



2021 Annual Report

Form 56-1 One Report

บริษัท ซีเฟรชอินดัสตรี จำกัด (มหาชน)
Seafresh Industry Public Company Limited



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS



Mr. Narit Chia-apar
Chairman of the Board and Chief Executive Officer



Mrs. Tassanee Youngmeevithya
Director and
Deputy Chief Executive Director



Mr. Chintat Chia-apar
Director and Chief Corporate
Development Officer



Dr. Kamales Santivejkul
Independent Director and
Chairman of Audit Committee



Dr. Sorachai Bhisalbutra
Independent Director and
Member of Audit Committee



Dr. Worapong Leewattanakit
Independent Director and
Member of Audit Committee



Mr. Narongrit Chiarawongvanit
Director



Mrs. Supanee Punnasri
Independent Director



Miss Chankat Chia-apar
Director



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Message from Chairman



In 2021, it is another year that the global economic situation and Thailand's economy are in a continuous slowdown. However, compared to last year, the world economy and Thailand are recovering in a better way. The global economic growth rate (GDP) grew at 4-6% from a contraction of 3% in 2020 as many countries around the world began to relieve the lockdown situation used to control the spread of COVID-19, allowing them to resume operations in some economic activities.

The world's farmed shrimp production in 2021 increased by 15% compared to the previous year, while the shrimp production in Thailand an increase of 4 percent compared to the previous year. Thai farmers in all areas are still facing epidemic problems that are White Spot Syndrome Virus (WSSV), EMS/AHPND, and White Feces Syndrome, which affect the efficiency of rising and are the hidden cost of farmers, causing shrimp farmers to adjust improving the methods of raising to suit their own farm area.

In 2021, Seafresh has made a huge adaption, creating new strategy, including the development and improvement of the management system in order to reduce costs. However, we still adhere to the principles of good governance on the foundation of sustainability enabling business operations and competition. This year, Seafresh and its subsidiaries has total sales revenue of THB 6,766 million, an increase of 16% from 2020 and a net profit of THB 268 million, increasing of 195%, compared to the 2020, which has greatly improved performance compared to the previous year.

In terms of the situation regarding the COVID-19 virus epidemic is still severe. The Company has taken into account the safety of all employees. Therefore, over THV 3 million has been ordered for the COVID-19 vaccine to be injected to our employees, and enabling our factory produce continuously. It is also another way to help society.

In addition, the Company has been selected in the list "Thailand Sustainability Investment (THSI)" for the 7th consecutive year from the Stock Exchange of Thailand and has been assessed on corporate governance from a Thai listed company (CGR) with an excellent rating (5 stars). Furthermore, the Company has also received "Establishment with an excellent labor management system of the year 2021" in the category of large enterprises, which has only one award from the Department of Labor Protection and Welfare. This is proud of the Company and all staffs.

Finally, the Company would like to thank our shareholders, customers, business partners and employee who have always trusted and supported our operation. The Company would like to be committed to conducting business with honesty and integrity, aiming to create value for all stakeholders, responsible for operating the business for stable growth together and to create a society of sustainable coexistence.



Mr. Narit Chia-apar
Chairman of the Board of Director



Vision

“Sustainable Business Growth
Through Core Value Practices”



Mission

“The Best Shrimp
Company”

