops to close early or even temporary closed down, in attempted to minimize the activities and contain the COVID-19 spread. These caused the economic slowdown as well as household consumption. However, the economic has gradually recovered as government was able to increase the vaccination rate and later announced the relief of emergency state since the beginning of 4th Quarter. The host of Olympic has not contributed to the growth of economic due to the limited activities in attempt to contain the outbreak.

The exchange rate for THB/USD has continuously depreciate since the beginning of 2021. The exchange rate has reached the highest in the last quarter at THB 33.38 /USD. This is due to the outbreak of COVID-19. On the other hand, as US is appreciated as FED has signal the easy monetary policy and prepared to increase interest rate in 2022. According to the reference rate from the Bank of Thailand, the exchange rate is THB 31.98/USD, comparing to THB 31.29/USD indicated in previous quarter.

Total revenue from sales in 2021 has slightly decreased to THB 1,055.59 Million, comparing to THB 1,096.53 Million in 2020, equivalent to the decrease of 3.73% as there was decreasing demand from Japan as the outbreak still persisted as well as the domestic sales volume. The gross profit indicated THB 107.48 Million with the gross profit margin of 10.18% decreasing from 13.45%. Further, the increasing selling and administration expenses due to the consolidation with subsidiary, the increasing transportation and freight cost due to the supply-chain disruption, and the expenses related to the COVID-19 prevention policy, has affected net profit for the company to indicated net loss of THB 80.88 Million, decrease from net profit of



THB 1.15 Million in 2020. Net loss margin presented 7.66%, comparing to net profit margin of 0.10% in the previous year.

The financial performance has significantly change more than 20%, whereby the Net Profit has decreased 7,143.79% comparing to the previous year. The major contribution for such change is the decrease of sales volume which caused by the COVID-19 despite the depreciation of exchange rate. The Cost of Goods Sold has slightly decreased but the proportion in terms of sales revenue has greatly increased since there are idle costs resided in cost of goods sold result from the idle production capacity. This has put pressure on the gross profit margin. Further, the increasing transportation cost due to increasing fuel price and the supply-chain disruption has increasing sea freight, also the increasing cost as the measures attempt to prevent the COVID-19 in factories, and the decision to cancel the investment in Myanmar has caused the company to reserve loss on the land-lease deposit of THB 25.36 Million. Therefore, the company has indicated net loss in the period.

The Company has indicated any non-recurrent transaction in the financial statements for the year 2021 which are the consideration to cancel the investment project in Myanmar since the political unrest potentially affected to the operating of the project. Cancelling the investment project would cause the Company to be foreclosed on a 30% on deposit or amounting to Baht 7,607,685. The company considered the net realizable value of the remaining refundable deposit by assessed the political and economic situation in Myanmar and determined the debtor's ability to repay, which cannot be consider in present because of the clarity of current financial information. The management of Group considered the situation as an indication that may be impaired. The company considers setting an allowance for expected credit loss of refundable deposit receivable amounted of Baht 25,358,949.

During the year, the company has not changed the accounting policy, but only the application of accounting standard which is mandatory applied. The mentioned change has not material to the financial statement.

The factors that would affect the business operation for the fourth quarter are as follows

1. The new wave of COVID-19 outbreak which affected several countries globally would causes global economic slowdown, concerning Japan. Also, the social distancing measures to prevent the outbreak has limited the activities for people such as dining out and socializing could lessen the demand from food service sector but, in the other hand, increase the demand for ready to eat product to be consume at home. This could mean both positive and negative affected to future sales volume. However, the demand expected to recover soonest depends on the coverage of COVID-19 vaccines applied to resident.



2. The volatility of exchange rate, as THB has depreciated against USD since the global economic slowdown has affected the revenue recognition, while JPY has appreciated against USD which reduce the cost of import for Japanese customers.
3. The transportation cost has increase due to the fuel oil price and the shortage of containers caused the freight charge to sharply rise since the end of third quarter last year which expected the situation to solve in the second quarter of 2022

Summary of Financial Performance

Revenue Structure

1. Sales Revenue

The Company has sales revenue majorly from the sales of frozen vegetables such as frozen soybeans, frozen green beans, frozen sweet corns and frozen mixed vegetables. The details of sales revenue, according to the consolidated financial statement categorized by the geographic is as follows,

Sales Revenue	Value (THB Million)			Increase (decrease)	
	2019	2020	2021	2020	2021
Export Sales Revenue	1,092.29	1,022.83	989.59	(6.36)	(3.25)
Domestic Sales Revenue	70.97	73.69	66.00	3.83	(10.44)
Total Sales Revenue	1,163.26	1,096.53	1,055.59	(5.74)	(3.73)

In 2021, sales revenue indicated totaling THB 1,055.59 Million, of which export sales is to 93.75%, increased from 93.28% in the previous year. In this regard, the proportion of domestic sales proportion is 6.25% of total sales revenue, decreased from proportion 6.72% comparing to the previous year.

Total sales revenue in 2021 decreasing from THB 1,096.53 Million in 2020, equivalent to the decrease of 3.73%. This due to the decrease sales volume from export since demand has been affected by the COVID-19 situation

2. Other Revenue

In 2021, the company has indicated other revenue of THB 8.54 Million which decreased from THB 8.59 Million in 2020, equivalent to the decrease of 0.52%, majorly cause by the revenue from the other assets disposal activities.



Cost of Goods Sold

Cost of goods sold in 2021 presented THB 948.11 Million, equivalent to the decrease of 0.09%, comparing to THB 949.01 Million in 2020. The major reason for the decrease is as follows,

- The decreasing sales volume from oversea market comparing to previous year.
- The increase overhead production cost per unit as the raw material price has increased due to the produces harvested during drought season, also the electricity expenses has decreased from the use of electricity generated from solar roof.
- Cost of goods sold from subsidiary has resided idle capacity cost since the production is not yet achieve production plan.

Selling and Administration Expenses

In 2021, the Company has reported the selling and administration expenses of THB 161.18 Million which increased from THB 133.36 Million as reported in the 2020, equivalent to the increase of 20.86% which derive from the recognition of selling and administration expenses of subsidiaries, the increasing fuel price, and increasing freight transportation expense due to the shortage container situation, the increasing cost for bubble and seal process as an attempt to prevent the COVID-19, also the increasing advertising expenses resulted from the introducing new retails products under brand “Benas” and “Cornista”

Gross Profit Margin and EBIT Margin

The Gross Profit Margin for the Company presented in financial statement 2021 is 10.18% decrease from 13.45% indicated in the previous year, while the EBIT Margin reveal -5.14% decreased from -0.23% comparing to the previous year. This is due to the decrease sales volume and revenue while increasing proportion of cost of goods sold and increasing selling and administration expenses. Also, the Company indicate the loss on exchange of THB 9.08 Million, comparing to loss on exchange of THB 25.23 Million in 2020.

Net Profit

The Company has indicated net loss in the financial statements in 2021 of THB 80.88 Million, decrease from net profit of THB 1.15 Million presented in 2020. The Net Loss Margin has stated 7.66% comparing to Net Profit Margin of 0.10% in previous year. The Company has the change of financial operation exceed 20%. The major contribution to the decrease of net profit from the decrease of export sales revenue and volume from the situation of COVID-19. The cost of goods sold has included subsidiary’s cost of goods sold which idle cost resided from the production cost that not achieving production plan, though the Company has



managed to reduce electricity charge from the installation of solar roof. Further, Selling and Administration Expenses is increased due to the recognition of subsidiary's expenses, and the increasing transportation cost from the increasing fuel price. In addition, supply-chain disruption has drove sea freight as the shortage of container and vessels. Finally, the Company has allowance for expected credit loss of refundable deposit receivable due to the cancellation of investment in Myanmar.

Summary Table for the Financial Performance

	Value (THB Million)			Increase (decrease)		
	2019	2020	2021	2019	2020	2021
Sales Revenue	1,163.26	1,096.53	1,055.59	(8.08)	(5.74)	(3.73)
Cost of Goods Sold	1,021.76	949.01	948.11	0.28	(7.12)	(0.09)
Gross Profit	141.50	147.52	107.48	(42.61)	4.26	(27.14)
Gain (Loss) from Exchange Rate	39.21	(25.23)	(9.08)	104.50	(164.35)	64.01
Other Revenue	7.84	8.59	8.54	(34.84)	9.49	(0.52)
Operating Profit	188.55	130.87	116.02	(31.58)	(30.59)	(11.35)
Selling and Administration Expenses	150.91	133.36	161.81	(7.16)	(11.63)	21.33
Earnings Before Interest and Tax	37.64	(2.49)	(54.24)	(64.83)	(106.62)	(2,078.34)
Net Profit (Loss)	34.76	1.15	(80.88)	(64.34)	(96.70)	(7,143.79)
Earnings Before Interest, Tax, Depreciation and Amortization	87.52	52.98	30.69	(43.67)	(39.47)	(42.07)
Cash Flow from Operation	206.66	127.19	(59.73)	412.75	(38.45)	(53.04)
Earnings per share (Baht)	0.09	0.003	(0.173)			
Book Value per share (Baht)	3.70	3.60	3.46			

Key Financial Ratios

Key Financial Ratios	2019	2020	2021
Current Ratio (Times)	14.85	12.42	3.48
Quick Ratio (Times)	7.32	3.13	0.80
Gross Profit Margin (%)	12.16	13.45	10.18
EBIT Margin (%)	3.61	-0.23	-5.14
Net Profit Margin (%)	2.99	0.10	-7.66
Return on Equity (%)	2.45	0.08	-6.01
Return on Assets (%)	2.42	-0.16	-5.08
Debt To Equity Ratio (Times)	0.10	0.11	0.27



Company's Financial Position

Assets

The Company has total assets according to the financial statements as of 31 December 2021 of THB 1,664.83 Million comparing to THB 1,517.64 Million in the previous year, equivalent to the increase of 9.70%. The major increase is from the increase of properties, plant and equipment derives from the acquisition of subsidiary, also increasing in inventory of THB 38.62 Million, equivalent to the increase of 2.54%. The account receivable has increased THB 15.01 Million, to reach THB 93.31 Million. In the previous year, most of the client able to make payment within due.

Liabilities

The Company has total liabilities according to the financial statements as of 31 December 2021 of THB 346.00 Million which increase THB 199.39 Million, equivalent to the increase of 13.14%. The main increase is from the long-term debt from financial institution of THB 141.61 Million, as a subsidiary has engage in long-term debt.

As of 31 December 2021, the Company has liabilities obligation other than employee benefit which are

- Licensing agreement and consulting agreement for the usage of computer program and system for the amount of THB 0.25 Million
- The Company might expose to the occurrence of obligation from the issuance of guarantee letter from bank against the government authorities for the amount of THB 10.42 Million
- The Company has capital expenditure in respect of the installation of electricity generator by Solar Roof system and the installation of equipment amounting of THB 3.24 Million
- The subsidiary has entered into the 5 years Gas Purchase agreement with a company. Such rate accordance with the conditions specified in the agreements.

The Company has appropriate and sufficient liquidity for the payment of liabilities and obligation. In 2021, the Current Ratio indicated 3.48 times and the Quick Ratio of 0.80 times, while most of the assets are current assets.

Currently, there is no file or active case of lawsuit against the Company.



Shareholder's Equity

Shareholder's equity for the company presented in the financial statement for the period ended 31 December 2021 of THB 1,318.83 Million, decrease from THB 1,371.04 Million comparing to the previous year, equivalent to the decrease of 3.81%. However, the unappropriated retained earning has decrease from THB 901.60 Million to THB 803.70 Million, considered 10.86% decreased comparing to previous year. The other components of shareholder's equity which is the recognized of the change in fair value of derivatives for hedging cash flow at the value THB -5.06 Million according to the newly adopted accounting standard and reporting standard.

Cash flow and Capital Structure

For the year 2021, the Company has net cash flow used in operation THB 59.73 Million, comparing to the net cash flow from operation THB 122.94 Million in 2020, decrease of THB 182.67 Million due to the increasing purchase of the raw material. Also, the repayment of trade payable of subsidiary. Besides, the company paid THB 62.60 Million for the procurement of machines and equipment.

In 2021, the Company has sufficient liquidity which evidence from the current ratio of 3.48 times, decrease from 12.41 times in the previous year. This is due to the decrease of current liabilities from the repayment of trade payables as they're liabilities from STFD consolidated to the Company. However, the major assets are current assets equivalent to 51.37% of total assets. On the other hand, the Company has only 14.75% of current liabilities which mostly consists of trade payable.

The Company has not engaged in any long-term borrowing during 2021, but the subsidiary has previous long-term borrowing stated is the liability of STFD, whereas the debt to equity ratio decrease to 0.27 times.



Summary Table for Company's Financial Position

	Value (THB Million)			Increase (decrease)		Common Size		
	2019	2020	2021	2020	2021	2019	2020	2021
Current Assets								
Cash and Cash Equivalent	180.33	147.61	196.12	(18.14)	32.86	11.64	9.73	11.78
Account Receivables	126.99	100.21	116.11	(21.09)	15.87	8.20	6.60	6.97
Short-term loan	13.60	6.93	0	(49.04)	100.00	0.88	0.46	0.00
Inventory	499.86	461.11	499.73	(7.75)	8.38	32.26	30.38	30.02
Derivatives Assets	0.00	24.68	1.41	-	(94.29)	0.00	1.63	0.08
Other Current Assets	191.21	241.51	41.88	26.31	(82.66)	12.34	15.91	2.52
Total Current Assets	1,011.99	982.06	855.26	(2.96)	(12.91)	65.32	64.71	51.37
Non-Current Assets								
Property Land and Equipment	425.48	455.56	727.14	7.07	59.61	27.46	30.02	43.68
Other Non-Current Assets	111.80	80.02	82.43	(28.42)	3.01	7.22	5.27	4.95
Total Non-Current Assets	537.28	535.59	809.57	(0.32)	51.15	34.68	35.29	48.63
Total Assets	1,549.27	1,517.64	1,664.83	(2.04)	9.70	100.00	100.00	100.00
Current Liabilities	68.14	79.10	245.53	16.08	210.40	4.40	5.21	14.75
Non-Current Liabilities	71.26	67.50	100.47	(5.26)	48.84	4.60	4.45	6.03
Total Liabilities	139.40	146.61	346.00	5.17	136.00	9.00	9.66	20.78
Shareholder's Equity	1,409.87	1,371.04	1,318.83	(2.75)	(3.81)	91.00	90.34	79.22

4.2 Significant Factors that may Impact Future Business and Financial Performance

The factors that would affect the business operation in 2021 are as follows

- 1) The new wave of COVID-19 outbreak which affected several countries globally would causes global economic slowdown, concerning Japan. Also, the social distancing measures to prevent the outbreak has limited the activities for people such as dining out and socializing could lessen the demand from food service sector but, in the other hand, increase the demand for ready to eat product to be consume at home. This could mean both positive and negative affected to future sales volume. However, the demand expected to recover soonest depends on the coverage of COVID-19 vaccines applied to resident.
- 2) The volatility of exchange rate, as THB has depreciated against USD since the global economic slowdown has affected the revenue recognition, while JPY has appreciated against USD which reduce the cost of import for Japanese customers.



- 3) The transportation cost has increase due to the fuel oil price and the shortage of containers caused the freight charge to sharply rise since the end of third quarter last year which expected the situation to solve in the second quarter of 2022

4.3 Financial Highlights

Consolidated Statement of Financial Position

For the Year ended 31 December 2019-2021

(Unit: Million Baht)

Assets	Year					
	2019	%	2020	%	2021	%
<i>Current Assets</i>						
Cash and cash equivalents	180.33	11.6	147.61	9.7	196.12	11.8
Other current financial assets	191.21	12.3	241.51	15.9	41.67	2.5
Trade and other current receivables	109.32	7.1	78.29	5.2	93.31	5.6
Accounts receivable-planters	17.62	1.1	21.92	1.4	22.80	1.4
Short-term loans to other company	13.60	0.9	6.93	0.5	-	-
Inventories	499.86	32.3	461.11	30.4	499.73	30.0
Derivatives assets	-	-	24.68	1.6	1.41	0.1
Other Current Assets	-	-	-	-	0.22	-
<i>Total Current Assets</i>	1,011.99	65.3	982.05	64.7	855.26	51.4
Other non-current financial assets	37.50	2.4	-	-	-	-
Investment property	22.13	1.4	22.13	1.5	22.13	1.3
Property, plant and equipment-net	425.48	27.5	455.56	30.0	727.14	43.7
Lease deposit on land	25.36	1.6	25.36	1.7	-	-
Goodwill	-	-	-	-	19.07	1.1
Intangible assets-software computer	9.69	0.6	8.73	0.6	7.43	0.5
Deferred tax assets	15.03	1.0	19.72	1.3	28.76	1.7
Income tax refundable	-	-	1.93	0.1	2.97	0.2
Other non-current assets	2.09	0.1	2.16	0.1	2.07	0.1
<i>Total Non-Current Assets</i>	537.28	34.7	535.59	35.3	809.57	48.6
Total Assets	1,549.27	100.0	1,517.64	100.0	1,664.83	100.0



(Unit: Million Baht)

Liabilities and Shareholder's Equity	Year					
	2019	%	2020	%	2021	%
<i>Current Liabilities</i>						
Bank overdrafts and short-term loans from financial institutions					11.06	0.7
Trade and other current payables	54.73	3.5	74.31	4.9	65.44	3.9
Current portion of long-term loan from financial institutions					4.69	0.3
Long-term loan reclassified as current liabilities					141.61	8.5
Current portion of lease liabilities	1.57	0.1	1.25	0.1	3.63	0.2
Current portion of long-term loans from other persons					2.14	0.1
Deferred Tax	8.27	0.5	-	-	-	-
Derivatives liabilities	-	-	0.02	0.0	10.61	0.6
Other current liabilities	3.57	0.2	3.52	0.2	6.35	0.4
<i>Total Current Liabilities</i>	68.14	4.4	79.10	5.2	245.53	14.7
<i>Non-Current Liabilities</i>						
Lease liabilities	1.93	0.1	0.68	0.1	10.86	0.7
Long-term loans from other persons	-	-	-	-	23.63	1.4
Employee benefit obligations	69.33	4.5	66.82	4.4	65.98	4.0
<i>Total Non-Current Liabilities</i>	71.26	4.6	67.50	4.5	100.47	6.10
Total Liabilities	139.40	9.0	146.60	9.7	346.00	20.8
<i>Shareholder's Equity</i>						
Share capital-Baht 1 par value						
Registered Shares 381,145,725 Shares						
In the year 2019 - 2021						
Issued and Paid up Capital 381,145,725 shares						
In the year 2019 - 2021	381.15	24.6	381.15	25.1	381.15	22.9
Premium on share capital	68.0	4.4	68.0	4.5	68.0	4.1
Retained Earnings						
- Appropriated for legal reserve	38.11	2.5	38.11	2.5	38.11	2.3
- Unappropriated	922.61	59.6	901.60	59.4	803.70	48.2



Liabilities and Shareholder's Equity	Year					
	2019	%	2020	%	2021	%
Other component of equity	-	-	(17.82)	(1.2)	(5.06)	(0.3)
Total equity attributable to the parent company	-	-	1,371.04	90.3	1,285.90	77.2
Non-controlling interests	-	-	-	-	32.93	2.0
<i>Total Shareholder's Equity</i>	1,409.87	91.0	1371.04	90.3	1,318.83	79.2
Total Liabilities and Shareholder's Equity	1,549.27	100.0	1,517.64	100.0	1,664.83	100.0



Consolidated Statement of Comprehensive Income

For the Year ended 31 December 2019 - 2021

(Unit: Million Baht)

Items	Year					
	2019	%	2020	%	2021	%
Revenues from sales	1,163.26	100.0	1,096.53	100.0	1,055.59	100.0
Cost of sales	(1,021.76)	(87.8)	(949.01)	(86.6)	(948.11)	(89.8)
Gross profit	141.50	12.2	147.52	13.5	107.48	10.2
Gain (Loss) on exchange rate	39.21	3.3	(25.23)	(2.3)	(9.08)	(0.9)
Other income	7.84	0.7	8.58	0.8	8.54	0.8
Profit before expenses	188.55	16.2	130.87	11.9	106.94	10.1
Cost of distributions	(70.85)	(6.1)	(62.04)	(5.7)	(72.86)	(6.9)
Administrative expenses	(80.06)	(6.9)	(71.32)	(6.5)	(88.32)	(8.3)
Total Cost of Distribution and Administrative Expenses	(150.91)	(13.0)	(133.36)	(12.2)	(161.18)	(15.2)
Profit (Loss) from operating activities	37.64	3.2	(2.49)	(0.2)	(54.24)	(5.1)
Finance income	4.35	0.4	3.38	0.3	0.26	0.0
Finance costs	(0.22)	-	(0.15)	(0.0)	(3.93)	(0.4)
Loss of allowance impairment losses on financial assets	-	-	-	-	(25.36)	(2.4)
Profit (loss) before tax	41.77	3.6	0.74	0.1	(83.27)	(7.9)
Tax income	(7.01)	(0.6)	0.41	0.0	2.39	0.2
Net profit (loss) for the year	34.76	3.0	1.15	0.1	(80.88)	(7.7)
Earnings (Loss) per shares	0.091		0.003		(0.173)	
Other comprehensive income for the year						
Other comprehensive income to be reclassified to profit or loss in subsequent year						
Hedging reserve reclassified to profit or loss			45.31	4.1	24.06	2.3
<u>Less : Tax effect</u>			(9.06)	(0.8)	(4.81)	(0.5)
Change in fair value of hedging derivatives			(36.72)	(3.30)	(53.11)	(5.0)
<u>Less : Tax effect</u>			7.34	0.7	10.62	1.0



Items	Year					
	2019	%	2020	%	2021	%
Other comprehensive income not to be reclassified to profit or loss in subsequent period						
Loss on changes in value of equity investments designated at fair value through other comprehensive income	-	-	(45.00)	(4.1)	-	-
<u>Less : Tax effect</u>	-	-	9.00	0.8	-	-
Remeasurements of post-employment benefit obligations						
Actuarial gain(losses)	(9.61)	(0.8)	(2.55)	(0.2)	5.06	0.5
<u>Less : Tax effect</u>	1.92	0.2	0.51	0.0	(1.01)	(0.1)
Other comprehensive income for the year			(31.17)	(2.8)	(19.19)	(1.8)
Total comprehensive income for the year	27.07	2.3	(30.02)	(2.7)	(100.07)	(9.5)
Profit(loss) attributable to:						
Equity holders of the parent	34.76	3.0	1.15	0.1	(65.95)	(6.2)
Non-controlling interests	-	-	-	-	(14.93)	(1.4)
Total	34.76	3.0	1.15	0.1	(80.88)	(7.7)
Total comprehensive income attributable to:						
Equity holders of the parent	27.07	2.3	(30.02)	(2.7)	(85.14)	(8.1)
Non-controlling interests	-	-	-	-	(14.93)	(1.4)
Total	27.07	2.3	(30.02)	(2.7)	(100.07)	(9.5)
Basic profit(loss) per share						
Profit(loss) attributable to equity holders of the parent	0.091		0.003		(0.173)	



Statement of Cash Flow for the Company and Its Subsidiary

For the Year ended 31 December 2019-2021

(Unit: Million Baht)

Item	Year		
	2019	2020	2021
Cash Flow from Operating Activities			
Profit(loss) before tax	41.77	0.74	(83.27)
Adjustments to reconcile net profit(loss) to net cash provided by(used in) operating activities			
Unrealized loss on exchange rate	0.14	0.25	0.31
Impairment losses on financial assets			25.36
Loss on diminution in value of inventories(reversal)	1.66	(3.07)	0.92
Loss for write-off inventories	-	4.35	23.12
Loss(gain) of allowance for expected credit losses(reversal)	(0.17)	(0.03)	0.25
Loss(gain) from changes in value of investments	(0.22)	(0.40)	0.48
Gain on disposal of investments	(0.43)	(0.85)	(0.64)
Loss(gain) on disposal of assets and write-off of assets	(0.17)	(0.37)	0.20
Depreciation and amortization	49.88	55.47	84.93
Retirement employee benefit	15.25	4.56	4.47
Change in fair value of forward exchange contracts	-	1.49	4.81
Interest income	(3.71)	(2.13)	(0.10)
Interest expenses	0.22	0.15	3.93
Profit from operating activities before change in operational assets and liabilities	104.22	60.16	64.77
Decrease(increase) in operational assets			
Trade and other current receivables	30.44	30.70	(11.88)
Accounts receivable-planters	(9.44)	(4.22)	(1.14)
Inventories	111.66	37.46	(53.76)
Other current assets	-	-	2.34
Other non-current assets	(0.04)	(0.07)	0.17
Increase(decrease) in operational liabilities			
Trade and other current payables	(16.24)	18.73	(55.76)
Other current liabilities	(0.07)	(0.03)	(1.91)
Employee benefit obligations	(5.18)	(9.60)	(1.52)
Cash received(paid) from operating activities	215.34	133.14	(58.69)
Income tax paid	(8.68)	(10.20)	(1.04)



Item	Year		
	2019	2020	2021
Net cash provided by (used in) operating activities	206.66	122.94	(59.73)
Cash Flow from Investing Activities			
Decrease (Increase) in other current financial assets	(0.45)	(49.05)	200
Cash paid for purchase of the subsidiary	-	(7.50)	(0.20)
Cash at the date of purchase of the subsidiary	-	-	0.08
Interest received	3.30	2.19	0.52
Decrease in short-term loans to other company	(13.60)	6.67	-
Cash Received from the liquidation of subsidiary	-	-	-
Cash paid to invest in subsidiary	-	-	-
Cash paid for land leases deposit	-	-	-
Proceeds from disposal of equipment	0.55	0.41	0.93
Cash paid for acquisition of plant and equipment	(93.51)	(83.68)	(62.60)
Cash paid for acquisition of computer software	(1.77)	(0.09)	(0.03)
Net cash provided by (used in) investing activities	(105.49)	(131.05)	138.69
Cash Flow from Financing Activities			
Decrease in bank overdrafts and short-term loans from financial institutions	-	-	(16.24)
Cash paid for dividends	(41.94)	(22.89)	-
Cash paid for long-term loans to other persons	-	-	(7.70)
Cash paid for long-term loan from financial institutions	-	-	(0.32)
Interest paid	(0.22)	(0.15)	(3.93)
Payment for lease liabilities	(1.03)	(1.58)	(2.27)
Net cash used in financing activities	(43.19)	(24.61)	(30.45)
Net increase(decrease) in cash and cash equivalents	57.98	(32.72)	48.51
Cash and cash equivalents, beginning of year	122.35	180.33	147.61
Cash and cash equivalents, end of year	180.33	147.61	196.12
<u>Supplement disclosures of cash flows information</u>			
Non cash items			
Purchases of vehicle lease liabilities	-	-	-
Purchases of equipment lease liabilities	1.88	-	2.64
Purchases of equipment by recording as other payables	0.40	0.86	-
Increase in accrued dividends	0.02	0.02	1.09



Financial Ratios

Financial Ratios	Unit	Year		
		2019	2020	2021
Liquidity Ratios				
Current ratio	Time	14.85	12.42	3.48
Quick ratio	Time	7.32	3.13	0.80
Cash flow ratio	Time	3.04	1.73	(0.37)
Account receivable turnover	Time	9.35	11.69	12.30
Debt collection period	Days	39.03	31.23	29.26
Inventory turnover	Time	1.84	1.98	1.97
Good distribution ratio period	Days	198.80	184.80	182.42
Account payable turnover	Time	16.31	14.71	13.57
Debt payment period	Days	22.38	24.82	26.53
Cash cycle	Days	215.46	191.21	185.15
Profitability Ratios				
Gross profit margin	%	12.16	13.45	10.18
Operation profit margin	%	3.61	(0.23)	(5.14)
Net profit margin	%	2.99	0.10	(7.66)
Return on equity	%	2.45	0.08	(6.01)
Efficiency Ratios				
Return on total assets	%	2.70	(0.16)	(5.08)
Return on fixed assets	%	19.12	12.03	5.19
Total assets turnover	Time	0.75	0.72	0.66
Financial Policy Ratios				
Ratio debt against equity part	Time	0.10	0.11	0.27
Dividends paid rate	%	65.78	-	_*



5 General Information and Other Information

5.1 General Information

Name	Chiangmai Frozen Foods Public Company Limited
Office Location	149/34 Soi Anglo Plaza, Surawongse Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500, Thailand.
Registration	0107-537-000-513
Telephone	(662) 238-4091, (662) 634-0061-4
Facsimile	(662) 238-4090
Website	www.cmfrozen.com
Business Type	Manufacture and Export of Frozen Vegetables such as Soy Beans, Green Beans, Sweet Corns, Carrot, Baby Corns etc.
Capacity	42,000 Metric Tons per Year
Factory (Branch)	1 st Plant No. 92 Moo 3, Chiangmai-Phrao Road, Nongjom, Sansai, Chiangmai Province 50210, Thailand. Tel. (6653) 844-961-4, 498-195-6 Fax. (6653) 498-199 2 nd Plant No. 299 Moo 14, Chiangmai-Phrao Road, Mae Fag Mai, Sansai, Chiangmai Province 50290, Thailand. Tel. (6653) 848-088-94 Fax. (6653) 848-097
Registered Capital	381,145,725 common share each with par value 1 Baht and in the aggregate value of 381,145,725 Baht.
Paid-up Capital	381,145,725 common share each with par value 1 Baht and in the aggregate value of 381,145,725 Baht.

5.2 Other Information

Shares in juristic persons held by the company more than 50%

Name	Sino Thai Freeze and Dry Co., Ltd.
Head Office	149/27-28 Pornpiwat Building 2 nd Floor, Soi Anglo Plaza, Surawongse, Bangrak, 10550
Factory	202 Moo 3, Huayyangtone, Paktor, Rachaburi, 70140
Telephone & Facsimile	Telephone: 662-235 8132 Fax: 662-235 8133



E-mail	st-fd@freezedry.co.th
Business Type	Manufacture and Distributor of Frozen & Freeze Dry Foods, Fruits & Herbs
Registered and Paid-up Capital	Ordinary share 54,463,420 shares of each 10 Baht per share paid up 544,632,400 Baht.
Percentage of Shareholding	68.7% by the company considered THB 37.43 Million.

Others important information.

Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, No. 93, 14 th Floor, Rachadapisek Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400 Thailand. Tel.(662) 009-9000 Fax.(662) 009-9991
Auditor	Ms. Chamaporn Rodloytuk, C.P.A.(Thailand) No.9211 AST Master Office of 790/12 Thonglor Tower, Soi Tonglor 18, Sukhumvit Road 55, Kwaeng Klongtoey, Khet Wattana, Bangkok 10110, Thailand. Tel.(662)381-5716, (662)381-8016
Legal Advisor	Mr. Wanchandr Sivaboonyawongse No. 1 Soi Ramintra 23 (junction 18), Ramintra Rd., Kwaeng Monument, Khet Bang Khen, Bangkok 10220. Telephone 081-827-2961

5.3 Legal disputes

In the year of 2021, the company and subsidiary company had no dispute on laws that having important point toward conducting business of the company.

5.4 Secondary Market – None

5.5 Financial Institution

Financial Institution	Siam Commercial Bank Public Co., Ltd. Thanachart Bank Public Co., Ltd. Krungthai Bank Public Co., Ltd. Bank of Ayudhya Public Co., Ltd.
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Section

2

Corporate Governance



6 Corporate Governance Policy

6.1 General Policy and Corporate Governance Practice

Corporate Governance Policy

Board of Company have realized the important of Good Corporate Governance for transparency to add limit of ability in work racing and add confident to the Shareholders, investors and every concerned, then have formulated the operation policy for cooperating governance by comprehend the following keystones:

1. The Company will treat the shareholders and stakeholders in equal manner with fair for everyone.
2. Board of Company are intended to build up sustainable growth of the company in long-run, to execute the company activity with carefulness and caution under regulation frame of law and business morality. All this Board of Company will perform duty with full capability in order to produce maximum efficient toward the shareholders, and other stakeholders, also take care of not having conflict of interest arises and responsible toward decision and self-performance.
3. The Company will operate with transparency, able to check and disclose sufficiently information to every party concern.
4. The Company will conduct the business with always thinking of risk and will execute risk appropriately.
5. The Company has formulated an important policy that will be the operation direction of the company in advance every year. Board of Company will pay an important toward internal control and inspection system by governance executive section to proceed as efficiency policy.
6. The Company has managed business morality to let directors, executives and every officer practice.

Board of Company have intention to establish good corporate governance to distribute the practice throughout the directors, executives and every rank. In order to create the true corporate governance culture, executive, and every employee must follow strictly according to policy that has been review by board of company meeting no. 1/2021 on 24 of February 2021



Leadership and Vision

Board of Director have considered to review and approve vision, company mission, renovate business ethics, Corporate Governance Policy, and other sides policy to have suitable, coordinate with rule, regulation that exist in present and to be occur regularly in future at least every 5 years.

In the Meeting of Board of Director No. 1/2020 dated 26 February 2020, the Committee has reviewed the Company's vision, mission, and strategy, then opined that the current vision, mission, and strategy is suitable to the current business environment which contributed to the sustainable growth for the Company.

Conflict of interest

Board of Company have executed carefully and cautiously to prevent conflict of interest when incur any matter that may cause conflict of interest. Board of Audit Committee will learn about the subject that get conflict of interest and related subject and have considered the suitability thoroughly every time by formulating to have practice according to the basis of Securities and Stock Exchange in which prices and conditions as if doing subject with outsiders and disclose details, subject value, partnership, reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading, general information and account with related person.

Various groups of stakeholders

Board of Company acknowledge and aware of the right of concerned stakeholders and have a policy to support in incurring a cooperation between the company with every group of stakeholders in creating advantage among themselves and take care firmly that all stakeholders have received well protected and served by the company pay important toward the right of every group of stakeholder such as officials, customers, co-partners, competitors, shareholders and think of safety and health, responsibility toward community and society, environment and national resources, human rights and misconduct and corruption resistant by formulating performance line for directors, executives and officials distinctly in business ethics and formulate as policy in the policy of Corporate Governance, manage to have channel for every group of stakeholder enable to grievance toward the company in case of not receiving justice from company performance whatever by directors, executives or officials. All this, the company can convince that grievance of every group of stakeholder are likely to receive

protection and keep for secret. The Company shall proceed for inspecting as formulate process and find a remedy way quickly.

Anti-Corruption

The Company pays an important concerning misconduct and corruption and regards as a part of policy in conducting business which the company formulates in the business ethics, heading: misconduct and corruption resistant and formulates in the policy of Corporate Governance – heading: “policy of misconduct and corruption resistant” so as directors, executives and every official to hold practice. In the meeting of Board of Company no. 4/2013 dated 11 November 2013 Board of Company have resolved to agree the company to show intentional in order to join cooperation of Thai private sector in resisting misconduct and in the meeting of Board of Company no. 1/2015 on 26 February 2015 have resolved to consent in managing policy of misconduct and corruption resistant in writing in order to be an performance line distinctly in conducting business and intends to develop to an organization sustainable, and on 21 April 2015 the company applied for a member of net-work partnership on misconduct for Thailand in order to fight for every organization to aware of misconduct and corruption impact. The Company has been certified as the member of the Private Sector Collective Action Coalition Against Corruption since 9 March 2017 and later as been certified for the second time on 4 November 2019. The Anti-Corruption Policy has been reviewed and approved in the Board of Director’s Meeting no. 2/2021 dated 23 February 2021

6.2 Business Ethics

Board of Company have permitted discipline of Business Ethics and/or manual of Directors, Executive and Officer to promote the directors, executives and every rank of officials to hold in practice regularly as usual which the directors, executives and every officers have signed for document concerning such discipline and confirmed in practice which regards as practical standard frame of the company, also all Board of Company have assigned one who responsible to follow up result of practice continuously and always revise such discipline appropriately. Business Ethics has been reviewed and approved in the Board of Director’s Meeting no. 2/2021 dated 23 February 2021.



6.3 Significant Changes and Development in the Corporate Governance Policy, Practices, and System in the Year

In 2021, the board supervised company operation under corporate governance policy and consider company sustainability which providing advice and improving internal control and corporate governance process to align with Corporate Governance code for listed companies in 2017 (CG Code) in line with in line with the UN Sustainability Development Goals (SDGs). Key issues and/or decisions requiring board's approval in 2020 according to authorities of the Board of Directors were as follows:

Revision of Important Charters, Policies, and Guidelines

- Reviewed and amended the Charter of the Board of Directors
- Reviewed and amended the Charter of the Nomination and Remuneration Committee
- Reviewed and amended the Charter of the Risk Management Committee
- Reviewed and amended the Charter of the Corporate Governance and Sustainable Management Committee
- Reviewed and amended the Charter of the Executive Committee
- Reviewed and amended the Charter of Authorization

Vision, Mission, and Strategies Defining

- Board of company discuss and review the vision, mission and strategies which consider the change in business environment and business operation for the sustainable growth and create growth that consider every stakeholder.

Strategic Implementation Supervising and Monitoring

- Reviewed the Company's financial transactions and operations
- Reviewed the Company's investment for business expansion and consider the factor that can affect the investment plan



Corporate Governance, Internal Control, and Risk Management Systems

- Reviewed issues relating to the organization's sustainability and defining long-term goal.
- Reviewed issues relating to enterprise risks and risk indicators that might affect the Company's operations.
- Reviewed complaint management through the Audit and Corporate Governance and Sustainable Management Committee
- Acknowledged the result of Independent director annual self-evaluation.

Anti-corruption and Business and Human Rights

- Acknowledged the annual implementation of the No-Gift Policy.
- Review and amend the Anti-corruption policy.

Management of the COVID-19 Outbreak Crisis

- Considered the COVID-19 situation, the Company's performance, and company business plan to go accordance with change of situation of pandemic of COVID-19.
- Considered employee actions during the COVID-19 outbreak.

Board of company amend and review the corporate governance process to align with Corporate Governance code to adapt and use in company and must be review once a year. In meeting No. 2/2021 consider for practices that have not been implemented or applied, which company record them in Board meetings.

Rights and equality of shareholders

Board of Company has fully realized an important of shareholders by intending the shareholders to be treated equally on the process of good corporate governance. The Company then opens a chance for the shareholders to participate by presenting the subject that think it important to put in the agenda of Ordinary Shareholder Meeting and presenting person name of knowledgeable, competent and appropriate qualified for receiving consideration of electing as company independent director and



enable to send the question concerning agenda of meeting to the Board of Director in advanced before meeting day and the company is still aware of the right of shareholders in receiving the company information with correct, sufficient, in time and equal to make decision in Shareholder Meeting. Therefore, in every Shareholder Meeting, the company will send a letter of convening meeting with document information for meeting that contains full details and sufficient inclusive Board of Company comments in every agenda toward securities registrar of the company in order to reach in hand of the shareholders before meeting 21 days as fixed by law and the shareholders are still able to study an information for meeting in advanced through website of the company at least 30 days before Shareholder Meeting day to open a chance to the shareholders having time to study such information in details. Besides, the company has still given facilities to the shareholders in participating the Shareholders Meeting by fixing day, time, and venue to reach convenient and having appropriate size for serving meeting attendant sufficiently and in case the shareholders are unable to attend the meeting by themselves then able to delegate other persons or Independent Director of either of their company to attend and cast a vote by proxy.

Shareholders Meeting Facilitation

On the meeting day, the Company has put important to shareholders equitably including individual investors and institutional investors and determine to fully support the shareholders to attend the meeting both Annual General Meeting and Extraordinary General Meeting. The Company shall hold the meeting venue where the transportation is convenience and easy to access with public transportation, also arrange sufficient parking space for those who use personal transportation. The meeting date shall not be arranged on public holidays. The meeting time shall be arranged during 8.00 – 16.00 hrs. The Company shall also arrange staff and necessary equipment to support the registration with barcode system, the availability of duty stamp for proxies. The registration shall be allowed minimum 2 Hours prior the meeting start and during the meeting as well to ensure the voting right on every agenda that's not yet resolved in the meeting

Shareholders' Meetings

Board of Company managed to have Shareholder Meeting and it is Annual Ordinary Meeting within 4 months from the date of cycle year of account and extraordinary shareholder meeting in case of asking special resolution from shareholders. The Company pays an important to every shareholder both institution shareholders and small shareholders, the company then invites and supports institution



shareholders and small shareholders to join the meeting in order to inquire suspicion express one's thought and give various advise that will be useful toward conductive business in which the company is ready to give facilities to every shareholders equally and uses the rights to vote transparently, justice by providing to have the meeting set in agenda order that formulated in an invitation letter. For electing agenda of directors, the company has separated the matter to allow the shareholders use the rights to vote for electing directors individually along with arrange to have an representative of the shareholders in counting the vote for correction and make disclosure of the shareholder meeting resolution with voting result at time 09.00 a.m. of the next working day from the date of shareholder meeting and arrange completely of meeting report and diffuse meeting report toward the Securities and Stock Exchange of Thailand and report through the company website within 14 days from the date of shareholder meeting.