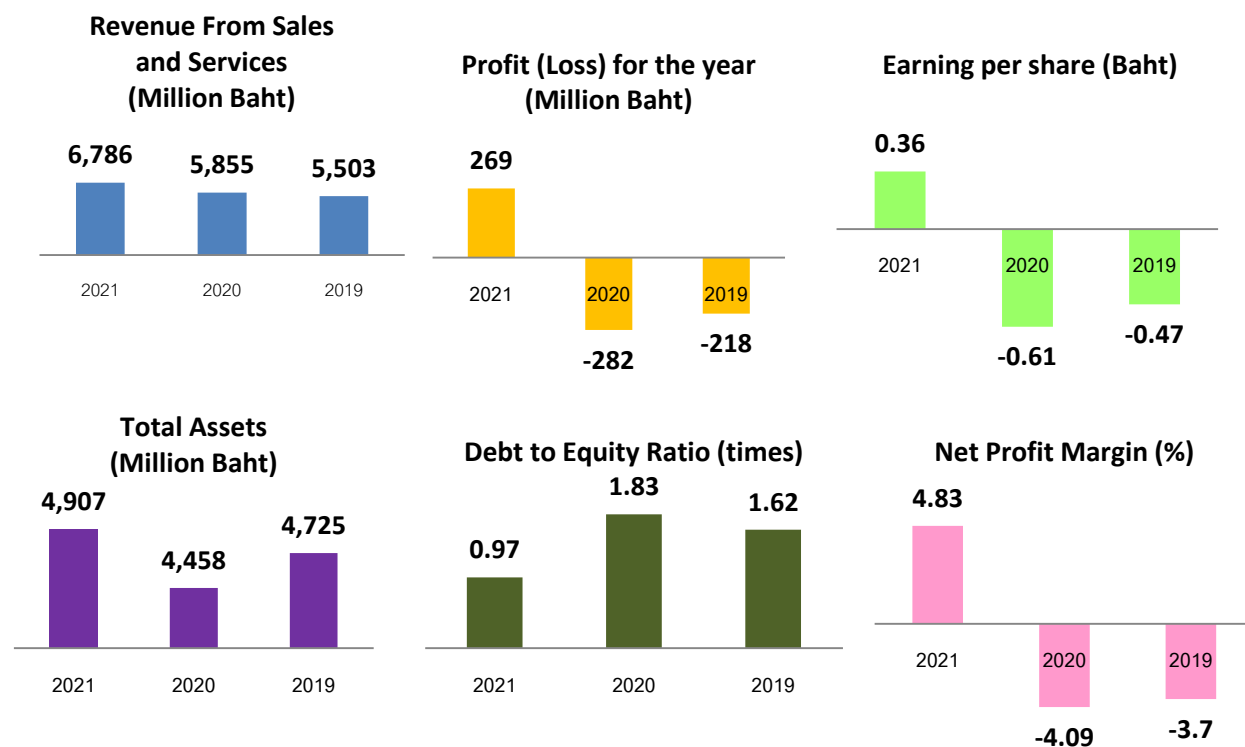


Core Values

- Social Responsibility
- Ethic & Integrity
- Transparency

Key Financial Information

Consolidated Financial Statement	2021	2020	2019
Income Statement (million baht)			
Revenue From Sales and Services	6,786	5,855	5,503
Other Income	151	17	27
Total Revenue	6,937	5,872	5,532
Earnings before Interest and Taxes	361	(118)	(82)
Profit (Loss) for the year	269	(282)	(218)
Statement of Financial Position (million baht)			
Total Assets	4,907	4,458	4,725
Total Liabilities	2,420	2,883	2,922
Total Shareholders' Equity	2,487	1,575	1,803
Shared Capital (issues and paid up)	927	464	464
Key Financial Ratio			
Current Ratio	1.32	0.92	1.29
Debt to Equity Ratio	0.97	1.83	1.62
Net Profit Margin (%)	4.83	(4.09)	(3.7)
Performance per share (baht per share)			
Earnings per share	0.36	(0.61)	(0.47)



Part 1 Business Operation and Operating Results

1. Organizational Structure and Operation of the Group of Companies

1.1 Policy and Business Overview

Seafresh Industry Public Company Limited (CFRESH) and its subsidiaries is one of the leaders in frozen shrimp products. The Company is operating business more than 40 years. We produce and distribute frozen shrimp products and other seafood products such as squid, scallops, salmon and others both domestically and internationally, covering many regions around the world, including North America, Europe, Asia, and Oceania. The operation complied with food safety management, modern technology and reliable traceability systems. We have been committed to continually improve quality system, so CFRESH has received several international standard certifications such as GMP, HACCP, ISO9001, ISO14001, ISO45001, ISO/IEC17025, BRC, BAP, ASC etc. The full capacity of production is over 30,000 tons per year with modern and standardized processes. The plant is located near large sources of raw materials.