Basis and method of casting a vote in electing director are as follows:

1. One shareholder has a vote equal to one share/one vote.
2. Each shareholder must use all existing vote as 1 to elect one person or many persons as director but can't share the vote to anyone.
3. A person which receives maximum vote respectively shall be elected as director equal to number of available director as it must be and must elect in that time. In case a person which is elected respectively by having equal vote exceed number of directors that must have or must elect in that time, let the Chairman vote for arbitrating.

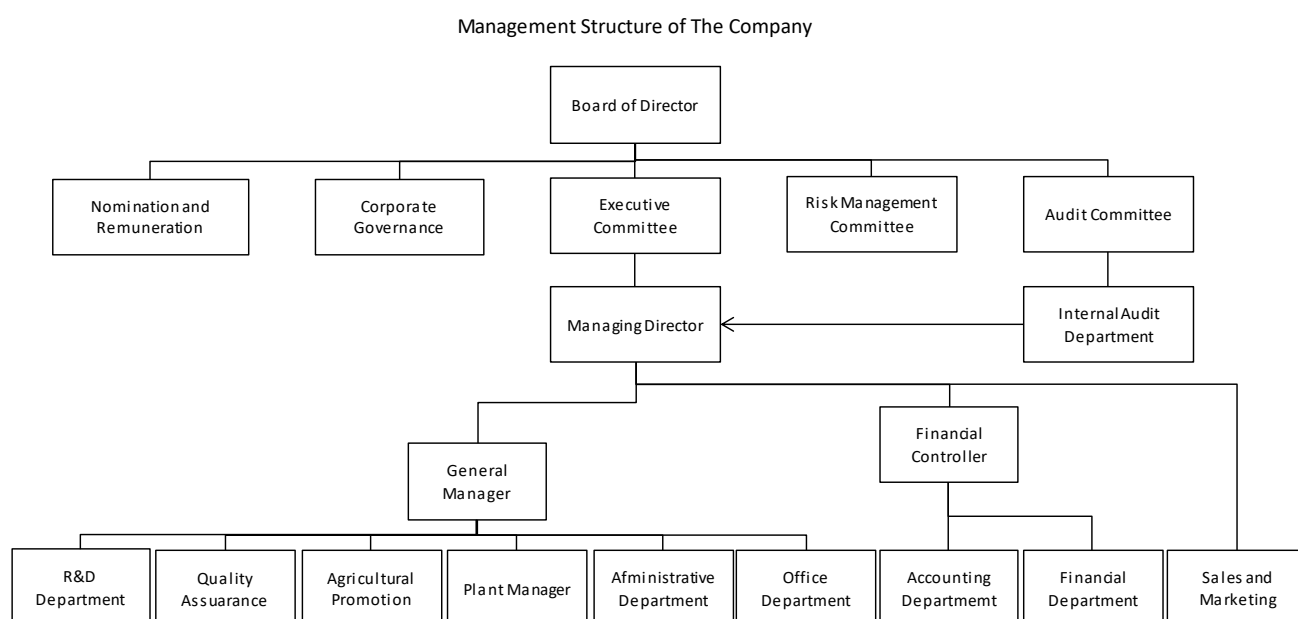
CG and AGM Evaluation Result

Subjects	Year					
	2016	2017	2018	2019	2020	2021
Average point by adding up of CG assessment	87	88	91	91	91	92
AGM assessment point result	100	97	100	100	99	97



7 Corporate Governance Structure and Information of Board of Directors, Sub-Committee, Management, Employees and Others

7.1 Organization Chart



7.2 Management Structure

The Board of Director

The Board of Directors	Position	Type of director
1. Mr. Prayoon Pholpipattanaphong	Chairman of Board of Director and Authorized Director	Executive director
2. Mr. Prapas Pholpipattanaphong	Chairman of Executive Committee and Authorized Director	Executive director



The Board of Directors	Position	Type of director
3. Mr. Ankoon Pholpipattanaphong	Managing Director and Authorized Director	Executive director
4. Mr. Lan, Mu - Chiou	Director	Non-executive director
5. Mr. Amnuay Yossuck	Director	Independent director
6. Mr. Ampon Ruayfupant	Director	Independent director
7. Dr. Phusit Wonglorsaichon	Director	Independent director
8. Miss Chutima Tangmatitham	Director	Independent director
By having Mr. Tewin Rungratanapitak as Secretary to the Board of Company		

Audit Committee	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director
2. Mr. Ampon Ruayfupant	Director	Independent director
3. Miss Chutima Tangmatitham	Director	Independent director
<p>Mr. Ampon Ruayfupant - Master of Business-Finance, Cornell University, USA., has good knowledge and experience in the field of financials and accounting.</p> <p>by having Mr. Weerawat Sakulmeerit, Deputy Internal Audit Manager as Secretary to the Board of Audit Committee</p>		

Sub-Committee

Names	Position	Type of director
1. Mr. Prapas Pholpipattanaphong	Chairman	Executive director
2. Mr. Prayoon Pholpipattanaphong	Executive Director	Executive director
3. Mr. Ankoon Pholpipattanaphong	Managing Director & Secretary	Executive director



Nomination and Remuneration Committee	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director
2. Mr. Ampon Ruayfupant	Director	Independent director
3. Miss Chutima Tangmatitham	Director	Independent director
4. Mr. Prapas Pholpipattanaphong	Director	Executive director
5. Mr. Ankoon Pholpipattanaphong	Director	Executive director
By Mr. Wanchandr Sivaboonyawongs, Legal Advisor and Secretary		

Corporate Governance Committee	Position	Type of director
1. Dr. Phusit Wonglorsaichon	Chairman	Independent director
2. Mr. Ankoon Pholpipattanaphong	Director	Executive director
3. Mr. Ampon Ruayfupant	Director	Independent director
4. Mr. Tewin Rungratanapitak	Director	Financial Controller
5. Mr. Thanamet Sutta	Director & Secretary	Accounting Manager
6. Mr. Vanchandr Sivaboonyawongse	Consultant	Legal advisor

Risk Management Committee	Position	Type of director
1. Mr. Prapas Pholpipattanaphong	Chairman	Executive director
2. Mr. Ankoon Pholpipattanaphong	Director	Executive director
3. Dr. Phusit Wonglorsaichon	Director	Independent director
4. Mr. Tewin Rungratanapitak	Director	Financial Controller
5. Mr. Thanamet Sutta*	Director & Secretary	Accounting Manager
6. Miss Warisara Kangkanka	Director	General Manager
7. Miss Piyalak Chuapooddee	Director	Plant Manager 1
8. Mr. Tummarat Charoensanti	Director	Plant Manager 2

*Mr. Thanamet Sutta acting as accounting manager and sub-committee until 31 October 2021



Other important information of directors, independent directors, and high rank executives

- Directors or high rank executives of the company have not ever been the officials or partners of outside public account company that the company was using the service in last 2 years.
- No independent directors of the company hold an office in registered company in the Securities and Stock Exchange more than 3 places.
- No executive of the company holds an office more than 3 places in registered company in the Stock Exchange of Thailand.
- The company has at least one none – executive having working experience in related with company business.

Important qualifications and guideline of directors and executives

1. Be a director in registered company in the Securities and Stock Exchange not excess 3 companies.
2. Must not ever been the officials or partners of public account company that the company was appointed the service in last 2 years.
3. Must manage to make buying-selling securities report of the company in order to report toward Securities and Stock Exchange within 3 working days and report to the company secretary or person that Board of Company assigned for acknowledgement.
4. Prohibit to make buying-selling 14 days prior or after financial statements report.
5. Prohibit directors, executives to use internal information for buying-selling securities.
6. Must report of having common interest to the Board of Company for acknowledgement.
7. To make important subject among themselves must receive consideration and approval from Board of Company.



Remark: Number of years on the Independent Director (A), Director in the company investment more than 10% (B), Other registered company (C), Experience in related business (D) Knowledge in accounting (E) (*can read F/S **can analyze ***Master of Accounting) and Seminar about duty of director (F)

Name	Type of directors	A	B	C	D	E	F
Mr. Prayoon Pholpipattanaphong*	Chairman	-	✓	-	✓	✓	-
Mr. Prapas Pholpipattanaphong*	Managing Director	-	-	-	✓	✓	-
Mr. Ankoon Pholpipattanaphong*	Executive Director	-	-	-	✓	✓	-
Mr. Lan, Mu – Chiou	Non-executive Director	-	-	-	✓	-	-
Mr. Amnuay Yossuck*	Independent Director	29	-	-	✓	✓	-
Mr. Ampon Ruayfupant**	Independent Director	16	-	-	✓	✓	-
Dr. Phusit Wonglorsaichon***	Independent Director	12	-	-	✓	✓	-
Miss Chutima Tangmaticham**	Independent Director	6	-	-	✓	✓	-

Independent Directors definition

1. Not holding a share excess 0.50% of paid capital of the company, subsidiary company, corporate company or related company, all this include a share hold by related person. Which stricter than requirement of the SEC stated not exceed 1.0%
2. Be a director in other registered company not excess 3 companies. Which stricter than requirement of the SEC stated not exceed 5 companies.
3. Not participate in administration, not be the officials, employee, advisor with regular salary or control authorize company, subsidiary company, corporate company, related company or company that major shareholder hold a share both direct and indirect or a person who has conflict of interest by must not having interest or having common interest in such character for not less than 2 years.
4. No relationship on business or service provider on profession public account to the company, subsidiary company, corporate company, related company or juristic person that having conflict of interest except would escape from such character not less than 2 years.
5. Is freely or not relate with executive section and major shareholder of the company.
6. Not be a director in others registered company in the group of the company, subsidiary company, corporate company, related company or the company that major shareholder hold a share both direct and indirect.



7. At least one independent director must have good knowledge and experience in the field of financials and accounting.
8. No prohibit character according to the policy of Corporate Governance of the company.
9. No prohibit character according to the formulated of Securities and Exchange Commission and the Stock Exchange of Thailand.

Role of Chairman

1. Consult with Managing Director in considering the subjects for Board of Director and Shareholder Meeting.
2. Responsible in his capacity as leader of Board of Director to follow, oversee an administration of Board of Executive and other Sub – Board of Director to achieve object as formulated plan.
3. To act as Chairman of Board of Director Meeting and Shareholder Meeting of the Company.
4. Responsible person who casts a vote for arbitration in a case that there are having to cast a vote in the Board of Company Meeting and Shareholder Meeting which two side votes are equal

Limit of duty authority of Board of Company and Board of Executive

Directors (Management Division)

Authority of Board of Company	Authority of Board of Executive Directors
1. Board of Company have an authority according to the regulation of the company which include supervision and management the company in accordance with laws, objective, regulation and resolution at the shareholder meeting.	1. Formulate execution policy and operating direction to coordinate with the policy and objective of the company by intending to build up security and maximum advantage to the company.
2. To formulate visibility, direction and tactics of the company.	2. Oversee the management to proceed work as formulated policy strictly.
3. To give approval for important tactics and important policy including objective, financial target and company plan also follow up, supervise to have practice as planned.	3. Authorize in approving and making juristic act under the frame formulated by the Board of Company.



Authority of Board of Company	Authority of Board of Executive Directors
<p>4. To manage having account system, financial report and auditing inclusive supervise for having an internal control system and internal audit to be efficiently and effective.</p> <p>5. To investigate supervising and manage to amend problem of conflicts of interest that may arise inclusive related subject.</p> <p>6. To formulate line of risk management comprehensively and supervise executive for having system or efficiently process in risk management.</p> <p>7. To supervise in having system or mechanism of paying suitable remuneration to the high rank of executive to create inducement power both in short-run and long-run.</p> <p>8. To supervise for having appropriately channel of communication with each group of shareholder and stakeholder of the company.</p> <p>9. Allow to have disclosure of correct information, clear, transparent, reliably and high standard.</p> <p>10. To be a leader and good example in practice.</p>	<p>4. Any other acts as assigned by the Board of Company.</p>

Authorization for the Board of Director

According to the Company's Article of Association, the Board of Director has been authorized to exercise decision regarding below issue, subject to the approval from the shareholders in the meeting.

1. Approval on the Company's Financial Statement
2. Approval to allocate the profit and dividend
3. The appointment for the director who reached tenure/ or appointment for the additional director
4. The approval on the director's remuneration
5. The appointment for the auditor and auditing fee
6. The amendment for the Company's Affidavit and Article of Association



7. The increase/decrease of the Company's registered capital, the transferred capital to compensate retained loss, the dividend payment, the offering and allocation of newly issued shares, and the offering of the Company's debenture.
8. The acquisition / disposition of assets, in which the value of such assets considered at 15%
9. Buying, selling, transfer of business (subsidiary is included). Engaging, amendment, and cancellation of the Company's lease agreement.
10. The merger and acquisition of the Company

Balance of power for Non-Executive Directors

Board of Company consist of 8 Directors as follows:

- 3 Executive Directors
- 1 Non-executive Directors
- 4 Independent Directors

Chairman of the company though it may have blood relationship with Managing Director but viewpoint in operation are freely each other, also structure of Board of Company comprises executive directors and non-executive directors in which in number of non-executive directors are having number of Independent Directors one third of the whole Board or not less than 3 persons make capable to inspect an administration freely. So every group of stakeholder can convince that the Chairman and Managing Director have performed their duty fairly, equality in their capacity as representative of shareholders and having balance of power appropriately

Aggregation or segregation of positions

The Chairman and Managing Director are not the same person so as to make the role separated clearly.

7.3 Sub Committees

The Board of Company have appointed Board of Sub-committee to help in governing the activity of the company as follows:

Executive Committee

Established on 4 January 2000 consist of 3 Executive Directors, by formulating authority as follows:

1. To formulate an executive policy and operation direction to coordinate with policy and company objectives with intends to create security and maximum advantage to the company.
2. To governance the management to proceed as policy that formulate with efficiently and effectively.
3. To have authority to consent in buying assets investment, other expenditures and/or borrow money in the credit line as formulated by Board of Company.
4. To act others as assigned by Board of Company.

“Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Ankoon Pholpipattanaphong, Managing Director or Mr. Prapas Pholpipattanaphong to give signature with company seal” with effective from 1 January 2016 onward.

Audit Committee

Established on 28 August 1998 with holding term each time 3 years, consist of 3 directors which are all Independent Directors and one Independent Director namely: Mr. Ampon Ruayfupant is knowledgeable in accounting and financial which names are as follows:

- | | |
|------------------------------|-----------------|
| 1. Mr. Amnuay Yossuck | Chairman |
| 2. Mr. Ampon Ruayfupant | Audit Committee |
| 3. Miss Chutima Tangmatitham | Audit Committee |

By having Mr. Weerawat Sakulmeerit, Deputy Internal Audit Manager as Secretary to the Board of Audit Committee

The Qualification of Audit Committee

1. All of the Audit Committee member shall be independent directors
2. At least 1 Audit Committee member shall have accounting education background or capable of analyzing financial statement

Audit Committee authority

1. Have an authority in proposing to appoint and quit employ external auditor.
2. Have an authority in proposing to appoint, transfer and quit employ Internal Audit.
3. To verify financial statements of the company to be in accordance with generally accepted auditing standards.
4. Inspect sufficiency of internal control system.
5. Inspect sufficiency of risk protection and misconduct and corruption resistant.
6. Review the anti-corruption guideline and practice for director, executive, and employee and ensure the compliance.
7. Manage to report performance work of Board of Audit Committee.
8. Other performance works concerning with inspect activity as assigned by Board of Company.

Nomination & Remuneration Committee

Established on 13 August 2009 withholding term each time 3 years. There are 5 Directors, consist of 3 Independent Directors, 2 Executive Director and having Legal Advisor as a consultant in which Independent Director performs duty as Chairman, having an authority to select appropriate qualified person to be director as provision of the company and qualified as the provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission to present toward Board of Company to consider for approval and present to the Shareholder Meeting for appointing and have an authority to consider the style and basis of paying remuneration of directors to recommend an opinion toward Board of Company and Board of Company will present in the Shareholder Meeting for approval.



Corporate Governance Committee

Appointed on 12 November 2012, having holding period of each 3 years. There are five directors consisting of Board of Company, executives and/or other qualified persons. At least one director of corporate governance must come from Independent Director which Mr. Vanchandr Sivabonyawongse as advisor to the Committee. The Corporate Governance Committee have an authority in arranging policy of corporate governance under the frame of laws, basis, discipline and regulations that are current issue of organization that perform duty on corporate governance such as The Stock Exchange of Thailand, Securities and Exchange Commission and related units through the guide line in good corporate governance that are international standard and provide advice to the directors, executives, officials of the company in performance duty as frame and basis of corporate governance policy so as to allow performance duty of directors and management of executive section to be in good manner, good resulting in performance and having appropriate continuation to be in accordance with expectancy of the shareholders and every group of stakeholders.

Risk Management Committee

The company manages to have Board of Risk Management Committee. There are 5 directors, comprise 2 Executive Directors, 1 Independent Director, 2 Executives and Legal Adviser is consultant to consider formulating the policy and system of risk management, follow up result in risk management from the process of pointing out, analyses, management assess, follow up and report in system inclusive to provide supporting by managing to have advisory of risk management process to various internal sections through follow up to have continuously and regularly practice to the whole company.



7.4 Executive officers and Manager

Executives (according to the definition of SEC)

Name	Position	Education
1. Mr. Prayoon Pholpipattangphong	Chairman of Board of Director, Authorized Director	Accounting profession, Honorary Doctor, Agricultural, Maejoe University
2. Mr. Prapas Pholpipattanaphong	Chairman of Executive Committee, Authorized Director	High school certificate
3. Mr. Ankoon Pholpipattanaphong	Managing Director, Marketing Manager	Master of Business Administration, Colorado University, USA. Bachelor of Communication, Bangkok University
4. Mr. Tewin Rungratanapitak	Financial Controller (CFO) and Company's Secretary	Master of BA in Finance, Birmingham City University Bachelor of BA, International
5. Miss Warissara Kangkanka	General Manager and Acting Office Manager plant 2	Diploma
6. Miss Piyalak Chuapoodee	Plant Manager plant 1	Bachelor of Food Science
7. Mr. Tummarat Charoensanti	Plant Manager plant 2	Mechanical Engineer, Master of Agro Industry Management
8. Mr. Sairung Boontom	Agricultural Promotion Manager	Agricultural Education Horticulture



Employee at Manager Level

Name	Position	Education
1.Mr. Thanamet Sutta	Accounting Manager	Bachelor of Accounting, MBA
2.Mr. Apidej Koonprayong	Deputy Plant Manager	Bachelor of Food Science
3.Mr. Boonmee Saman	Deputy Plant Manager	Bachelor of Plant Science (Agronomy)
4.Mr. Thanom Chaiwong	Deputy Quality Assurance & Development Manager	Master of Food Science
5.Mr. Chanwit Suwannarat	Deputy Quality Assurance & Development Manager	Bachelor of Food Science
6.Mr. Weerawat Sakulmeerit	Deputy Internal Audit Manager	Bachelor of Accounting
7. Miss Kamornrat Pholpipattanaphong	Deputy Office Manager	Bachelor of Business Administration, MBA
8.Mr. Wittaya Kumlungkeng	Assis. Office Manager	Master of Business Administration
9. Miss Ratinuch Wongwissawakit	Senior Assis. Marketing Manager	Bachelor of Arts, MBA
10.Mr. Wises Wiwatkulorn	Assis. Marketing Manager	Bachelor of BBA
11. Mr.Chaiwat Treeyanurux	Assis. Office Manager	Master of Management

Remuneration for directors and executives

The Company has fixed clearly and transparently the remuneration for Directors and Executives in the appropriate basis to uphold as Directors and Executives with required qualification. The Directors that assigned as Audit Committee will receive additional remuneration according to the volume of work.



Remuneration Policy

Board of Nomination and Remuneration Committee perform duty in proposing remuneration of Board of Company, Board of Sub-Committee, Managing Director, Executives and High Rank Executives that appropriate to their knowledge, expertise, and the increasing work volume, purposely to ensure the performance which lead to the sustainable growth of the Company and generate return to shareholders, employee, and stakeholders.

Remuneration Criteria

The Company's remuneration determined by comparing the remuneration of other company in the same industrial information or remuneration information report of Thai Company Director Institution Promotion Co., Association or equal to remuneration in the previous year and are remuneration suitable with work volume, knowledge and ability that would last for directors and executives required by the company to propose the shareholders for considering approval every year in which the company has a policy to pay remuneration of Board of Company, Board of sub-committee, Managing Director, Executive Directors and High Rank of Executives in the suitable degree to coordinate with directors task that have to perform in accordance with the laws and related discipline.

Remuneration Structure

- Executive Directors – Annual Remuneration THB 400,000 / person
- 5 Non-Executive Director – Annual Remuneration 400,000 / person. The Chairman of Audit Committee received remuneration THB 40,000 / month, 2 Audit Committee member received remuneration THB 20,000
- Other Remuneration – Non-Executive Director, and other committee member shall not receive other remuneration include, meeting payment, Bonus, insurance, office car.
- Executive Director shall receive other remuneration include salary, bonus, cost of living allowance, provident fund 3%, and office car.
- High Rank Executive shall receive salary, bonus, cost of living allowance, provident fund 3%, and office car



Remuneration payment

Remuneration paid in the year 2020, the company has paid various remuneration to the Directors and Executives as following details:

(Unit: Baht)

Names	Position	2020	2021
1.Mr. Prayoon Pholpipattanaphong	Chairman	400,000	400,000
2.Mr. Prapas Pholpipattanaphong	Chairman of the executive committee	400,000	400,000
3.Mr. Ankoon Pholpipattanaphong	Managing Director	400,000	400,000
4.Mr. Lan, Mu-Chiou	Director	400,000	400,000
5.Mr. Amnuay Yossuck	Independent Director	400,000	400,000
6.Mr. Ampon Ruayfupant	Independent Director	400,000	400,000
7.Dr. Phusit Wonglorsaichon	Independent Director	400,000	400,000
8.Miss Chutima Tangmatitham	Independent Director	400,000	400,000
Other remuneration such as meeting fee, bonus, insurance premium etc.		None	None
Total		3,200,000	3,200,000

Remuneration for Audit Committee

(Unit: Baht)

Names	Position	2020	2021
1.Mr. Amnuay Yossuck	Chairman	480,000	480,000
2.Mr. Ampon Ruayfupant	Director	240,000	240,000
3.Miss Chutima Tangmatitham	Director	240,000	240,000
Total		960,000	480,000



Remuneration for Executive Directors and Executives

Description	2020		2021	
	No. of person	Total amount (Baht)	No. of person	Total amount (Baht)
Salary	8	20,669,160	8	20,669,160
Bonus, remuneration	8	458,832	8	-
Cost of living	8	62,400	8	62,400
Social security fund	8	46,800	8	40,800
Provident fund	8	620,076	8	620,076
Sub total	8	21,857,268	8	21,392,434
Grand total		26,017,268		22,352,434

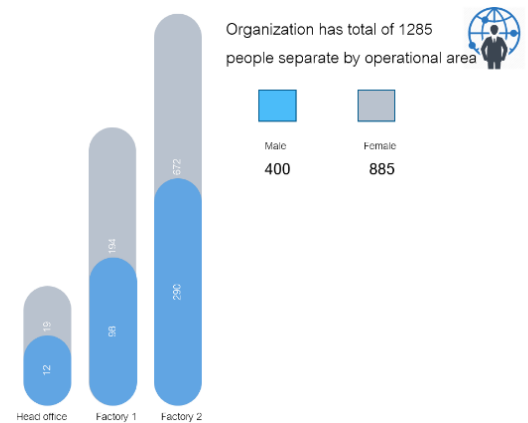
- In the meeting of Board of Company No. 2/2021 on 23 February 2021 resolve no payment for Executive officers and Manager, High rank Executives, Head of Department

7.5 Employees' information

The amount of employee is match with business and There is no significant change of number of employees in previous 3 years.

Human Resource Personnel as of 31 December 2020

Description	Male	Female	Total
Management/Administration Department	29	53	82
Manufacture/Technical Engineering Department	79	23	102
Daily employees	292	809	1,101
Total	378	879	1,285



Also, company Have the proportion of hiring 100 people that is not disabilities to 1 person with disabilities. If more than 50, hire one more person with disabilities.

Hire person with disabilities from 2020-2021		
	2020	2021
Factory 1	2	3
Factory 2	18	14
Total	20	17

Turnover rate from 2020-2021 Average 2 factory		
Description	2020	2021
Regular Employee	0.915	1.1
Daily Staff	5.11	4.58
Migrant Worker	3.18	3.06

7.6 Other important information

Detail and Remuneration of External Auditor

According to the resolution at Ordinary Shareholder Meeting for annual year 2021 approved to select AST Master Office Co., Ltd., by having 1) Mr. Pradit Rodloytuk, register no. 218 and 2) Miss Nongram Laohaareedilok, register no. 4334 3) Mrs. Pornthip Lerttanongsak register no. 7633 4) Ms. Chamaporn Rodloytuk register no. 9211 are doing inspect financial statements of the company for annual year 2021 which are an Auditor of having independence, reliably and are an Auditor whose receive approval from Securities and Exchange Commission.

- The Company paid audit fees for 2021 amount 900,000 Baht.
- Other service: none

Company's secretary

The Company manages to have company secretary to perform duty of governance activity of the Board of Company inclusive to coordinate in the following various matters:

- To give primary advice to the directors concerning provision, rule, discipline and various regulations of the company and follow up to act properly and regularly inclusive alteration report of important point to the directors.
- To manage shareholder meeting and Board of Director Meeting in accordance with laws, regulation of the company and various performance points.
- To record the proceedings of Shareholder Meeting and Board of Company Meeting inclusive follow up to act as resolution at the Shareholder Meeting and resolution at the Board of Company.
- To governance in having disclose information and report news in responsible part in accordance with discipline and provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission.
- To contact and communicate with General Shareholders to learn about various right and information of the company.
- To governance activity of the Board of Company.

8 Corporate Governance Report

8.1 Summary of Board of Directors Performance

Board of Directors Meeting

1. The Company formulates advance table of the Board of Director Meeting yearly by formulating to have a regular meeting at least one time/quarter and each director acknowledges of it. The Company have meeting plan in year 2021 details as follow:

Meeting No.	DD-MM-YY	
1	Wednesday	23 February 2022
2	Wednesday	27 April 2022
3	Wednesday	11 May 2022
4	Wednesday	10 August 2022
5	Wednesday	9 November 2022
6	Wednesday	14 December 2022

2. The Chairman and Managing Director joint in consideration for agenda meeting.
3. To manage in sending invitation letter for meeting, agenda of a meeting and document for meeting to the directors in advanced at least 7 days before meeting enable to have time for considering information sufficiently.
4. To formulate in having not less than two third of the directors attend the meeting with quorum when having considered to resolve in important matters such as list of obtained or distributed assets of the company and subsidiary company that impact to the company, expansion of investment project, formulate work level of executive power, formulate policy of financial management and risk management chiefly.
5. In the meeting, if any director who is a stakeholder in the considering agenda, must depart from the meeting before begin considering in that agenda.
6. Every director has a right to present the subject to the agenda of a meeting, examine document for meeting and other important documents. If any doubt, other directors, and management must operate for answering that doubt.

7. Company Secretary or one who has assigned must manage minutes of the Board of Director Meeting completely within time formulated by the laws.

Meeting attendance of each director concludes as follows:

Name list	Period of rank hold	Attending meeting / total meeting (times), % of Meeting (In the year 2021, the of Company's had gather meeting 7 times)			
		Normal meeting	Special meeting	Total	%
1.Mr. Prayoon Pholpipattanaphong	3 years	7 / 7	-	7 / 7	100
2.Mr. Prapas Pholpipattanaphong	3 years	7 / 7	-	7 / 7	100
3.Mr. Ankoon Pholpipattanaphong	3 years	7 / 7	-	7 / 7	100
4.Mr. Lan, Mu-Chiou	3 years	6 / 7	-	6 / 7	85.71
5.Mr. Amnuay Yossuck	3 years	7 / 7	-	7 / 7	100
6.Mr. Ampon Ruayfupant	3 years	6 / 7	-	6 / 7	85.71
7.Dr. Phusit Wonglorsaichon	3 years	7 / 7	-	7 / 7	100
8.Miss Chutima Tangmatitham	3 years	7 / 7	-	7 / 7	100
Every director is having portion of attendance Board of Director Meeting, equivalent to 96.43% of whole year meeting in the year 2021.					

Selection of directors and executives

Basis and process on select and appoint new director

The Company opens an opportunity for shareholders enable to propose person name which is non-prohibit person according to the Royal Act of Securities and Securities and Stock Exchange and provision of Securities and Exchange Commission and get along with company provision and person who is proposed the name must allow to propose the name for electing as Independent Director of the company in which this year the company formulates to propose the name since 2 October 2021 till 30 December 2021 which the company has proposed details, basis and performance method on website of the company – www.cmfrozen.com under group “Investor Relations” heading: Rights of shareholder and notify through website of The Stock Exchange of Thailand – www.set.or.th.



Nomination and Remuneration shall consider name list of person from recommending of shareholders (if any) , name list from director information base, other qualified candidate and complete term director to select property of above said person to be in accordance with the laws, the Company's Article of Association and various basis through it must be a person to have profession skill, business talented in related with company business and/or having skill on accounting and financial, laws inclusive necessary skill of Board of Director which still lacking, also qualified under the Board Skill Matrix according to the Company's strategy, by not restrict sex, age, race, religion and propose toward Board of Company for consideration and give approval and propose to the shareholder for consideration to select for appointing individually.

In the Shareholder Meeting must have shareholders and proxy from shareholders (if any) to attend meeting not less than 25 persons and must hold the shares total not less than one third of 381,145,725 shares to be as quorum.

Each shareholder has to use all theirs vote to elect one person or many persons as director but can't share the vote to either of them more or less.

To nominate director must receive approval from the Shareholder Meeting. The person who gets highest vote respectively will be elected as director according to the number of available directors or election that time. In case of the elected respective person who has equal vote exceed quota, final vote will be made by Chairman for arbitration.

Self – Assessment

The Company arranges to have performance result assessment of Board of Director and sub committees every year

1. Board's self-evaluation form

Criteria

Board's self-evaluation form applies SET's evaluation approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of directors' performance and related duties. The self-evaluation form consists of 6 aspects as follows.

1. Board structure and qualifications
2. The roles, duties, and responsibilities of the Board
3. Board Meeting



4. Board Performance
5. Relationship with Management
6. Director's self improvement and executive development

Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, and report the summary annually to a Corporate Governance Committee to review and further propose to the Board meeting as an agenda item for acknowledgment and discussion.

2. Director's Self-Evaluation Form

Criteria

Designed to assist each director in reviewing and enhancing his/her performance, this evaluation form fully aligns with the Board's legal obligation, CM's Charters, Code of Conduct, Anti-Corruption Policy and Manual for Directors, Executives and Employee concern the anti-corruption practices. The director's self-evaluation form consists of 3 aspects as follows

1. Board structure and qualifications
2. Board meeting
3. The roles, duties, and responsibilities of the Board

Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, and report the summary annually to a Corporate Governance Committee and a Nomination and Remuneration Committee. A Corporate Governance Committee shall review and further propose to the Board meeting as an agenda item for acknowledgment and discussion, while a Nomination and Remuneration Committee shall review and consider the result in nomination process for the new director replacing those who reach tenure.

3. Subcommittee's Self-Evaluation Form

All subcommittees including 1) Audit Committee, 2) Nomination and Remuneration Committee and 3) Corporate Governance Committee, and 4) Risk Management Committee must undertake annual self-evaluation. The result shall be reflected and enhance supporting activities of the committees toward the Board of Directors and the business operation

Evaluation	Outcome (%)
The Board of Directors	
1. The Board of Directors (Full Board)	94.65
2. The Board of Directors (Individual)	94.32
Sub-Committee	
1. Audit Committee	95.83
2. Nomination and Remuneration Committee	91.88
3. Corporate Governance Committee	93.08
4. Risk Management Policy	93.64

Descendent plan

The Company executes a plan concerning development for recompensing the position with object in making preparation on manpower both in quality and volume to create continuation in appropriate administration for selecting and make preparation of suitable person in holding an office that is the main position of the company, for instance: company supreme executive inclusive important position in management structure or company conducting business or a position with specific skill, sharp talented or hard to recompense. So the company has formulated arrangement basis for descending plan such as important position, consideration basis and select through arrangement procedure of descend plan chiefly.

Treatment on New Director

The Company manages to have director manual or manage to have first explanation on new director which director manual consist of memorandum, company regulations, latest annual report and other important documents that are: role and duty responsibility of company director, Policy of Corporate Governance, Business Morality, Policy of Misconduct and Corruption resistance and other polices including role and duty of every Board of Sub Committees.



Training and knowledge development

The Company has a policy to support new director in director curriculum training to enhance knowledge, understanding, role and duty of director through for acknowledging various regulations, rules, discipline, and related laws.

Operation on corporate governance of subsidiary company

-None-

Usage control of internal information

The Company has a policy and method to look after directors, executives, and officials of the company in bringing internal information which does not yet disclose toward public to use for own sake and other persons and punishment, communicate for providing knowledge to the directors, executives and officials for acknowledgement and hold practice as follows:

- Arrange the ethical practice for the director, and the ethical practice for the employee which cover the usage of internal information, confidential information of customer. Such manual has been disseminated to director and employee to acknowledge and strictly follow accordingly
- Prohibit the directors, executives and officials whose acknowledge important essence of internal information which effects toward change of par value of company securities to disclose information or use internal information or make buying-selling securities or persuade other persons buying-selling securities of the company both direct and indirect way. Whatever, such act would do for own interest or others, 14 days before financial statements or internal information would disclose toward public, persons whose concern with internal information must not disclose that information to other persons to know until it has informed that information to the Stock Exchange of Thailand.
- The confidential information is subject to the approval of the Board of Director, Managing Director, or any authorized person prior to the public announcement.
- The use of internal information must only be retained to those authorize person.
- Arrange the internal control for each department regarding the control for the use of internal information to prevent the leaking of information prior the official announcement



- Penalty measurement, if violate such discipline, the company regards as guilty in discipline according to the company working regulation by considering punish according to circumstances for instance: warning by speech, warning in writing, condone a fault through quit employ out-of-status from officials with the cause of expel, dismiss, or quit.

The Company has acted in accordance with the Code of best practices very well in which the company has made self-assessment of the Board of Director every year and has tried to improve to allow administration to be according to the practical of Securities and Stock Exchange of Thailand, business ethics, Corporate Governance policy Anti-Corruption Policy, Risk Management Policy, Manual of Directors, Executives and Official about Anti-Corruption, Charter, Internal Control System.

8.2 Summary of Audit Committee Performance

For more details, please see Report from Audit Committee on page 2

8.3 Summary of Other Sub-Committee Performance

Meeting attendance of each sub-committee concludes as follows:

Remark: BED=Board of Executive Directors, BAC=Board of Audit Committee, BNR=Board of Nomination & Remuneration Committee, BCG=Board of Corporate Governance Committee, BRM=Board of Risk Management Committee, BNE=Board of Non-Executive Director

Name list	BED	BAC	BNR	BCG	BRM	BNE
Number of Sub Committees Meeting of 2021 (times)	7	4	2	3	2	1
1.Mr. Prayoon Pholpipattanaphong						
2.Mr. Prapas Pholpipattanaphong	7 / 7					
3.Mr. Ankoon Pholpipattanaphong	7 / 7		2 / 2		2 / 2	
4.Mr. Lan Mu Chiou	7 / 7		2 / 2	3 / 3	2 / 2	
5.Mr. Amnuay Yossuck						
6.Mr. Ampon Ruayfupant		4 / 4	2 / 2			1 / 1
7.Dr. Phusit Wonglorsaichon		4 / 4	2 / 2			1 / 1
8.Miss Chutima Tangmatitham				3 / 3	2 / 2	1 / 1
9.Mr.Tewin Rungratanapitak		4 / 4	2 / 2			1 / 1
10.Mr. Weerawat Sakulmeerit				3 / 3	2 / 2	
11.Mr.Thanamet Sutta					2 / 2	

Report of the Corporate Governance and Sustainability Committee

In the year 2021, the Corporate Governance Committee had gathered 3 meetings to perform as following.

1. Acknowledge the AGM 2021 evaluation result which indicated 97 percent
2. Acknowledge the CG evaluation result for the year 2021 which indicated 92 percent, increasing to 5 stars.
3. Acknowledge the evaluation of Thailand Sustainability Index, which the Company determined to participate in the 2022 THIS evaluation



4. Acknowledge the condition of SEC to present the implementation of CG Code in the Annual Report for the year 2021 which will be published in 2022. Also, consider the practice of 8 principle of CG Code to be applied to the business and proposed to the Board of Director to resolved.
5. Reviewed the Business Ethics and the Corporate Governance Policy
6. Reviewed the Anti-Corruption Policy
7. Reviewed the Manual for Directors, Executives and Employee, concern with the anti-corruption practices.
8. Reviewed the Charter for the Corporate Governance Committee
9. Self-assessment for the Corporate Governance Committee for the year 2021

Corporate Governance Committee had governed and ensure the policy for the corporate governance is presence and to be complied by Directors, Executives, and Employee. The Corporate Governance Committee has conducted the annual self-assessment for the committee.

Report of the Nomination and Remuneration Committee

In 2021, the Nomination and Remuneration Committee held 2 meetings to performs as follows.

1. Recruited suitable candidates for tabling to the Board and the Annual General Meeting of Shareholder 2021 (AGM) for consideration. The Company offered minor shareholders a chance to nominate directors from 3 October 2020 to 30 December 2020. Since no such nomination emerged, the committee recommended that the directors who completed their terms in 2019 should be reappointed to another term. The AGM 2021 approved the appointment of all nominated directors.
2. Considered the 2021 remuneration for the Board and the subcommittees then submitted to the Board and the shareholders' meetings for consideration and approval, taking into account their increasing responsibilities and performance. The remuneration amounts are also compared with industry peers and considered the historical remuneration which suitable to retain the qualified directors and met with approval from the shareholders.
3. Determined knowledges, skills, and experiences for directors (Board Skill Matrix) to consider qualification of the nominated directors as appropriate with the operation of the Company.
4. Reviewed the Charter of the Board and that of the Nomination and Remuneration Committee. No amendment was made this year since the contents in the current charters are still duly complete and suitable.



5. Reviewed the nomination and remuneration process.
6. Acknowledged the outcomes of the Committee's self-assessment for 2021 as input for the development of its performance in line with corporate governance policies.

The Nomination and Remuneration Committee cautiously completed its duties with integrity, based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.

Report of the Risk Management Committee

In the year 2021, Board of Risk Management Committee had gathered 2 meetings to perform as follows;

1. Evaluate risks and preventive measures such as the risk from production, business risk, foreign exchange risk, product's quality risk, management risk, financial risk, and investment risk.
2. Evaluate the corruption risk, which the result indicated the absent of corruption activities from the Directors, Executives, and Employee. As the result from effective risk management activities, the company has achieved the desired operating result within the acceptable risk level.
3. Reviewed the Charter of the Risk Management Committee
4. Reviewed the Approval Authority
5. Reviewed the internal control manual
6. Reviewed the Risk Management Policy
7. Reviewed the Risk assessment for the year 2021
8. Self-assessment for the Risk Management Committee for the year 2021
9. Arrange the report from the Risk Management Committee for the year 2021
10. Reviewed the Risk Management Manual for the year 2022

The Risk Management Committee has monitor, evaluate, and manage the business risk for the company to be at the acceptable level. The Risk Management Committee has conducted the annual self-assessment for the committee.

9 Internal Audit and Connected Transaction

9.1 Internal Audit

Recognizing the value of an internal control system that is efficient and adequate, the Board, and the Audit Committee has appointed the Internal Control Office jointly with other departments annually assesses the system's adequacy and suitability to ensure efficiency, effectiveness, and standard operations for all aspects of corporate processes.

In 2021, The Internal Audit Office assessed the adequacy of the system against the Securities and Exchange Commission (SEC)'s assessment form in five aspects: control environment, risk assessment, control activities, information and communication, and monitoring activities. The findings were reported to the Audit Committee for concurrence before their forwarding to the Board.

9.2 Connected Transaction

Board of company have executed carefully and cautiously to prevent conflict of interest when any matter that may cause conflict of interest. Board of Audit Committee will learn about the subject that get conflict of interest and related subject and have considered the suitability cautiously every time by formulating to have practiced according to the basis of Securities and Stock Exchange of Thailand in which prices and conditions are as if doing subject with outsider and have already disclosed details, subject value, partnership, reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading : general information and account with related person.

The Company has a policy to fix the selling price of the products to the related company as trade agreement in the same manner with sages should do with general partners under same circumstances. For the step of making list among themselves will be in accordance with the business mechanic in all respects both in fixing the price, provide discount and credit by the authorized officer who responsible directly with an approval of the executives. For the shareholders who have common interest, take no part in such approval. However, to fix the price, provide discount and credit shall be in accordance with the market mechanic which the company has treated in the same way with every customer of the company.



In future this making list among themselves shall have to continue further with thinking of the company maximum advantage that the company would receive as main interest.