At present, the Company established a new subsidiary to conduct aquaculture business to supply raw materials for the company to comprehensive supply chain from upstream to downstream according to emphasize sustainable business growth. The Company has expanded investment in other countries. (7 Company's subsidiaries base in United Kingdom, 2 companies in United States and 1 affiliated company in Belize) in order to increase the opportunity to expand more market share and is a strategy to increase marketing channels to more consumers. This strengthens the sales growth and operating results of the company to continue to be sustainable.



Business Policy

S – Shareholders

Safeguard the interests of shareholders by adding value to the business under the principles of good governance

U – Ultimate Results

Results-based management where all departments must achieve their undertaking target in accordance to the strategic plan and business plan

C – Customers

Satisfy the customers by producing quality products and timely delivery

C – Corporate Risk Management

Manage various business risks by generally accepted standards

E – Employees

Manage human resources with efficiency and fairness in order to enhance the good environment and quality of work life that can yield its full potential

S – Suppliers

Select vendors who have management capabilities, possess approach that is consistent with the company policy, and have willingness to strengthen relations and strategic cooperation to jointly maximize business benefits

S – Social and Environment

Conduct business with regard to social responsibility, community and strict compliance with the law and environmental regulations.



Objectives and Goals

S - Sales Turnover and Revenue Growth with Sustainability

The Company targets constantly growth in sales and revenues by focusing on fresh and safety product, which is the company's competitiveness, as well as oversea business and market expansion.

H - Homeproud of Quality and Food Safety

The Company has operated production follow the food safety principles by modern machines and technology. Also, the company has a reliable traceability system with international standards.

R - Risk Management, Social Responsibility and Corporate Governance for Sustainability

The Company accepts that emphasizes on risk management, responsibility to community, and good corporate governance will lead to corporate sustainability. Furthermore, the company also focuses in Supply Chain Management, Relationship management, and partnership with suppliers.

I - Information Technology and Innovation to Improve Business Process and Strategic Decision Making

The Company is focusing on development of information and communication technology and innovation, which are the imperative elements for the business development and strategic decision-making.

M - Margin Management through Cost per Unit Reduction

The Company emphasizes on controlling costs of sales to increase competitive pricing by reducing waste production and lead-time.