Connected Transaction in 2021

Type of Company	Company's Name	Relationship	Description	Value (Baht)
Subsidiary	Sino-Thai Freeze and Dry Co., Ltd	Holding 68.7% shares	Buy products which considered normal price comparing to transaction with other company	118,909
			Sell products which considered normal price comparing to transaction with other company	134,000
			Service Fee which considered normal price comparing to transaction with other company	256,500
Total				509,409
Related Company	CT Prosper Group Co., Ltd	Having joint shareholder and director	Rental fee for 30 Sqm office space which rental fee is agree upon contract	90,000
Related Company	Saithong Global Fruits Co., Ltd	Having joint shareholder and director	No transaction on 2021	-



Chiangmai Frozen Foods Public Company Limited

Section

3

Financial Report



Report from the Company's Board of Directors

Dear Shareholders,

The Company's Board of Directors is responsible to the preparation of financial statements of the company, also the financial information that appeared in the form of annual data (type 56-1) and/or 2021 annual report. Such financial statements have been prepared according to the generally accepted auditing standards in Thailand by selecting the appropriate accounting policy and holds practice regularly. The Company used carefully discretion and reasonably estimated in management of financial statements inclusive having disclosed important data sufficiently in notes to financial statements.

The Company's Board of Directors are fully aware an important of managing the business operations under business ethics principle and good corporate governance, the company then appoints Committees, consists of Executives Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee purposely to allow these Committees to perform duty of corporate governance, advise management section to execute work under the laws frame, basis, discipline and practical point that are present of an organization that perform duty of corporate governance and arrange to have internal inspection section and efficient internal control system to ensure that accounting data is correct, having usage the company resources efficiently and capable to know its weak point in order to protect not to raise corruption and damage toward the business with important essence, having efficient management system under appropriate risk on business for sustainable growth.

The Company's Board of Directors fully recognized an important of misconduct protection in organization. Therefore, the resolution in the Board of Directors' no. 1/2015 on 26 February 2015 resolved to consent the policy of misconduct and corruption resistant in writing in order to allow directors, executives and officials to hold practice of misconduct and corruption resistant to incur form and appearance earnestly, and later on 21 April 2015, the company has applied for a member of misconduct resistant partnership network for Thailand in order to create the awareness on the misconduct and corruption impact. The Company has been certified as the member for the Private Sector Collective Action Coalition Against Corruption since 9 March 2017 and later has been certified for the 2nd term on 4 November 2019.

In addition, the Company's Board of Directors has played an important role toward good practical on society, community, environment and stakeholders equally. Therefore, the Board of Directors then established the role, duty burden and responsibility of directors, executives and company officials that have



to treat the shareholders, customers, co-trader, debtors, creditors, officials, competitors, society, community and environments in the business ethics principle of the company in order to allow the directors, executives and officials of the company to hold for practice to incur equality, transparent, justice and help together to promote development of society, community and environments to have strong, live together in sustainable and happy.

In the year 2021, the Board of Company's had gathered 7 meetings and had completely fulfilled the duty as director, also committed to the continuous improvement for the performance. Further, the Board of Directors had made self-assessment. For result of assessment for the year 2021, the overall results indicated the effective and good performance for the duty of Board of Company.

Mr. Prayoon Pholpipattanaphong

Chairman of the Board of Directors



Independent Auditor's Report

To the Board of Directors and Shareholders of
Chiangmai Frozen Foods Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of **Chiangmai Frozen Foods Public Company Limited and its subsidiary** ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of **Chiangmai Frozen Foods Public Company Limited** for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Chiangmai Frozen Foods Public Company Limited and its subsidiary** and of **Chiangmai Frozen Foods Public Company Limited** as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matter.

Key audit matters and how audit procedures respond for each matter are described below.

Business Acquisition

As discussed in Note 13 to the financial statements, on 30 March 2021, the Company invested in Sino-Thai Freeze & Dry Co., Ltd., which is engaged in the manufacturing and distributing of frozen product and freeze dried product amounted of Baht 127.1 million, representing for 68.72% of the total shares. At the acquisition date, the Company recorded the business acquisition in fair value for the assets acquired and liabilities assumed and recognition of Goodwill. I focused on these business acquisition since they were material to the financial statements as a whole, and management needed to exercise substantial judgement to which affected to the recognition of the assets acquired, liabilities assumed and Goodwill.

I examined the terms and conditions of the agreements and inquired with management as to the nature and objectives of the acquisitions in order to determine whether the acquisitions met the definition of a business combination. In addition, I considered the value of the acquisitions against supporting documents and related payments to ensure that the value corresponded to the fair value of the consideration transferred and did not include costs of the acquisitions. I considered and evaluated the method and assumptions the management used in determining the provisionally recognised value of the business acquisitions, reviewed goodwill and the disclosures related to the business acquisition in the note to financial statements.

Net realisable value of refundable deposit receivable

As discussed in Note 17 to the financial statements, as at 31 December 2021, the Group has balance of allowance for expected credit loss of refundable deposit receivable amounted of Baht 25.4 million in the consolidated and separate financial statements. The Group recognized loss for expected credit loss considered as significant transaction and have a direct effect on the profit and loss of the Group, therefore I focused on the allowance for expected credit loss refundable deposit receivable.

I assessed the method and gaining an understanding of the basis applied in determination of the allowance for expected credit loss of refundable deposit refund. I also assessed the condition of agreement, assumptions and methods used by management in considering the allowance for expected credit loss and determining the debtor's ability to repay by reviewing debt collection, analysing current financial information, data on the economic and political situation and the business of the debtor, including analysing subsequent receipts of payment after the reporting period(if any).

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the 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 financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

CHAMAPORN RODLOYTUK
Certified Public Accountant
Registration No. 9211

AST Master Co., Ltd.
23 February 2022



Chiangmai Frozen Foods Public Company Limited

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

EXPRESSED IN THAI BAHT



Chiangmai Frozen Foods Public Company Limited
CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

<u>ASSETS</u>	Notes	In Baht		
		Consolidated	Separate	
		financial statement	financial statements	
		2021	2021	2020
CURRENT ASSETS				
Cash and cash equivalents	6	196,122,925	194,958,751	147,610,031
Other current financial assets	7	41,666,450	41,666,450	241,512,672
Trade and other current receivables	8	93,307,231	87,891,300	78,294,967
Accounts receivable-planters	9	22,804,096	22,804,096	21,918,168
Short-term loans	10	-	-	6,930,000
Inventories	11	499,732,813	455,971,814	461,114,160
Derivatives assets	32	1,414,693	1,414,693	24,677,671
Other current assets		215,020	-	-
TOTAL CURRENT ASSETS		855,263,228	804,707,104	982,057,669
NON-CURRENT ASSETS				
Other non-current financial assets	12	-	-	-
Investment in subsidiary	14	-	127,132,323	-
Investment property	15	22,128,578	22,128,578	22,128,578
Property, plant and equipment	16	727,140,743	458,340,612	455,562,071
Refundable deposit receivable / Lease deposit on land	17	-	-	25,358,949
Goodwill	13	19,072,075	-	-
Intangible assets-software computer	18	7,424,533	7,424,533	8,726,343
Deferred tax assets	30	28,760,064	27,487,173	19,718,642
Income tax refundable		2,972,107	2,972,107	1,931,609
Other non-current assets		2,071,646	1,992,086	2,159,866
TOTAL NON-CURRENT ASSETS		809,569,746	647,477,412	535,586,058
TOTAL ASSETS		1,664,832,974	1,452,184,516	1,517,643,727

The notes to the financial statements are an integral part of these financial statements.



Chiangmai Frozen Foods Public Company Limited

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	In Baht		
		Consolidated	Separate	
		financial statement	financial statements	
		2021	2021	2020
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	19	11,061,620	-	-
Trade and other current payables	20	65,444,644	52,137,862	74,317,365
Current portion of long-term loan from financial institutions	21	4,687,366	-	-
Long-term loan reclassified as current liabilities	21	141,607,087	-	-
Current portion of lease liabilities	22	3,630,830	853,101	1,252,517
Current portion of long-term loans from other persons	23	2,138,700	-	-
Derivatives liabilities	32	10,607,826	10,607,826	15,524
Other current liabilities		6,351,302	3,221,901	3,517,081
TOTAL CURRENT LIABILITIES		245,529,375	66,820,690	79,102,487
NON-CURRENT LIABILITIES				
Lease liabilities	22	10,860,462	2,290,652	678,546
Long-term loans from other persons	23	23,625,300	-	-
Employee benefit obligations	24	65,985,757	64,371,962	66,825,443
TOTAL NON-CURRENT LIABILITIES		100,471,519	66,662,614	67,503,989
TOTAL LIABILITIES		346,000,894	133,483,304	146,606,476
SHAREHOLDERS' EQUITY				
Share capital-Baht 1 par value				
Authorized shares				
381,145,725 common shares		381,145,725	381,145,725	381,145,725
Issued and paid-up shares				
381,145,725 common shares		381,145,725	381,145,725	381,145,725
Premium on share capital		68,000,000	68,000,000	68,000,000
Retained earnings				
Appropriated for legal reserve		38,115,000	38,115,000	38,115,000
Unappropriated		803,698,988	836,503,081	901,600,275
Other component of equity		(5,062,594)	(5,062,594)	(17,823,749)
Total equity attributable to the parent company		1,285,897,119	1,318,701,212	1,371,037,251
Non-controlling interests		32,934,961	-	-
TOTAL SHAREHOLDERS' EQUITY		1,318,832,080	1,318,701,212	1,371,037,251
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,664,832,974	1,452,184,516	1,517,643,727

The notes to the financial statements are an integral part of these financial statements.



Chiangmai Frozen Foods Public Company Limited

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	In Bath		
		Consolidated financial statement	Separate financial statements	
		2021	2021	2020
Revenues from sales	28	1,055,588,761	1,041,161,227	1,096,527,326
Cost of sales	11	(948,107,533)	(898,193,646)	(949,008,525)
Gross profit		107,481,228	142,967,581	147,518,801
Other income		8,541,455	7,368,147	8,586,162
Profit before expenses		116,022,683	150,335,728	156,104,963
Cost of distributions		(72,862,450)	(70,800,358)	(62,036,362)
Administrative expenses		(88,318,643)	(81,174,221)	(71,326,615)
Loss on exchange rate		(9,082,298)	(9,122,493)	(25,231,992)
Loss from operating activities		(54,240,708)	(10,761,344)	(2,490,006)
Finance income		258,213	233,881	3,378,825
Finance costs		(3,932,894)	(233,741)	(147,914)
Loss of allowance impairment losses on financial assets	17	(25,358,949)	(25,358,949)	-
Profit(loss) before tax		(83,274,338)	(36,120,153)	740,905
Tax income	30	2,389,958	2,971,648	407,376
Net profit(loss) for the year		(80,884,380)	(33,148,505)	1,148,281
Other comprehensive income for the year				
Other comprehensive income to be reclassified to profit or loss in subsequent year				
Hedging reserve reclassified to profit or loss		24,064,335	24,064,335	45,306,503
<u>Less</u> : Tax effect	30	(4,812,867)	(4,812,867)	(9,061,300)
Change in fair value of hedging derivatives		(53,112,891)	(53,112,891)	(36,722,821)
<u>Less</u> : Tax effect	30	10,622,578	10,622,578	7,344,564
Other comprehensive income not to be reclassified to profit or loss in subsequent period				
Loss on changes in value of equity investments				
designated at fair value through other comprehensive income	12	-	-	(45,000,000)
<u>Less</u> : Tax effect		-	-	9,000,000
Remeasurements of post-employment benefit obligations				
Actuarial gain(losses)		5,064,139	5,064,139	(2,547,240)
<u>Less</u> : Tax effect	30	(1,012,828)	(1,012,828)	509,448
Other comprehensive income for the year		(19,187,534)	(19,187,534)	(31,170,846)
Total comprehensive income for the year		(100,071,914)	(52,336,039)	(30,022,565)

The notes to the financial statements are an integral part of these financial statements.



CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	In Bath		
	Consolidated	Separate	
	financial statement	financial statements	
	2021	2021	2020
Profit(loss) attributable to:			
Equity holders of the parent	(65,952,598)	(33,148,505)	1,148,281
Non-controlling interests	(14,931,782)	-	-
	<u>(80,884,380)</u>	<u>(33,148,505)</u>	<u>1,148,281</u>
Total comprehensive income attributable to:			
Equity holders of the parent	(85,140,132)	(52,336,039)	(30,022,565)
Non-controlling interests	(14,931,782)	-	-
	<u>(100,071,914)</u>	<u>(52,336,039)</u>	<u>(30,022,565)</u>
Basic profit(loss) per share			
Profit(loss) attributable to equity holders of the parent	<u>(0.173)</u>	<u>(0.087)</u>	<u>0.003</u>

The notes to the financial statements are an integral part of these financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

In Baht										
Consolidated financial statements										
Equity holders of the parent										
Note	Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Retained earnings Unappropriated	Other component of equity			Total equity holders of the parent	Non-controlling interests	Total
					Fair value reserve of investment in equity designated at fair value through other comprehensives income	Other comprehensive income cash flow hedges	Total other components of shareholders equity			
Balance as at 1 January 2021	381,145,725	68,000,000	38,115,000	901,600,275	(36,000,000)	18,176,251	(17,823,749)	1,371,037,251	-	1,371,037,251
Investment in subsidiary	12	-	-	(36,000,000)	36,000,000	-	36,000,000	-	47,866,743	47,866,743
Loss for the year	-	-	-	(65,952,598)	-	-	-	(65,952,598)	(14,931,782)	(80,884,380)
Other comprehensive income for the year	-	-	-	4,051,311	-	(23,238,845)	(23,238,845)	(19,187,534)	-	(19,187,534)
Total comprehensive income for the year	-	-	-	(61,901,287)	-	(23,238,845)	(23,238,845)	(85,140,132)	(14,931,782)	(100,071,914)
Balance as at 31 December 2021	381,145,725	68,000,000	38,115,000	803,698,988	-	(5,062,594)	(5,062,594)	1,285,897,119	32,934,961	1,318,832,080

The notes to the financial statements are an integral part of these financial statements.

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

In Baht								
Separate financial statement								
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of equity			Total
			Appropriated for legal reserve	Unappropriated	Fair value reserve of investment in equity designated at fair value through other comprehensives income	Other comprehensive income cash flow hedges	Total other components of shareholders equity	
Balance as at 1 January 2020	381,145,725	68,000,000	38,115,000	925,356,130	-	11,309,305	11,309,305	1,423,926,160
Dividend paid	26	-	-	(22,866,344)	-	-	-	(22,866,344)
Profit for the year	-	-	-	1,148,281	-	-	-	1,148,281
Other comprehensive income for the year	-	-	-	(2,037,792)	(36,000,000)	6,866,946	(29,133,054)	(31,170,846)
Total comprehensive income for the year	-	-	-	(889,511)	(36,000,000)	6,866,946	(29,133,054)	(30,022,565)
Balance as at 31 December 2020	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>901,600,275</u>	<u>(36,000,000)</u>	<u>18,176,251</u>	<u>(17,823,749)</u>	<u>1,371,037,251</u>
Balance as at 1 January 2021	381,145,725	68,000,000	38,115,000	901,600,275	(36,000,000)	18,176,251	(17,823,749)	1,371,037,251
Investment in subsidiary	12	-	-	(36,000,000)	36,000,000	-	36,000,000	-
Loss for the year	-	-	-	(33,148,505)	-	-	-	(33,148,505)
Other comprehensive income for the year	-	-	-	4,051,311	-	(23,238,845)	(23,238,845)	(19,187,534)
Total comprehensive income for the year	-	-	-	(29,097,194)	-	(23,238,845)	(23,238,845)	(52,336,039)
Balance as at 31 December 2021	<u>381,145,725</u>	<u>68,000,000</u>	<u>38,115,000</u>	<u>836,503,081</u>	<u>-</u>	<u>(5,062,594)</u>	<u>(5,062,594)</u>	<u>1,318,701,212</u>

The notes to the financial statements are an integral part of these financial statements.



Chiangmai Frozen Foods Public Company Limited

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	In Bath		
	Consolidated	Separate	
	financial statement	financial statements	
	2021	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit(loss) before tax	(83,274,338)	(36,120,153)	740,905
Adjustments to reconcile net profit(loss) to net cash provided by(used in)			
operating activities			
Unrealized loss on exchange rate	309,406	293,483	253,982
Impairment losses on financial assets	25,358,949	25,358,949	-
Loss on diminution in value of inventories(reversal)	919,917	4,170,725	(3,068,555)
Loss for write-off inventories	23,121,253	15,276,311	4,350,293
Loss(gain) of allowance for expected credit losses(reversal)	252,345	252,345	(29,243)
Loss(gain) from changes in value of investments	479,242	479,242	(401,889)
Gain on disposal of investments	(635,046)	(635,046)	(848,871)
Loss(gain) on disposal of assets and write-off of assets	198,688	198,688	(370,918)
Depreciation and amortization	84,931,931	59,438,941	55,467,613
Retirement employee benefit	4,472,220	4,129,858	4,557,904
Change in fair value of forward exchange contracts	4,806,726	4,806,726	1,491,380
Interest income	(102,408)	(78,076)	(2,128,064)
Interest expenses	3,932,894	233,741	147,914
Profit from operating activities before change in operational			
assets and liabilities	64,771,779	77,805,734	60,162,451
Decrease(increase) in operational assets			
Trade and other current receivables	(11,875,977)	(10,307,092)	30,702,546
Accounts receivable-planters	(1,138,273)	(1,138,273)	(4,216,448)
Inventories	(53,760,619)	(14,304,690)	37,461,204
Other current assets	2,340,211	-	-
Other non-current assets	167,786	167,779	(66,021)
Increase(decrease) in operational liabilities			
Trade and other current payables	(55,763,800)	(23,115,606)	18,733,912
Other current liabilities	(1,914,464)	(295,181)	(33,024)
Employee benefit obligations	(1,519,200)	(1,519,200)	(9,603,640)
Cash received(paid) from operating activities	(58,692,557)	27,293,471	133,140,980
Income tax paid	(1,040,498)	(1,040,498)	(10,203,474)
Net cash provided by(used in) operating activities	(59,733,055)	26,252,973	122,937,506

The notes to the financial statements are an integral part of these financial statements.



Chiangmai Frozen Foods Public Company Limited

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

	In Bath		
	Consolidated	Separate	
	financial statement	financial statements	
	2021	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease(Increase) in other current financial assets	200,002,026	200,002,026	(49,050,144)
Cash paid for purchase of the subsidiary	(202,323)	(127,132,323)	(7,500,000)
Cash at the date of purchase of the subsidiary (Before subsidiary's share capital increase)	81,657	-	-
Interest received	516,130	491,798	2,194,937
Decrease in short-term loans to other company	-	6,930,000	6,670,000
Proceeds from disposal of equipment	925,241	925,241	408,731
Cash paid for acquisition of plant and equipment	(62,601,683)	(58,434,434)	(83,684,191)
Cash paid for acquisition of computer software	(26,260)	(26,260)	(89,250)
Net cash provided by(used in) investing activities	138,694,788	22,756,048	(131,049,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in bank overdrafts and short-term loans from financial institutions	(16,236,630)	-	-
Cash paid for dividends	-	-	(22,885,217)
Cash paid for long-term loans to other persons	(7,695,659)	-	-
Cash paid for long-term loan from financial institutions	(315,307)	-	-
Interest paid	(3,932,894)	(233,741)	(147,914)
Payment for lease liabilities	(2,268,349)	(1,426,560)	(1,575,033)
Net cash used in financing activities	(30,448,839)	(1,660,301)	(24,608,164)
Net increase(decrease) in cash and cash equivalents	48,512,894	47,348,720	(32,720,575)
Cash and cash equivalents, beginning of year	147,610,031	147,610,031	180,330,606
Cash and cash equivalents, end of year	<u>196,122,925</u>	<u>194,958,751</u>	<u>147,610,031</u>
Supplement disclosures of cash flows information			
Non cash items			
Purchases of vehicle lease liabilities	2,639,250	2,639,250	-
Purchases of equipment by recording as other payables	1,090,844	939,657	855,409
Increase in accrued dividends	-	-	18,873

The notes to the financial statements are an integral part of these financial statements.

1. GENERAL INFORMATION

GENERAL INFORMATION OF THE COMPANY

Chiangmai Frozen Foods Public Company Limited was listed on the Stock Exchange of Thailand in 1993. The Company is engaged in business of manufacturing and exporting of frozen vegetable freeze dried product. The address of its registered office are as follows:

Head Office is located at 149/34 floor 3rd-4th Soi Anglo Plaza, Surawongse road, Surawongse, Bangrak, Bangkok.

Branch Office 1 is located at 92 Moo.3, Chiangmai-Phrao road, Tumbol Nongjom, Amphur Sansai, Chiangmai.

Branch Office 2 is located at 299 Moo.14, Chiangmai-Phrao road, Tumbol Maefak mai, Amphur Sansai, Chiangmai.