P - People and Organizational Development

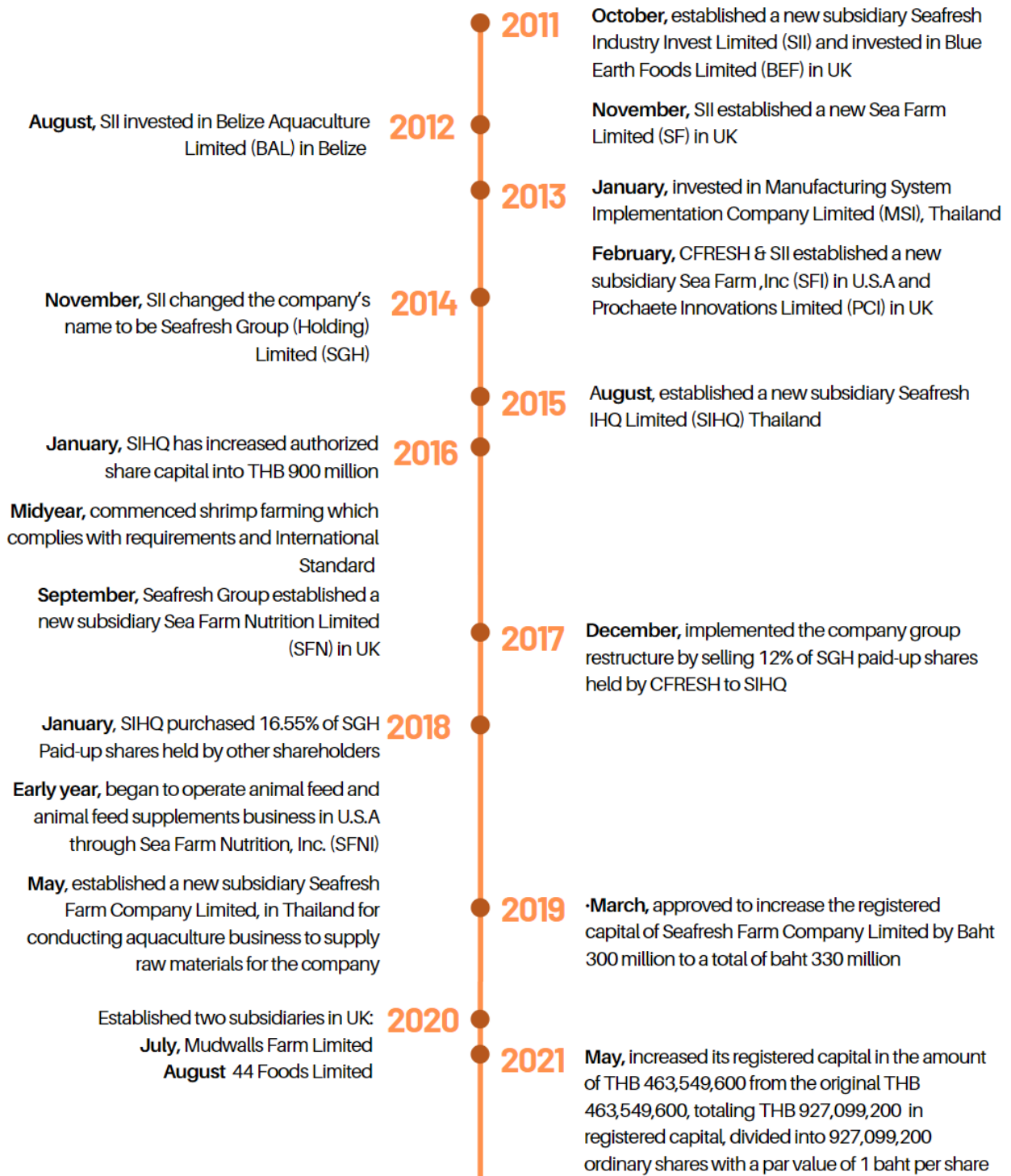
The Company highlights in human rights and strives to continuously enhance all employees' potential, good attitude in both life and work, including strong corporate culture and compliance with the Company's Code of Conduct.



Key Changes and Development



- ESTABLISHED IN 1982
- LISTED ON SET IN 1993
- REGISTERED AS PUBLIC COMPANY IN 1994
WITH A REGISTERED CAPITAL OF THB 485,694,600



Funding History and Fund Spending

(1) Unfinished fund spending details

- None -

(2) Finished fund spending details

The Purpose	Amount	Time	Detail / Progress
For using in general business operation and/or working capital and/or payment of loans and/or investment of the Company and its subsidiaries	BTH 500,000,000	5 Years	The Company has arranged for the bond repayment for both principle and interest to bondholders completely on May 27, 2021..
For repayment of debentures	BTH 462,569,600	1 Month	The Company has already repaid the debentures on May 27, 2021.

This is according to the Securities and Exchange Act B.E.2535.

The Obligation to which the Company has committed in the registration statement for securities offering and/or the approval conditions

- None -

1.2 Nature of Business

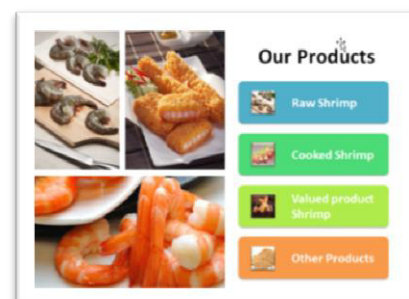
1.2.1 Product Information

Products

The 4 Group's main products of CFRESH and its subsidiaries are as follows:

- Group 1: Value added shrimp product such as breaded shrimp, tempura shrimp and sushi shrimp etc.
- Group 2: Frozen cooked Shrimp product
- Group 3: Frozen raw Shrimp product
- Group 4: Other seafood products such as squid, fish etc.