THE OUTBREAK OF THE CORONAVIRUS DISEASE 2019

The outbreak of the coronavirus 2019 (COVID-19) in Thailand and other countries is recently importing economic, as a whole. This situation may bring uncertainties and have an impact on the environment in which the Group's operation. However, the Group's management is now paying close attention to the development of the COVID-19 outbreak and has continuously evaluating its impacts on the operation, the valuation of assets, provisions and contingent liabilities. In this regards, the Group's management has used estimates and judgement in respect of various issues as the situation has evolved.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("TFAC"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The financial statements have been prepared under account for going concern the historical cost convention except as disclosed in the accounting policies below.

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest unit unless otherwise stated

"The Company" represents "Chiangmai Frozen Foods Public Company Limited," while "The Group" represents "Chiangmai Frozen Foods Public Company Limited" and its subsidiary which is "Sino-Thai Freeze & Dry Company Limited".

The consolidated financial statements included the accounts of subsidiaries that the Company being influence over the control is Sino-Thai Freeze & Dry Company Limited on 30 March 2021, representing 68.72% of the paid-up share capital.

The consolidated financial statements are prepared based on the same accounting policies for the same accounting items or similar accounting events. Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During current year, the Group has adopted the revised Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting, which are effective for the financial statements for the period beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to reference to the Conceptual Framework in TFRSs, revising the definition of materiality, definition of business and accounting requirement for Interest Rate Benchmark Reform.

The adoption of these standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some financial reporting standards, providing temporary reliefs or temporary exemptions for users of the standards.

The Group's management will adopt the relevant TFRSs in the preparation of Group's financial statements when they become effective. The Group's management is on the evaluating process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below;

4.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.2 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

At the end of year, the Group considers the physical of finished goods in the estimation of adequately allowance for obsolete.

4.3 Investment in Subsidiary

Subsidiary are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiary are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains (losses) on transactions between group companies are eliminated, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group, respectively.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment.

4.4 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss. Goodwill is carried at initial value less any accumulated impairment losses. Goodwill is tested for impairment annually, without consideration of indication that such goodwill may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units or group of cash-generating units that are expected to benefit from the synergies of the combination. Cash flow generating units or groups of cash flow generating units represent the smallest unit within the entity at which the goodwill is monitored for internal management purposes.

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.6 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets except for land are stated at historical cost less accumulated depreciation.

Depreciation of plant and equipment are calculated on the straight line method over their estimated useful lives as follows:

	<u>No. of Years</u>
Building and Improvement	5-20
Machineries and equipment	5-10
Vehicles	5
Office equipment and fixtures	5

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of

performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

When assets are sold or retired, the Group will eliminate their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

Building-in-progress and machinery under installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.7 Intangible asset and amortization

Intangible asset is computer software which is stated at historical cost and amortized using the straight line method over a period of five-ten (5-10) years.

4.8 Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.9 Foreign currency transactions

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statements of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of income.

4.10 Leases

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Vehicles 5 year

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and Leases of low-value assets

A lease that has a lease term less than or to 12 month form commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

4.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

4.12 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expect a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

4.13 Revenue recognition

Revenue from sale is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. A receivable is recognized when the goods are delivered to the customer's specific location at which the Group has right to receive payment of that consideration is due. Revenue is measured at the amount of the consideration received or receivable, net of any returns and discounts.

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of distinct goods or service from the customer.

Revenue from service is recognised at the point in time when services are completed.

Interest income is recognized on an accrual basis using the effective interest method by the book value of the financial assets multiplied by the effective interest rate.

Rental income is recognised on a straight-line basis over the lease term.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Basic earnings(loss) per share

Basic earnings(loss) per share is calculated by dividing the net income(loss) by weighted average number of paid-up common shares during the years.

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as financial income in profit or loss.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs, the Group does not monitor changes in credit risk. The Group recognises a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Derivatives and hedge accounting

The Group uses exchange currency swaps as a foreign exchange options and derivative to hedge its exchange currency risks. Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months are presented as other current assets or other current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The Group considers cases that meet the conditions of hedge accounting:

Fair value hedges the change in the fair value of a hedging instrument and the hedged item attributable to the risk are recognised in profit or loss.

Cashflow hedges the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group considers of the hedge effectiveness by comparing the critical terms between hedging instruments and hedged items. If the critical terms match, the hedging relationship is expected to be highly effective.

4.18 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 buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1-Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2-Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3-Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4.19 Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Property plant and equipment/Intangible assets

In determining depreciation of plant, equipment and intangible assets, the management is required to make estimates of the useful lives and residual values of the Group's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Allowance for expected credit losses of trade receivables and other financial asset

In determining an allowance for expected credit losses of trade receivables and accounts receivable-planters, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Allowance for net realizable value

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4.20 Related person and companies

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, Individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

5. TRANSACTIONS WITH RELATED COMPANIES

5.1 Relationships and pricing policies

The relationship and pricing policies among the Company and related companies are as follows:

Subsidiary	Relationship
Sino-Thai Freeze & Dry Co., Ltd.	Shareholding by the Company Since 30 March 2021
Related companies :	
C.T. Prosper Group Co., Ltd.	Common Shareholders and directors
Saithong Global Fruit Co., Ltd.	Common Shareholders and directors
	Pricing policy
Revenues from sales	Normal price comparable charged to others
Rental income	At contract price which had been agreed upon
Purchase of goods	Normal price comparable charged to others
Service expenses	Normal price comparable charged to others

5.2 Balances of transactions with related companies

Balances of transactions with related companies as at 31 December 2021 and 2020 are as follows:

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Other receivables (Note 8)			
Related companies	9,000	9,000	9,000
Trade and Other current Payables (Note 20)			
Subsidiary	-	182,970	-

5.3 Business transaction with related companies

Business transaction with related companies for the year ended 31 December 2021 and 2020 are as follows:

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Revenues from sales			
Subsidiary	-	134,000	-
Other income			
Related companies	90,000	90,000	90,000
Purchase of goods			
Subsidiary	-	118,909	-

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	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Service expenses			
Subsidiary	-	256,500	-
Directors and management's benefits			
Short-term employee benefits	25,551,620	25,551,620	26,017,268
Post-employment benefits	272,893	272,893	263,103
Total	25,824,513	25,824,513	26,280,371

6. CASH AND CASH EQUIVALENTS

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Cash	198,878	110,879	118,595
Current deposits	583,844	539,584	349,367
Saving deposits	195,338,167	194,306,252	147,142,069
Fixed deposits	2,036	2,036	-
Total	196,122,925	194,958,751	147,610,031

The weighted average effective interest rates of deposits at financial institutions were 0.125 % to 0.250 % per annum (2020 : 0.125% to 0.250% per annum).

7. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at 31 December 2021 and 2020 are as follows:

	In Baht		
	Consolidated and Separate financial statements		
	2021		
	Fair value through profit or loss	Amortised cost	Total
Fixed deposits 6 months	-	2,008	2,008
Unit trusts open-end fund	41,664,442	-	41,664,442
Total	41,664,442	2,008	41,666,450
	In Baht		
	Separate financial statements		
	2020		
	Fair value through profit or loss	Amortised cost	Total
Fixed deposits 3-6 months	-	150,004,035	150,004,035
Unit trusts open-end fund	91,508,637	-	91,508,637
Total	91,508,637	150,004,035	241,512,672

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Changes in unit trusts in open-ended funds measured at fair value through profit loss for the years ended 31 December 2021 and 2020 can be analysed as follow:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Opening balance	91,508,637	91,508,637	101,209,748
Additions during the year	100,000,000	100,000,000	190,312,444
Disposal during the year	(149,364,953)	(149,364,953)	(200,415,444)
Profit(Loss) on change in fair value	(479,242)	(479,242)	401,889
Ending balance	41,664,442	41,664,442	91,508,637

8. TRADE AND OTHER CURRENT RECEIVABLES

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Trade receivable	77,389,094	76,446,273	72,959,102
Value added tax receivable	8,618,997	6,667,342	1,588,553
Accrued interest receivable	1	1	413,723
Prepaid expenses	4,646,204	4,303,334	1,736,514
Advance payment	443,600	-	-
Other current receivables-Related companies (Note 5.2)	9,000	9,000	9,000
Other current receivables	2,200,335	465,350	1,588,075
Total	93,307,231	87,891,300	78,294,967

The aging of trade receivable as at 31 December 2021 and 2020 are as follows:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Trade receivable			
Within credit terms	53,448,275	53,432,316	49,242,578
Overdue :			
Less than 3 months	23,922,024	23,013,957	23,716,524
3-6 months	4,874	-	-
7-12 months	13,921	-	-
Total Trade receivable	77,389,094	76,446,273	72,959,102

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FOR THE YEAR ENDED 31 DECEMBER 2021

9. ACCOUNTS RECEIVABLE-PLANTERS

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Accounts receivable-planters	23,660,133	23,660,133	22,521,860
<u>Less</u> Expected credit loss allowance	(856,037)	(856,037)	(603,692)
Net	22,804,096	22,804,096	21,918,168

Movements of allowance for expected credit losses of account receivables-planters are summarised below.

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
As at 1 January	603,692	603,692	632,935
Amount increase (recovered)	252,345	252,345	(29,243)
As at 31 December	856,037	856,037	603,692

As at 31 December 2021 and 2020, The Group has recognized a loss allowance of 100% against all receivables over 2 years past due because historical experience has indicated that these receivables are generally not recoverable. Except receivables that receive payment after the end of the reporting period.

For other trade receivables which overdue not more than 2 years as at 31 December 2021 and 2020, the Group determines lifetime expected credit loss using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position.

10. SHORT-TERM LOANS

As at 31 December 2020, the Company has short-term loans to Sino-Thai Freeze & Dry Co., Ltd., which is the other investment with a proportion of 15%, the Company supported in according of investment proportion in amounting of Baht 6.93 million, with an interest rate of 6.75% per year and the repayment conditions are at call.

Movement of the short-term loans at amortised cost for the years ended 31 December 2021 and 2020 are as follows:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Opening balance	6,930,000	6,930,000	13,600,000
<u>Less</u> Decrease during the year	(6,930,000)	(6,930,000)	(6,670,000)
Ending balance	-	-	6,930,000

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11. INVENTORIES

	In Baht					
	Consolidated financial statements					
	Cost		Allowance for diminution of inventories		Inventories-net	
	2021		2021		2021	
Finished goods and semi-finished products	443,852,081		(7,780,221)		436,071,860	
Raw material and supplies	38,699,272		(460,043)		38,239,229	
Seeds, insecticide, fertilizer	28,995,052		(3,573,328)		25,421,724	
Total	511,546,405		(11,813,592)		499,732,813	

	In Baht					
	Separate financial statements					
	Cost		Allowance for diminution of inventories		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods and semi-finished products	398,296,614	398,279,225	(3,029,559)	(2,136,565)	395,267,055	396,142,660
Raw material and supplies	35,743,078	32,619,785	(460,043)	(748,020)	35,283,035	31,871,765
Seeds, insecticide, fertilizer	28,995,052	33,107,355	(3,573,328)	(7,620)	25,421,724	33,099,735
Total	463,034,744	464,006,365	(7,062,930)	(2,892,205)	455,971,814	461,114,160

Cost of sales recognized in the statement comprehensive income between 2021 and 2020 are as follows:

	In Baht		
	Consolidated	Separate	
	financial	financial statements	
	statements	2021	2020
	2021	2021	2020
Cost of sales	924,066,363	878,746,610	947,726,787
Loss on devaluation of inventories (reversal)	919,917	4,170,725	(3,068,555)
Loss on amortization of deteriorated products	23,121,253	15,276,311	4,350,293
Total	948,107,533	898,193,646	949,008,525

12. OTHER NON CURRENT FINANCIAL ASSETS

Other non-current financial assets are investments in non-listed equity instrument at FVOCI as at 31 December 2020. Details of these investments are as follow:

	Nature of Business	Paid-up Capital (In Baht)	Holdings (%)	At Cost (In Baht)	Fair value through profit or loss (In Baht)
Sino-Thai Freeze & Dry Co., Ltd.	Manufacturing and distributing of frozen	300,000,000	15	45,000,000	-

product and freeze
dried product

As at 31 December 2020, there was significant retained loss exceeded shareholder's equity, and current liabilities exceeded current assets. The Company, therefore, consider loss on changes in value of investment designated at fair value through other comprehensive income for the amount Baht 45 million and net of the tax in the amount of Baht 36 million. However, as the Company maintains its intention to invest in related business, the Company has mutually agree with other shareholders of the mentioned company to restructure and consider further invest in the mentioned company in the first quarter of the year 2021(Note 13).

13. BUSINESS ACQUISITION

On 30 March 2021, the Company has entered into the Share Purchase and Subscription for the investment in shares of Sino-Thai Freeze & Dry Co., Ltd. ("STFD"), Manufacturing and distributing of frozen product and freeze dried product by purchasing existing shares of STFD from the existing shareholder, in an amount of 20,232,250 shares at a price of Baht 0.01 per share, with a par value of Baht 10 per share, with the total value of Baht 202,323 (the "Purchase Price") and subscribing newly issued ordinary shares of STFD in the amount of 12,693,000 shares, with a par value of Baht 10 per share, at a price of Baht 10 per share, with the total value of Baht 126,930,000. The STFD's shares to be acquired are in total of 32,925,250 shares, with a par value of Baht 10 per share, including the existing shares held by the company in the amount 4,500,000 shares, totaling amount 37,425,250 shares representing for 68.72% of the total issued and paid-up shares of STFD, which has a total of 54,463,240 shares with a par value of bath 10 per share, totaling Baht 544,632,400.

The value of the investment in Sino-Thai Freeze & Dry Co., Ltd., which the Company held before the acquisition date amounted of Baht 45 million and net of income tax in the amount of Bath 36 million Note 12, which was recorded as loss on fair value measurement in other comprehensive income in 2 0 2 0 , was transferred to retained earnings the classification of financial assets and such losses recognised on these financial assets are never recycled to profit or loss.

Value of transactions recognized at the acquisition date(after capital increase) for the identifiable assets acquired and liabilities assumed.

	In Baht
	Consolidated financial statements
Cash and cash equivalents	106,797,764
Trade and other current receivables	3,862,970
Inventories	8,899,204
Other current and non-current assets	2,634,798
Receivable from the liquidation of a subsidiary	17,667,452
Property, plant and equipment and Intangible assets	289,974,684
Deferred tax assets	1,854,581
Overdrafts and short-term loans from financial institution	(27,298,250)
Trade accounts payable and other accounts current payable	(39,668,007)
Long-term loans from financial institutions	(146,609,760)
Financial lease liabilities	(12,189,328)
Short-term loans from person and related company	(43,979,000)
Other current liabilities	(4,748,684)
Provisions for employee benefit obligations	(1,271,433)
Net assets of the subsidiaries	155,926,991

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	In Baht
	Consolidated financial statements
<u>Less</u> Non-controlling interests' proportionate share of identifiable net assets of the acquirees	(47,866,743)
Proportionate share of identifiable net assets of the acquirees	108,060,248
Cash paid for investment in subsidiaries	127,132,323
<u>Less</u> Proportionate share of identifiable net assets of the acquirees	(108,060,248)
Goodwill from business acquisition	19,072,075
Cash at the date of purchase of the subsidiary (Before subsidiary's share capital increase)	81,657

According to the above acquisitions, the Group has engaged an independent appraiser to determine the fair values of net assets and liabilities acquired. As at 31 December 2021, the determination of the fair values of net assets and liabilities has been completed, and the carrying amount of the assets acquired and liabilities assumed were adjusted accordingly.

Fair value of account and other receivables is equal to the above value, the management expect to receive all amount.

The Group recorded goodwill from acquisition of frozen product and freeze dried product business in Ratchaburi Province amounted of Baht 19.07 million. For the propose of annually impairment testing for goodwill, the Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management.

Key assumptions used in the value in use calculation of the cash generating units are summarised below:

Terminal growth rate at the year-end that the projection were prepared.	0% per annum
Pre-tax discount rate	10.8% per annum

The recoverable amount of assets in which goodwill is allocated is estimated to exceed the carrying amount

14. INVESTMENTS IN SUBSIDIARY

Separate financial statements as at 31 December 2021

	Country of incorporation	Paid-up Capital (In Baht)	Holdings (%)	At Cost (In Baht)
Sino-Thai Freeze & Dry Co., Ltd. <i>Manufacturing and distributing of frozen product and freeze dried product</i>	Thai	544,632,400	68.72	127,132,323

Details of investments in subsidiaries that have material non-controlling interests as at 31 December 2021.

				(In Million Baht)
Company	Proportion of equity interest held by non- controlling interests	Accumulated balance of non- controlling interests	Profit allocated to non-controlling interests during the year	Dividend paid to non-controlling interests during the year
	2021	2021	2021	2021
	(%)			

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FOR THE YEAR ENDED 31 DECEMBER 2021

Sino-Thai Freeze & Dry Co., Ltd.	31.28	32.93	14.93	-
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Summarised financial information that based on amounts before inter-company elimination of a Sino-Thai Freeze & Dry Co., Ltd

Summarised information about financial position

As at 31 December 2021	(In Million Baht)
Current assets	50.74
Non-current assets	270.15
Current liabilities	(178.89)
Non-current liabilities	(33.81)
Net-asset	108.19

Summarised information about comprehensive income

For the period since 31 March 2021 to 31 December 2021 (In Million Baht)

Revenue	16.17
Loss	(47.74)
Other comprehensive income	-
Total comprehensive income	(47.74)

Total revenue and total profit for the year ended 31 December 2021 arising from the merger as if the merger occurred since 1 January 2021 amounting of Baht 1,069.26 million and Baht 96.76 million respectively

15. INVESTMENT PROPERTY

Investment properties of the Group as at 31 December 2021 and 2020, represent the book value of the Group's plot of land which held for nonspecific purpose.

Fair value of investment properties are estimated by an independent professional appraiser using the market price basis as at 31 December 2021 and 2020 amounted to Baht 90.61 million.

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16. PROPERTY, PLANT AND EQUIPMENT

Consolidate financial statements

	In Baht							
	Land and Improvement	Building and Improvement	Machineries and equipment	Right-of-use	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	Total
As at 1 January 2021								
Cost	88,365,073	524,673,598	870,217,189	12,314,678	22,987,043	27,051,196	91,071,965	1,636,680,742
<u>Less</u> Accumulated depreciation	(6,307,701)	(401,461,035)	(725,551,116)	(3,970,182)	(21,832,490)	(21,540,058)	-	(1,180,662,582)
Allowance for impairment	-	(456,089)	-	-	-	-	-	(456,089)
Net book value	82,057,372	122,756,474	144,666,073	8,344,496	1,154,553	5,511,138	91,071,965	455,562,071
Transaction during the year ended 31 December 2021								
Opening net book value	82,057,372	122,756,474	144,666,073	8,344,496	1,154,553	5,511,138	91,071,965	455,562,071
Transfer from business acquisition	30,670,080	146,324,902	90,504,406	19,565,109	-	2,908,699	-	289,973,196
<u>Add</u> Acquisition	-	8,227,696	22,544,451	3,519,000	-	3,415,938	28,624,692	66,331,777
Transfer in (out)	-	2,401,974	21,695,953	-	-	-	(24,097,927)	-
<u>Less</u> Disposal and write off assets	-	(3)	(1,578)	-	(1,100,001)	(22,347)	-	(1,123,929)
Depreciation	-	(25,180,527)	(51,690,366)	(3,800,886)	(54,537)	(2,876,056)	-	(83,602,372)
Closing net book value	112,727,452	254,530,516	227,718,939	27,627,719	15	8,937,372	95,598,730	727,140,743
As at 31 December 2021								
Cost	119,035,153	679,957,198	991,390,373	35,398,787	19,165,675	31,822,856	95,598,730	1,972,368,772
<u>Less</u> Accumulated depreciation	(6,307,701)	(425,041,028)	(763,671,434)	(7,771,068)	(19,165,660)	(22,885,484)	-	(1,244,842,375)
Allowance for impairment	-	(385,654)	-	-	-	-	-	(385,654)
Net book value	112,727,452	254,530,516	227,718,939	27,627,719	15	8,937,372	95,598,730	727,140,743

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As at 31 December 2021, land and building of the Subsidiary, with net book value amounting to Baht 186.05 million are mortgaged as collateral for overdrafts and short-term loans from financial institutions Note 19 and long-term loans facilities Note 21.