The products of CFRESH and its subsidiaries will be distributed and exported covering overseas countries under "Seafresh", "Sea Angel", "Thai Chia", "Go Go" trademark and customers' brand



1.2.2 Revenue Structure

Revenue Structure ⁽¹⁾	Operated by	2021		2020		2019	
		Million Baht	%	Million Baht	%	Million Baht	%
Value Added Shrimp	CFRESH, BEF, SFI	3,791	55.7	2,900	49.4	2,909	52.6
Frozen Cooked Shrimp	CFRESH, SF, SFI	732	10.7	1,286	21.9	715	12.9
Frozen Raw Shrimp	CFRESH, SF, SFI	1,191	17.5	736	12.5	1,040	18.8
Other seafood products and related products	CFRESH, BEF, SF, PCI, SFN, SFNI, SFF, MFL, 44Foods	1,052	15.5	914	15.6	810	14.7
Other Sales and Service	MSI, SIHQ	20	0.3	19	0.3	29	0.5
Other Incomes		21	0.3	17	0.3	29	0.5
Total		6,807	100	5,872	100	5,532	100

Noted:

(1) All revenue already deducted related transaction and excluded gains and losses on exchange rate.

Operated by

CFRESH	=	Seafresh Industry Public Company Limited	SFI	=	Sea Farms, Inc
BEF	=	Belize Aquaculture Limited	PCI	=	Prochaete Innovations Limited
SF	=	Sea Farms Limited	SFNI	=	Sea Farms Nutrition, Inc.
SFN	=	Sea Farms Nutrition Limited	MFL	=	Mudwalls Farm Limited
SFF	=	Seafresh Farms Limited	SIHQ	=	Seafresh IHQ Co., Limited
44 Foods	=	44 Foods Limited			
MSI	=	Manufacturing System Implementation Co., Limited			

Promotional Privileges

Promotional privileges by the Board of Investment

The Board of Investment under the Investment Promotion Act has granted the Company various promotional privileges. B.E.2520. Details of the promotion certificates are as follows:

Certificate No.	Certificate's Date	The Promoted Business	Date of first earning operating income
1070(2)/2557	9 January 2014	The manufacture of frozen seafood products	13 July 2019
1075(3)/2557	10 January 2014	The manufacture of semi-finished food and finished frozen food products	4 July 2019

Subject to certain imposed conditions, the privileges granted under the Company's promotion certificates include the following:

- Permission to bring foreigners who are skilled workers or experts Spouse and dependent persons of both types of persons entering the Kingdom in an amount and for a period of time to stay in the Kingdom as the Board deems appropriate
- Exemption from import duty on machinery imported for use in production, as approved by the Board
- Exemption from corporate income tax on net profits derived from promoted businesses combined not exceeding 100% of investment, excluding cost of land and working capital, for a period of 8 years from the date of earning income of that business
- Exemption from the need to include dividends from the promoted business for income tax purposes throughout the period that the promoted person is exempt from corporate income tax



- e) Permission to deduct costs of installation or construction of public utilities at the rate of twenty-five percent in addition to normal depreciation charges
- f) Permission to bring or remit money out of the Kingdom in foreign currency

Marketing and Competition

Marketing Strategies

1. Seafresh's factory is based in Chumphon. The location is near many good quality shrimp farms, so the Company can supply large quantities and high quality materials through the year and save cost of transportation.
2. The Company's major export markets are USA, Asia, European Union, Canada, and others. The Company's policy is diversify exports to each country in the right proportions for reduce the risk of dependence on a single market.
3. The Company's strategy is to retain customers with on-time delivery and honesty to clients. The Company increases customer satisfaction by meet the agreement and focus on quality of products and great services.
4. The Company focuses on shrimp products, which make company expertise in shrimp. Moreover, the Company also focuses on developing products resources with high quality and includes skill workers with expertise in the shrimp business. Therefore, the Company can run operations smoothly and efficiently.
5. The Company focuses on sustainable business with suppliers and environmentally friendly.
6. In accordance with the Company business core value which emphasizes sustainable business growth, the Company establishes own shrimp farm for the purpose of business expansion to comprehensive with supply chain. This farm is a model farm, which certified high standard and meet customers' requirements. Furthermore, the farm can be a role model to shrimp farmers for developing their farms.
7. The Company has expanded its investment overseas to increase marketing channels to be closer to consumers and strengthening the supply chain management.