16. PROPERTY, PLANT AND EQUIPMENT (CON'T)

Separated financial statements

	In Baht							
	Land and Improvement	Building and Improvement	Machineries and equipment	Right-of-use	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	Total
As at 1 January 2020								
Cost	88,365,073	521,001,180	827,511,883	-	35,301,721	27,357,986	63,984,248	1,563,522,091
<u>Less</u> Accumulated depreciation	(6,307,701)	(383,348,543)	(702,617,934)	-	(24,312,651)	(20,933,166)	-	(1,137,519,995)
Allowance for impairment	-	(526,523)	(35)	-	-	-	-	(526,558)
Net book value	<u>82,057,372</u>	<u>137,126,114</u>	<u>124,893,914</u>	<u>-</u>	<u>10,989,070</u>	<u>6,424,820</u>	<u>63,984,248</u>	<u>425,475,538</u>
Transaction during the year ended 31 December 2020								
Opening net book value as at 1 January 2020	82,057,372	137,126,114	124,893,914	9,604,166	1,384,904	6,424,820	63,984,248	425,475,538
<u>Add</u> Acquisition	-	3,703,550	10,710,185	-	-	1,072,764	69,053,100	84,539,599
Transfer in (out)	-	-	41,965,383	-	-	-	(41,965,383)	-
<u>Less</u> Disposal and write off assets	-	(10)	(33,229)	-	-	(4,574)	-	(37,813)
Depreciation	-	(18,073,180)	(32,870,180)	(1,259,670)	(230,351)	(1,981,872)	-	(54,415,253)
Closing net book value	<u>82,057,372</u>	<u>122,756,474</u>	<u>144,666,073</u>	<u>8,344,496</u>	<u>1,154,553</u>	<u>5,511,138</u>	<u>91,071,965</u>	<u>455,562,071</u>

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16. PROPERTY, PLANT AND EQUIPMENT (CON'T)

	In Baht							
	Land and Improvement	Building and Improvement	Machineries and equipment	Right-of-use	Vehicle	Office equipment and fixtures	Building in progress and machinery under installation	Total
As at 31 December 2020								
Cost	88,365,073	524,673,598	870,217,189	12,314,678	22,987,043	27,051,196	91,071,965	1,636,680,742
<u>Less</u> Accumulated depreciation	(6,307,701)	(401,461,035)	(725,551,116)	(3,970,182)	(21,832,490)	(21,540,058)	-	(1,180,662,582)
Allowance for impairment	-	(456,089)	-	-	-	-	-	(456,089)
Net book value	<u>82,057,372</u>	<u>122,756,474</u>	<u>144,666,073</u>	<u>8,344,496</u>	<u>1,154,553</u>	<u>5,511,138</u>	<u>91,071,965</u>	<u>455,562,071</u>
Transaction during the year ended 31 December 2021								
Opening net book value	82,057,372	122,756,474	144,666,073	8,344,496	1,154,553	5,511,138	91,071,965	455,562,071
<u>Add</u> Acquisition	-	7,892,696	18,580,373	3,519,000	-	3,396,580	28,624,692	62,013,341
Transfer in (out)	-	2,401,974	21,695,953	-	-	-	(24,097,927)	-
<u>Less</u> Disposal and write off assets	-	(3)	(1,578)	-	(1,100,001)	(22,347)	-	(1,123,929)
Depreciation	-	(18,268,706)	(36,252,509)	(1,487,972)	(54,537)	(2,047,147)	-	(58,110,871)
Closing net book value	<u>82,057,372</u>	<u>114,782,435</u>	<u>148,688,312</u>	<u>10,375,524</u>	<u>15</u>	<u>6,838,224</u>	<u>95,598,730</u>	<u>458,340,612</u>
As at 31 December 2021								
Cost	88,365,073	534,189,356	900,863,343	15,833,678	19,165,675	28,952,468	95,598,730	1,682,968,323
<u>Less</u> Accumulated depreciation	(6,307,701)	(419,021,267)	(752,175,031)	(5,458,154)	(19,165,660)	(22,114,244)	-	(1,224,242,057)
Allowance for impairment	-	(385,654)	-	-	-	-	-	(385,654)
Net book value	<u>82,057,372</u>	<u>114,782,435</u>	<u>148,688,312</u>	<u>10,375,524</u>	<u>15</u>	<u>6,838,224</u>	<u>95,598,730</u>	<u>458,340,612</u>

17. REFUNDABLE DEPOSIT RECEIVABLE / LEASE DEPOSIT ON LAND

On 25 March 2016, the Company has signed the pre-deposit lease agreement with the lessor. The pre lease deposit agreement for the land of 47.73 Acres has the total lease value through the lease period of U.S. Dollars 1.43 million (equivalent to Baht 50.57 million at exchange rate from Bank of Thailand as of 25 March 2016 stated 35.32 Baht/USD). The lease period is 50 years and the 2 extension offering right considered 10 years for each extension. The Company shall arrange the deposit for 50% of total lease value, considering U.S. Dollars 0.71 million (equivalent to Baht 25.3 million) immediately after signing the pre lease deposit agreement on 25 March 2016. The remaining lease value shall be paid upon the lease agreement date. The lessor is obliged to fill the land appropriate for the plant construction, and coordinate with the authorities to arrange the usage of land allowed the construction of plant prior to the entering of lease agreement with the Subsidiary, which currently determining for the incorporation in Myanmar, within 9 months started from 1 April 2016.

However, due to the difficulties in coordination with the Myanmar authorities, the Board of Director's Meeting No. 5/2019 have considered with the legal advisor and conclude that since the company still maintain their intention to invest in the project, therefore appointed the Executive Committee to negotiate with counterparty and extend the contract for the period of 2 years to be ended 31 December 2021. The Counterparty has agreed upon the extension period without further conditions and signed by return and acknowledge by the Board of Director's Meeting No.6/2019.

The Board of Director's meeting No. 6/2021 has consider the political unrest situation in Myanmar would potentially caused the uncertainty to the return of the investment project, therefore approve to cancel the investment. According to the published information memorandum regarding the acquisition of assets previously disclosed, Cancelling the investment project would cause the Company to be foreclosed on a 30% on deposit or amounting to Baht 7,607,685. The company considered the net realisable value of the remaining refundable deposit by assessed the political and economic situation in Myanmar and determined the debtor's ability to repay, which cannot be consider in present because of the clarity of current financial information. The management of Group considered the situation as an indication that may be impaired. The company considers setting an allowance for expected credit loss of refundable deposit receivable amounted of Baht 25,358,949.

Movement of the lease deposit on land for the year ended 31 December 2021 and 2020 are as follows:

	In Baht		
	Consolidated financial statement	Separated financial statement	
	2021	2021	2020
Opening balance	25,358,949	25,358,949	25,358,949
<u>Less</u> Allowance for expected credit loss	(25,358,949)	(25,358,949)	-
Ending balance	-	-	25,358,949

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18. INTANGIBLE ASSETS-SOFTWARE COMPUTER

	In Baht		
	Consolidated financial statement		
	Software	Software in progress	Total
As at 1 January 2021			
Cost	14,140,903	-	14,140,903
Accumulated amortization	(5,414,560)	-	(5,414,560)
Net book value	<u>8,726,343</u>	<u>-</u>	<u>8,726,343</u>
Transactions during the year ended 31 December 2021			
Opening net book value	8,726,343	-	8,726,343
Transferred from business acquisition	1,488	-	1,488
<u>Add</u> Acquisition	26,260	-	26,260
<u>Less</u> Amortization	(1,329,558)	-	(1,329,558)
Closing net book value	<u>7,424,533</u>	<u>-</u>	<u>7,424,533</u>
As at 31 December 2021			
Cost	14,199,663	-	14,199,663
Accumulated amortization	(6,775,130)	-	(6,775,130)
Net book value	<u>7,424,533</u>	<u>-</u>	<u>7,424,533</u>
	In Baht		
	Separated financial statement		
	Software	Software in progress	Total
As at 1 January 2020			
Cost	11,352,294	2,699,359	14,051,653
Accumulated amortization	(4,362,201)	-	(4,362,201)
Net book value	<u>6,990,093</u>	<u>2,699,359</u>	<u>9,689,452</u>
Transactions during the year ended 31 December 2020			
Opening net book value	6,990,093	2,699,359	9,689,452
<u>Add</u> Acquisition	89,250	-	89,250
Transfer in (transfer out)	2,699,359	(2,699,359)	-
<u>Less</u> Amortization	(1,052,359)	-	(1,052,359)
Closing net book value	<u>8,726,343</u>	<u>-</u>	<u>8,726,343</u>
As at 31 December 2020			
Cost	14,140,903	-	14,140,903
Accumulated amortization	(5,414,560)	-	(5,414,560)
Net book value	<u>8,726,343</u>	<u>-</u>	<u>8,726,343</u>
Transactions during the year ended 31 December 2021			
Opening net book value	8,726,343	-	8,726,343
<u>Add</u> Acquisition	26,260	-	26,260
<u>Less</u> Amortization	(1,328,070)	-	(1,328,070)
Closing net book value	<u>7,424,533</u>	<u>-</u>	<u>7,424,533</u>
As at 31 December 2021			
Cost	14,167,163	-	14,167,163

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Accumulated amortization	(6,742,630)	-	(6,742,630)
Net book value	<u>7,424,533</u>	<u>-</u>	<u>7,424,533</u>

19. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Interest rate (per annum)	In Baht		
		Consolidated financial statement	Separate financial statement	
		2021	2021	2020
Bank Overdrafts	MOR	7,861,620	-	-
Promissory Note	MLR - 1.5%	3,200,000	-	-
Total		<u>11,061,620</u>	<u>-</u>	<u>-</u>

As at 31 December 2021, the Group has the overdrafts and short-term loans facilities amounted to Baht 280 million. (2020 : Baht 330 million), guaranteed by land and structures there on of the Group as described in Note 16 and certain directors and machineries as business collateral

20. TRADE AND OTHER CURRENT PAYABLES

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Trade payables - Other companies/other person	31,672,520	30,406,972	52,438,224
Trade payables - Subsidiary (Note 5.2)	-	182,970	-
Accrued expenses	27,466,117	19,948,992	20,134,520
Others payables	6,306,007	1,598,928	1,744,621
Total	<u>65,444,644</u>	<u>52,137,862</u>	<u>74,317,365</u>

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consolidated financial statements as at 31 December 2021

Loans	Interest rate (per annum)	Contract repayment	In Baht
1. Loans from a local financial institution	3 - 5%	Monthly payment from 2018 to 2028	105,645,053
2. Loans from a local financial institution	3 - 5%	Monthly payment from 2018 to 2026	31,627,849
3. Loans from a local financial institution	3 - 5%	Monthly payment from 2018 to 2025	8,598,634
4. Loans from a local financial institution	3 - 5%	Monthly payment from 2017 to 2023	<u>422,917</u>
Total			146,294,453

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Loans	Interest rate (per annum)	Contract repayment	In Baht
<u>Less</u> Current portion of long-term loan from financial institutions			(4,687,366)
Long-term loan reclassified as current liabilities			(141,607,087)
Long-term loans-net			-

Movement of the Long-term loans from financial institution for the year ended 31 December 2021 are as follows:

	In Baht
	2021
Opening balance as at business acquisition	146,609,760
Repayment loan during the year	(315,307)
Ending balance	146,294,453

The loan agreements contain covenants as specified in that among other things, require the Group to comply throughout periods of the loan agreements. The loan agreements are guaranteed by the Group's land and structures (Note 16), certain directors and machineries as business collateral

The loan agreements contain certain covenants with which the subsidiary must comply, among other things. However, as at 31 December 2021, the subsidiary was unable to comply with certain covenant under the agreements. Therefore the subsidiary has presented the outstanding balances of these loans as at 31 December 2021 as current liabilities in the statements of financial position.

22. LEASE LIABILITIES

Movement of the Lease liabilities for the year ended 31 December 2021 are as follows:

	In Baht	
	Consolidated financial statements	Separate financial statements
As at 31 December 2020	1,931,063	1,931,063
Payments	(2,268,349)	(1,426,560)
Additions	2,639,250	2,639,250
Transferred from business acquisition	12,189,328	-
As at 31 December 2021	14,491,292	3,143,753
<u>Less</u> Current portion of lease liabilities	(3,630,830)	(853,101)
Net	10,860,462	2,290,652

The following are the amounts for the year ended 31 December 2021 and 2020 recognised in profit or loss:

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Depreciation	4,269,022	1,487,972	1,259,670
Interest paid	334,722	232,891	147,590
Expense relating to short-term lease	2,870,319	2,361,319	2,508,000
Leases of low-value underlying assets	48,000	48,000	-

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Total	7,522,063	4,130,182	3,915,260
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The Group has entered into hire purchase agreements with leasing companies for rental of vehicles for use in the operation, whereby it committed to pay fixed rental on a monthly basis. The terms of the agreements are generally between 4 to 5 years.

As at 31 December 2021, future minimum lease payments required under the finance lease agreements were as follows:

	(In Million Baht)		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	4.63	14.28	18.91
Deferred interest expenses	(1.00)	(3.42)	(4.42)
Present value of future minimum lease payments	3.63	10.86	14.49

	(In Million Baht)		
	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1.09	2.80	3.89
Deferred interest expenses	(0.24)	(0.51)	(0.75)
Present value of future minimum lease payments	0.85	2.29	3.14

As at 31 December 2020, future minimum lease payments required under the finance lease agreements were as follows:

	(In Million Baht)		
	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1.35	0.72	2.07
Deferred interest expenses	(0.10)	(0.04)	(0.14)
Present value of future minimum lease payments	1.25	0.68	1.93

23. LONG-TERM LOANS FROM OTHER PERSON

Consolidated financial statements as at 31 December 2021

	In Baht
Long-term loans	25,764,000
<u>Less</u> Current portion	(2,138,700)
Long-term loans-net of current portion	23,625,300

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As at 31 December 2021, the Group has an outstanding balance of long-term loans from 3 other persons, non-interest charged and shall have to comply with certain conditions as specified in the memorandum of understanding. The payment conditions in each periods are as follows:

1st year: repayment from April to December 2021 amounting Baht 0.81 million.

2nd year: repayment from January to December 2022 amounting Baht 2.14 million.

3rd year: repayment from January to December 2023 amounting Baht 3.20 million.

4th year: repayment from January to December 2024 amounting Baht 4.26 million.

5th year: repayment from January to December 2025 amounting Baht 16.17 million.

24. EMPLOYEE BENEFIT OBLIGATIONS

Movement in the present value of the defined benefit obligations:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Defined benefit obligations at 1 January	66,825,443	66,825,443	69,323,939
Transferred from business acquisition	1,271,433	-	-
Included in profit or loss:			
Current service costs	3,828,222	3,495,924	3,727,067
Interest on obligation	643,998	633,934	830,840
Actuarial gains (losses)			
Financial assumptions changes	(2,345,041)	(2,345,041)	1,414,679
Demographic assumptions changes	(2,719,098)	(2,719,098)	20,065
Experience adjustments	-	-	1,112,493
Employee benefit paid during the year	(1,519,200)	(1,519,200)	(9,603,640)
Total	65,985,757	64,371,962	66,825,443

Line items in profit or loss under which long-term employee benefit expenses are recognized are as follows:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Costs of sales	3,557,594	3,295,477	3,783,137
Sales expenses	143,124	104,323	69,047
Administrative expenses	771,502	730,058	705,720
Total	4,472,220	4,129,858	4,557,904

The Group expect to pay Baht 15.94 million of long-term employee benefits during the next year (2020: Baht 14.18 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 8 years (2020 : 9 years).

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Principal actuarial assumptions at the reporting date.

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Discount rate	1.77 - 1.82% per annum	1.77% per annum	1.17% per annum
Salary increase rate	2 - 5%	2%	2%
Employee turnover rate	Scale related to Age ranging from 1.91- 34.38%	Scale related to Age ranging from 4.58- 34.38%	Scale related to Age ranging from 4.58- 34.38%
Mortality rate	According to Thailand TMO 2017 male and female tables	According to Thailand TMO 2017 male and female tables	According to Thailand TMO 2017 male and female tables

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Million Baht			
	2021			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation at 31 December				
Discount rate (1% movement)	(3.71)	4.20	(3.58)	4.03
Salary Increase Rate (1% movement)	4.14	(3.73)	3.98	(3.60)
Turnover Rate (20% movement)	3.66	4.45	(3.78)	4.30

	In Million Baht	
	2020	
	Separate financial statements	
	Increase	Decrease
Defined benefit obligation at 31 December		
Discount rate (1% movement)	(4.14)	4.69
Salary Increase Rate (1% movement)	4.60	(4.14)
Turnover Rate (20% movement)	(4.38)	5.00

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Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward(if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

26. DIVIDENDS PAID

Dividend	Approved by	Number of ordinary shares (Million Shares)	Dividend per share (Baht per share)	Dividend (Million Baht)	Date of payment
Dividend paid from the operating results year 2019	At the Company's Board of Directors meeting dated 9 April 2020	381	0.06	22.87	May 2020
	Total dividends paid year 2020			22.87	

27. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Changes in finished goods, semi-finished products and raw materials	(32,030,147)	(211,729)	32,728,402
Purchase raw materials	435,976,242	402,742,562	399,891,295
Depreciation and amortization	89,931,931	59,438,941	55,467,613
Staff costs	221,139,175	204,111,679	231,429,555
Freight	28,948,780	28,770,950	27,641,957
Sales promotion	1,249,334	1,194,407	71,757

28. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group has engaged in the business of manufacturing and distribution of frozen vegetables and operated in one geographical area in Thailand. Therefore, these financial statements do not present the geographical segment.

The Group's main revenue is derived from sale of goods and have timing of revenue recognition only at the point in time.

For the year ended 31 December 2021 and 2020, the Group has export sales and domestic sales are as follows:

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	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Export sales	989,587,828	976,777,558	1,022,833,345
Domestic sales	66,000,933	64,383,669	73,693,981
Total	1,055,588,761	1,041,161,227	1,096,527,326

Major customers

For the year 2021, the Group has revenue from 2 major customers, representing 60% of total revenue, arising from manufacturing and distribution of frozen vegetables (2020: 60% of total revenue was derived from 2 major customers).

29. PROVIDENT FUND

The Company established a contributory registered provident fund in accordance with the Provident fund Act B.E.2530 Under the provident fund, the Company contributes an amount equivalent to the employees' contribution, which is 3% of their basic salaries. The company appointed The Siam Commercial Bank Public Co., Ltd. as a fund manager to manage the fund in accordance with the Provident Fund Act B.E. 2530, which was amended by the Provident Fund Act (No.2) B.E. 2542, under supervision of the Office of the Securities and Exchange Commission.

The Group's contribution amount for the years ended 31 December 2021 and 2020 amounted to Baht 1.88 million and Baht 1.93 million, respectively.

30. INCOME TAX

Income tax for the year ended 31 December 2021 and 2020 are made up as follows:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Current income tax			
Corporate income tax	-	-	-
Deferred tax			
Relating to origination and reversal of temporary differences	(2,389,958)	(2,971,648)	(407,376)
Tax income reported in the statements of comprehensive income	<u>(2,389,958)</u>	<u>(2,971,648)</u>	<u>(407,376)</u>

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2021 and 2020 are as follows:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020

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Loss (gain) from cash flow hedging	(5,809,711)	(5,809,711)	1,716,736
Actuarial loss (gain)	1,012,828	1,012,828	(509,448)
Loss from measures financial assets at fair value	-	-	(9,000,000)
Total	<u>(4,796,883)</u>	<u>(4,796,883)</u>	<u>(7,792,712)</u>

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Profit(loss) before tax	(83,274,338)	(36,120,153)	740,905
Applicable tax rate (%)	20	20	20
Income tax using the Thai corporation tax rate	(16,654,868)	(7,224,031)	148,181
Taxable loss of current year recognized to			
deferred income tax assets	634,711	634,711	1,797,588
Incoming not subject to tax	(20,877)	(20,877)	(80,378)
Addition expenses deductible for tax purposes	(949,877)	(949,877)	(2,468,376)
Expenses not deductible for tax purposes	8,395,352	8,395,352	1,558,721
Capital expenditure with the right to increase deductible	(835,278)	(835,278)	(955,736)
Tax loss	<u>9,430,837</u>	<u>-</u>	<u>-</u>
Current tax	-	-	-
Relating to origination and reversal of temporary differences	<u>(2,389,958)</u>	<u>(2,971,648)</u>	<u>(407,376)</u>
Income tax	<u>(2,389,958)</u>	<u>(2,971,648)</u>	<u>(407,376)</u>

Deferred tax assets is presented in the statement of financial positions as follows:

	In Baht		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Statements of financial position			
Deferred tax assets			
Allowance for expected credit losses	171,208	171,208	120,738
Allowance for net realizable value	1,735,344	1,412,586	578,441
Provisions for employee benefit obligations	13,824,526	12,874,393	13,365,089
Change in fair value of derivatives	2,121,565	2,121,565	3,105
Loss from impairment of investments in subsidiaries	9,000,000	9,000,000	9,000,000

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Tax losses	2,432,299	2,432,299	1,797,588
Deferred tax liability			
Change in fair value of derivatives	(282,939)	(282,939)	(4,935,534)
Unrealized gain from			
change in value of investment open-end-fund	(241,939)	(241,939)	(210,785)
	<u>28,760,064</u>	<u>27,487,173</u>	<u>19,718,642</u>

31. FINANCIAL INSTRUMENTS

31.1 Derivatives and hedge accounting

The Group exposure to foreign currency. In order to manage the risks arising from fluctuations in exchange rates, the Group makes use of derivative financial instruments

The objectives of using derivative financial instruments are to reduce uncertainty over future cash flows arising from movements in exchange rates. The following strategies are employed to achieve these objectives. Foreign exchange forward contracts are taken out to manage the currency risks in future sales. Decisions on the level of risk undertaken are governed by corporate policy, which has established limits by transaction type and by counterparty.