Marketing Policy

Company's policy is to produce high quality and high standards with advanced technology and high performance in order to maximize customers' satisfaction. In 2021, the company got 88% Satisfaction score from the customer's satisfaction survey.

The Company has a policy of producing quality products and high standards with modern production technology and high efficiency. The Company attaches importance to investment in machinery in the production process and focus on continuous development, including having a system to inspect product quality at every step, make the company's products has been certified at the international and national **Quality and Food Safety Systems** as follows:

- ◆ **BRC Global Standard for Food Safety (BRCGS)** is an international food safety standard. A group of retailers who would like the food safety standards throughout the supply chain founded it. It established the necessary operational criteria within a food production organization to help customers ensure that products are of quality, safety, legal compliance and consumer protection.

- ◆ **Best Aquaculture Practices (BAP) Standard** is from the Global Aquaculture Alliance, which is a certification standard for seafood production systems that is required by many customers in countries around the world. The BAP standard is a seafood product certificated program that focuses on four sustainability areas: environmental, social, food safety and animal health and welfare at each step of the aquaculture production chain.
- ◆ **Aquaculture Stewardship Council (ASC) Chain of Custody Standard** is from Accreditation Services International (ASI). It is a certified factory for seafood production from sustainable cultured raw materials according to ASC standards. It can trace the origin of seafood at every step from the beginning to the end of the consumer.



- ◆ **Good Manufacturing Practice (GMP)** is according to the Codex Alimentations and the Department of Fisheries. It is a standard for good hygienic management in production that covers the content of management of fundamental factors in production that affect good hygiene in production, including food safety.
- ◆ **Hazard Analysis Critical Control Point (HACCP)** in food production is according to Codex Alimentations and the Department of Fisheries as well. A standard focuses on hazard analysis and critical control points in order to prevent and reduce potential hazards to produce food products that are safe for consumers.
- ◆ **Q-Mark** is from the Department of Fisheries, where Q refers to Quality. The meaning of this is to mark for agricultural products and food those agencies in the Ministry of Agriculture, Cooperatives use to certify the system or agricultural products, and food to demonstrate the quality of the standard as well as it is safe.
- ◆ **ISO9001** from ANSI National Accreditation Board (ANAB) is an international standard that businesses around the world attach importance for excellence in quality and efficiency of operations within the organization.
- ◆ **Halal Standard** from The Central Islamic Council of Thailand is the integration process system from beginning to end of the "chain of production". Halal is complied with Islamic law and it gets great hygienic food products with nutritional value.
- ◆ **ISO/IEC17025** from "Bureau of Laboratory Quality Standards", Ministry of Public Health is the Accreditation of Laboratory system by covering microbial and chemical analysis.

In addition to quality standards, the Company also emphasizes on a great importance to the sustainability of the organization, in terms of labor, environment and business ethics. The Company has received a certificate of Labor Standards, Occupational Health and Environment Safety both internationally and nationally as follows:

- ◆ **TLS8001:2020** is the Certificate Highest Complete Level from the Department of Labor Protection and Welfare, Ministry of Labor. The Company has a social responsibility for labor that is a systematic management and continuous improvement and working overtime not exceeding 12 hours/week.