Trading for speculative purposes is prohibited. All derivative transactions are subject to approval of the management before execution.

31.2 Financial risk management objectives and policies

The Group's financial instruments-principally comprise cash and cash equivalents, trade receivables, loans to, investments, trade payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group exposed to credit risks mainly relating to their trade accounts receivable loans investment account payable. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding customer receivables are regularly monitored and any shipments to some distribution channels' customers are generally covered by letters of credit obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due.

Foreign currency risk

The Group has foreign exchange risk arisen from the fluctuation of foreign exchange rate from sales and receipt which are denominated in foreign currencies, USD and CNY. The Group manages that risk by entering forward exchange contracts to hedge such financial assets 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.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2021 and 2020 as follows.

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Foreign currency	Amount				
	Consolidated financial statements	Separate financial statements		Average exchange rate	
		2021	2020	2021	2020
		(Million)	(Million)	(Baht per 1 foreign currency unit)	
Financial assets					
US Dollar	1.89	1.87	2.13	33.2469	29.8674
CNY	0.08	-	-	5.1828	-
Financial liability					
US Dollar	-	0.016	0.02	33.5929	30.2068

As at 31 December 2021, the Group had the Foreign exchange contracts outstanding are summarised below.

Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	22.44	32.9975	June - December 2022

The Group has the options outstanding are summarised below.

Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.30	32.8000	April 2022

As at 31 December 2020, the Group had the Foreign exchange contracts outstanding are summarised below.

Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	20.06	31.2641	January - December 2021

Changes in fair value of Derivatives designated as hedging instruments reclassified to profit or loss in loss on exchange rate. For the year end 31 December 2021, There are no ineffective hedging

Foreign exchange forward contracts and foreign exchange options are designated as hedging instruments in cash flow hedges of forecast sales in US dollars. These forecast transactions are highly probable, and they compose about 90% of the Group's total expected sales in US dollars.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities

Foreign currency	Increase / Decrease	Effect on profit before tax
	(%)	(Million Baht)
US Dollar	+5	3.12
	- 5	(3.12)

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This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relate primarily to their deposits at bank, short-term loans and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. Therefore, the Group does not use derivative financial instruments to hedge such risk.

Interest rate sensitivity analysis

There is no significant impact on the Group's profit before tax arising from the change in the interest rate of financial assets and short-term loans with interest rates fluctuating according to market rates.

Liquidity risk

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's maturity grouping based on the remaining periods at the date of statements of financial position to the contractual maturity date based on notional amount. The positive figures represent cash to be inflows and negative figures represent cash to be outflows due to be mature.

	Baht			
	Consolidated financial statements			
	Less than 1 year	1 to 5 years	> 5 years	Total
Overdrafts and short-term loans from financial	(11,061,620)	-	-	(11,061,620)
Trade and other current payables	(65,444,644)	-	-	(65,444,644)
Long-term loan from financial institutions	(146,294,453)	-	-	(146,294,453)
Lease liabilities	(4,631,596)	(14,276,518)	-	(18,908,114)
Long-term loans from other persons	(2,138,700)	(23,625,300)	-	(25,764,000)
Foreign exchange options	9,840,000	-	-	9,840,000
Foreign currency forward contracts	740,444,224	-	-	740,444,224

	Baht			
	Separate financial statements			
	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other current payables	(52,137,862)	-	-	(52,137,862)
Lease liabilities	(1,096,008)	(2,795,252)	-	(3,891,260)
Foreign exchange options	9,840,000	-	-	9,840,000
Foreign currency forward contracts	740,444,224	-	-	740,444,224

31.3 Fair value of financial instruments

Given that part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, and loans denominated in Thai Baht bearing the market interest rates, the Company's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

32. FAIR VALUE OF FIANCIAL INSTRUMENTS

In applying the above-mentioned valuation techniques, the Group endeavor to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1-Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2-Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3-Use of unobservable inputs such as estimates of future cash flows.

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	In Baht			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2021				
Assets measured at fair value				
Derivatives assets				
Foreign currency forward contracts	-	1,348,459	-	1,348,459
Foreign exchange options	-	66,234	-	66,234
Trading investment-Fund	-	41,664,442	-	41,664,442
Liabilities measured at fair value				
Derivatives liabilities				
Foreign currency forward contracts	-	10,607,826	-	10,607,826
Assets for which fair value are disclosed				
Investment property	-	90,605,550	-	90,605,550

	In Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
As at 31 December 2020				

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Assets measured at fair value

Derivatives assets

Foreign currency forward contracts	-	24,677,671	-	24,677,671
Trading investment-Fund	-	91,508,637	-	91,508,637

Liabilities measured at fair value

Derivatives liabilities

Foreign currency forward contracts	-	15,524	-	15,524
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Assets for which fair value are disclosed

Investment property	-	90,605,550	-	90,605,550
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During the current period, there was no change in method and assumption using in estimate the fair value of financial instruments and no transfer within the fair value hierarchy.

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, The Group has considered counterparty credit risk when determining the fair value of derivatives.

The fair values of land categorized as investment property were determined by independent property appraisers under the market approach by rating and weighting according to various factors.

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2021, debt to equity ratio in the consolidated financial statements is 0.27:1 and separate financial statements is 0.10:1 (2020: 0.11:1).

34. COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2021

- 34.1. The Group has commitments for software license and system consulting agreement amounting of Baht 0.25 million.
- 34.2. The Group has contingently liability for bank guarantees issued in favor of government agency amounting to approximately Baht 10.42 million.
- 34.3. The Group has capital expenditure in respect of the solar rooftop on-grid system and the installment of machine amounting of Baht 3.24 Million.
- 34.4. The subsidiary has entered into the 5 years Gas Purchase agreement with a company. Such Gas rate accordance with the conditions specified in the agreements.

35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 23 February 2022.

**CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**



Attachment 1

Detail of directors, executives and secretary.

Biography of the Directors.

1. Mr. Prayoon Pholpipattanaphong

Type of director	Executive director (Chairman of Board of Director, Authorized Director)
Age	88 years
Education	Accounting profession
Other qualifications	Honorary Doctor, Agricultural, Maejoe University
Director training program/year	DAP-15/2004
Experience	Chairman of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present Chairman of Agrifood Processing Co., Ltd., from Jun. 6, 2003-Dec 21,2015
Positions in other listed companies	None
Positions in non-listed companies	Sino Thai Freeze and Dry Co., Ltd., from May 2017-present
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting 7 /7 times Board of Executive Director Meeting 7 / 7 times
Date and no. of years on the board	November 3, 1988, 34 years
CM Shareholding on 31 Dec. 2021	306,517 shares or 0.08%



2. Mr. Prapas Pholpipattanaphong

Type of director	Executive director (Chairman of Executive Committee, Chairman of Risk Management Committee, Authorized Director)
Age	72 years
Education	High school certificate
Director training program/year	DAP-8/2004
Experience	Managing Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-Dec 31, 2015 Chairman of Executive Committee of of Chiangmai Frozen Foods PCL., from Jan 1, 2016-present Authorized Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present
Positions in other listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd., from Jun. 6, 2003-December 21, 2015
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting 7 / 7 times Executive Director Meeting 7 / 7 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Risk Management Meeting 2 / 2 times
Date and no. of years on the board	November 3, 1988, 34 years
CM Shareholding on 31 Dec. 2021	Private 9,102,800 shares or 2.39% Spouse - shares or - % Total 9,102,800 shares or 2.39%



3. Mr. Ankoon Pholpipattanaphong

Type of director	Executive director (Managing Director, Authorized Director)
Age	51 years
Education	Master of Business Administration-Colorado University, USA Bachelor of Communication, Bangkok University
Director training program/year	DAP-12/2004, UFS-10/2005
Experience	Executive director & Marketing Manager of Chiangmai Frozen Foods PCL., from Apr. 27, 2000-present Assis.Managing Director of Chiangmai Frozen Foods PCL., from Feb. 1, 2007-Dec. 31, 2015. Managing Director of Chiangmai Frozen Foods PCL., from Jan. 1, 2016-present Company's Secretary of Chiangmai Frozen Foods PCL., from Feb. 28, 2008-Dec. 31,2015. Authorized director of Agrifood Processing Co., Ltd., from Jun. 6, 2003-Dec 21, 2015
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting 7 / 7 times Board of Executive Director Meeting 7 / 7 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Corporate Governance Meeting 3 / 3 times Board of Risk Management Meeting 2 / 2 times
Date and no. of years on the board	April 27, 2000, 22 years
CM Shareholding on 31 Dec. 2021	Private 3,702,600 shares or 0.96% Spouse 181,500 shares or 0.05% Child 363,000 shares or 0.10% Total 4,247,100 shares or 1.11%



4. Mr. Lan Mu Chiou

Type of director	Non-executive director
Age	74 years
Education	High school certificate
Director training program/year	None
Experience	Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting (Did not attend the meeting) Board of Non-Executive Director Meeting (Did not attend the meeting)
Date and no. of years on the board	November 3, 1988, 34 years
CM Shareholding on 31 Dec. 2021	Private 18,886,724 shares or 4.96% Spouse 5,144,106 shares or 1.35% Total 24,030,830 shares or 6.30%



5. Mr. Amnuay Yossuck

Type of director	Independent director (Chairman of Audit Committee, Chairman of Nomination & Remuneration Committee)
Age	85 years
Education	Master of Economic (Agriculture), Arisona University, USA. Bachelor of Economics, Thammasat University
Other qualification	Honorary Doctor, Cooperative Agricultural, Maejoe University
Director training program/year	DAP-15/2004
Experience	Deputy Minister, Ministry of Public Health(1981-1983) Deputy Minister, Ministry of Finance (1983-1985) Deputy Minister, Ministry of Commerce (1985-1986) Prime Minister Adviser (1988-1990) Deputy Minister, Ministry of Foreign Affairs (1985-1986) Independent Director-Chiangmai Frozen Foods PCL., from Mar. 12, 1993-present
Positions in listed companies	None
Positions in non-listed companies	Chairman of PiriyaPol International (1986-present) President of Mae Joe University Council (1999-present)
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting 7/ 7 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	March 12,1993, 29 years
CM Shareholding on 31 Dec. 2021	667,920 shares or 0.18%



6. Mr. Ampon Ruayfupant

Type of director	Independent director (Audit Committee)
Age	53 years
Education	Master of Business-Finance, Cornell University, USA. Bachelor of Business Administration, Assumption University
Director training program/year	None
Experience	Risk Management Manager of GE Capital(1994-1996) Independent Director-Chiangmai Frozen Foods PCL., from Apr. 26, 2006-present Director-Amarin Printing PCL., from 2013-2017)
Positions in listed companies	Director-Amarin Printing PCL., from 2013-2017)
Positions in non-listed companies	Executive director of Pilot Knit Sport Wear Co., Ltd. (2000-present)
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting 6 / 7 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Corporate Governance Meeting 2 / 3 times Board of Non-Executive Director Meeting 1 /1 time
Date and no. of years on the board	April 26,2006, 16 years
CM Shareholding on 31 Dec. 2021	71,874 shares or 0.02%



7. Dr. Phusit Wonglorsaichon

Type of director	Independent director (Chairman of Corporate Governance Committee)
Age	51 years
Education	Ph.D. - Business Administration Nova South Eastern University, USA. Ph.D. - Education Chulalongkorn University, USA. Master of Business Administration (Honor) Indianapolis University. Master of Accounting, Thammasat University. Bachelor - Material Science, Ceramics Chulalongkorn University
Director training program/year	DAP 170/2020 BNCP 9/2020
Experience	Thai Chamber of Commerce.-started Sep. 28, 2012-present Independent Director-Chiangmai Frozen Foods PCL., from Apr. 30, 2010-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting 7 / 7 times Board of Corporate Governance 3 / 3 times Board of Risk Management Meeting 2 / 2 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	April 30, 2010, 12 years
CM Shareholding on 31 Dec. 2020	None



8. Miss Chutima Tangmatitham

Type of director	Independent director (Audit Committee)
Age	53 years
Education	Bachelor degree: B. Eng (Industrial), Chulalongkorn University Post-grad: MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Director training program/year	DAP.67/2007, AACP.26/2017
Experience	1990-2015: M.K. Real Estate Development PCL, Latest position: Authorized director and assistant managing director for finance and accounting
Positions in listed companies	None
Positions in non-listed companies	Authorized director: Samukkee Cement Company Limited
Positions in rival companies / related companies	None
Meeting attendance in 2021	Board of Company Meeting 7 / 7 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 2 / 2 times Board of Non-Executive Director Meeting 1 / 1 time
Date and no. of years on the board	Company Director on April 26,2016, 6 years
CM Shareholding on 31 Dec. 2021	None



Mr. Tewin Rungratanapitak

Position	Financial Controller / Company Secretary
Age	40
Education	MBA in Finance, Birmingham City University, Birmingham, UK BBA – International Business Management, Assumption University, Thailand
Training program/year	CFO in Practice (Certification Program) 7/2017 Thailand Federation of Accounting Professions ACPG-22/2015, CSP.84/2017 Level II CFA Candidate SEC Financial Advisor Licenses
Work Experiences	Chiangmai Frozen Food PCL,- Financial Controller, Jan. 2016-Present Absolute Advisory Co., Ltd.,- Manager, May 2012-June 2015 Qatar Petrochemical Thailand,- Sales Executive, June 2008-July 2010 Seabra Trans International Co., Ltd. – Sales Executive, Jan. 2005-May 2008
CM Shareholding on 31 Dec. 2021	None



Relationship of Directors and Management

Name - Surname	Position	Family relations between executive
Mr. Prayoon Pholpipattanaphong	Chairman of Board of Company Authorized Director Related Company's Director (The company invested >10%)	Brother of Mr. Prapas & Farther of Mr. Ankoon
Mr. Prapas Pholpipattanaphong	Chairman of Executive Committee Authorized Director Board of Nomination & Remuneration Committee Chairman of Risk Management Committee	Younger brother of Mr. Prayoon
Mr. Ankoon Pholpipattanaphong	Managing Director Authorized Director Marketing Manager Board of Corporate Governance Committee Board of Risk Management Committee Board of Nomination & Remuneration Committee Approved of Information of Company	Son of Mr. Prayoon
Mr. Lan, Mu-Chiou	Non-executive Director	None
Mr. Amnuay Yossuck	Independent Director Chairman of Board of Audit Committee Chairman of Nomination & Remuneration Committee	None
Mr. Ampon Ruayfupant	Independent Director Board of Audit Committee Board of Nomination & Remuneration Committee	None



	Board of Corporate Governance Committee	
Dr. Phusit Wonglorsaichon	Independent Director Chairman of Board of Corporate Governance Committee Board of Risk Management Committee	None
Miss Chutima Tangmatitham	Independent Director Board of Audit Committee Board of Nomination & Remuneration Committee	None
Miss Warissara Kangkanka	General Manager and Acting Office Manager 2	Age 54 Years Education: Diploma Holding: None, Relations: None
Mr. Tewin Rungratanapitak	Financial Controller (CFO) Company's Secretary Approved of Information of Company (TSD)	Age 39 Years Education: Bachelor of BA, International, Master of BA in Finance, Birmingham City University Holding: None, Relations: None
Mr. Thanamet Sutta	Accounting Manager (Accountant) Issued Information Board of Corporate Governance Committee Board of Risk Management Committee	Age 48 Years Education: Bachelor of Accounting, MBA Holding: None, Relations: None
Miss Piyaluk Chuaphudee	Plant Manager 1	Age 52 Years Education: Bachelor of Food Science Holding: None, Relations: None
Mr. Tummarat Charoensanti	Plant Manager 2	Age 48 Years Education: Bachelor of Mechanical Engineer, Master of Agro Industry



		Management Holding: None, Relations: None
Mr. Sairung Boontom	Agricultural Promotion Manager	Age 56 Years Education: Agricultural Education Horticulture Holding: None, Relations: None



Attachment 2

Details of Directors of Subsidiary Company Sino Thai Freeze and Dry Co., Ltd.,

1. Mr. Prayoon Pholpipattanaphong
2. Mr. Ankoon Pholpipattanaphong
3. Mr. Xiao Kek Song
4. Mr. Tewin Rungratanapitak

Attachment 3

Detail about Internal Audit

Chief of work Internal Audit
Name-Surname: Mr. Weerawat Sakulmeerit
Position: Deputy Internal Audit Manager
Age: 45 years
Education: -Bachelor Degree in accounting -CPIAT (Institute of Internal Auditors of Thailand) -IACP (Federation of Accounting Professions) -IT Audit (NSTDA)
Experience: -Vice Internal Audit Manager, Chiangmai Frozen Foods PCL., Jan.'2017-Present -Assistant Internal Audit Manager, Chiangmai Frozen Foods PCL., July'2016-Dec.'2016 -Internal Audit Manager, Eastern Technical Engineering PCL., Feb.-Jun.'2016 -Internal Audit Manager, Group Lease PCL., Jun.'2013 – Jan.'2016 -Control Supervisor, Suzuki Leasing, Apr.'2010 – May.'2013



Attachment 4

Detail about Asset for business performance

Asset for Business performance

Chiangmai Frozen Foods Public Co.,Ltd. has net assets for business operation as of 31 December 2021 as follows,

Type of assets	Type of possession	Value (Million Baht)	Burden
Land of office building, No.149/32-34 Soi Anglo Plaza, Surawongse Road, Khet Bangrak, Bangkok 54.4 Square wahs	Owner	25.6	None
Land 1 st Plant No.92 Moo 3 Chiangmai-Phrao Road, Nongjom, Sansai, Chiangmai 15 rais 36.6 Square wahs	Owner	3.1	None
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 27 rais 3 ngan 98.9 Square wahs	Owner	34.7	None
Land 2 nd Plant No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai,Chiangmai 15 rais 1 ngan 53.6 Square wahs	Owner	7.2	None
Land at Maefagmai, Sansai,Chiangmai 16 rais 108.2 Square wahs	Owner	9.6	None
Land at Maefagmai, Sansai,Chiangmai 6 rais 54.3 Square wahs	Owner	3.2	None
Land –New Cold storage No. 299/1 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai, Chiangmai 8 rais 3 ngan 97 square wahs	Owner	5.4	None
Land at Amphur Bangragum,Phitsanulok Province 154 rais 30 square wahs	Owner	15.4	None



Type of assets	Type of possession	Value (Million Baht)	Burden
Office Building, 4 Floors, 3 Units No. 149/32-34 Soi Anglo Plaza, Surawongse Road, Bangrak, Bangkok	Owner	2.1	None
1 st Plant Building No. 92 Moo 3 Chiangmai-Phrao Road, Nongjom,Sansai, Chiangmai	Owner	67	None
2 nd Plant Building No. 299 Moo 14 Chiangmai-Phrao Road, Maefagmai,Sansai,Chiangmai	Owner	24.4	None
New cold storage No. 299/1 Moo 14 Chiangmai-Phrao Road, Maefagmai, Sansai, Chiangmai	Owner	29.6	None
Machinery & Equipment	Owner	168.4	None

Sino-Thai Freeze and Dry Co., Ltd has net assets for business operation as of 31 December 2021 as follows,

Type of assets	Type of possession	Value (Million Baht)	Burden
Land for plant at Rachaburi, Huayyangtone, Paktor, Rachaburi 95 Rais, 3 Ngan, 37.6 Square wah	Owner	24.26	Mortgaged
1 st Plant Building No. 202 Moo 3, Huayyangtone, Paktor, Rachaburi	Owner	161.80	Mortgaged
Machinery & Equipment	Owner	80.97	Mortgaged



Attachment 5

Corporate Governance Policy and Code of Business Conduct

Company reveal the corporate Governance Policy and Code of Business Conduct that review by board of company at www.cmfrozen.com under topic (Investor Relation)



Attachment 6

Audit Committee Report

Can be found in annual report 2021 page 2



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