- ◆ **ISO45001: 2018** is a standard for occupational health and safety management systems, focusing on building a culture of health and safety. This results in better employee morale and retention rates as well as making the working environment safer and healthier.
- ◆ **ISO14001: 2015** is an environmental management system standard in order to increase environmental performance within the organization and for environmental sustainability.
- ◆ **Fair Trade (USA)** is a standard that promotes the development of a sustainable fair trade system for those involved throughout the supply chain. The objective is to develop the capabilities of employees, allow employees and communities to have a good life, income development, including protecting the environment to be sustainable.
- ◆ **SMETA (The Sedex Members Ethical Trade Audit)** is a Sedex member's trade ethics audit that covers labor standards, safety and health standards, environmental management system, and business ethics.

Distribution and Distribute Channel

Most of Seafresh Industry Public Company Limited and its subsidiaries' products are sold abroad under company trademark and customers' trademark. The company deals directly with the customers who are the main retailers in each market.

Sales proportion value group by specific regions

The proportion of sales by region of the Seafresh Group in 2021 has the largest revenue share, which is Europe, Americas and Canada, Asia, Thailand, Australia and New Zealand, respectively. The main revenue is mainly from the United Kingdom.

Market Competition

Shrimp production in 2021 (based on references from the Thai Shrimp Association), the total production produced by Thailand was 280,000 tons, a 4% increase from last year. Shrimp farming in Thailand this year, farmers in all areas are still facing epidemic problems that are White Spot Syndrome Virus (WSSV), EMS/AHPND, and White Feces Syndrome, which affect the efficiency of raising and are the hidden cost of farmers, causing shrimp farmers to adjust improving the methods of raising to suit their own farm area.

In addition, the epidemic of Covid-19 has also affected Thai agriculture to be lack of confidence in shrimp farming and shrimp productivity, due to concerns about the uncertainty of shrimp consumption in the market.

In 2021, global shrimp production was approximately 4.23 million tones, a 15% increase from the previous year. The countries with the highest productivity are Ecuador, China, India and Vietnam.

As a whole of the shrimp industry in 2021, the markets in each country have large shrimp imports from Ecuador and India. Because these countries can produce, many shrimp and its prices are low compared to the products of Thailand. For this reason, it has decreased the competitiveness of Thailand's market. In addition, the HORECA customer business group was also affected by the COVID-19 epidemic, resulting in a decrease in orders from these customers. By the main competitors of Thailand, there are still India, Vietnam, Indonesia and Ecuador.

Shrimp Export during the year 2021

North American Market

US shrimp market still moving in a good direction with strong in the retail market and the restaurant continuously. These can be re-opened for service again; as a result, the company's sales grew 11% from the previous year.

As a result of the COVID-19 epidemic situation, however, entrepreneurs importing shrimp from Asia, which is a major shrimp producer, faced problems in supply chains, in terms of rising costs from transportation costs, raw material costs, including packaging costs causing importers to be pressured to increase product prices. This affected both wholesale and retail prices in the market need to be increased as the cost increases.

Asia Market

The overall consumption of shrimp has increased because the number of vaccinated people continues to increase many countries in Asia. As a result, the company's exports in 2021 increased by 8% from 2020.

Furthermore, customers are increasingly interested in frozen Vannamei because marine shrimp production is insufficient to meet the demand for consumption, including shrimp. There is a tendency to improve after the abolition of the emergency declarations.

Europe Market

The EU (EU) import volume of shrimp has continued decreased, although there is an increasing market demand. It was found that shrimp imports increased by 1.3% compared to 2020. But most of all was Ecuador's shrimp, with an increase of 23%, while Thailand's export value to the European Union decreased by 13.27 percent. The main reason of this is Thailand lose the tax competition after being disqualified from GSP (Generalized System of Preferences) since 2015. The shrimp exports to the European market have declined steadily every year. Similarly, the company's shrimp export value to the EU market dropped 13% from the previous year.

Product and Service Management

Production

Seafresh Industry Public Company Limited (CFRESH) has a plant in Chumphon province. The total capacity for the major products in 2019-2021 as follows:

Full capacity and actual capacity (include subsidiary)

	2021	2020	2019
Capacity (ton per year)	30,000	30,000	30,000
Actual capacity Chilled and frozen seafood products (ton per year)	9,556	8,930	11,342
Capacity utilization	31.85%	29.77%	37.81%
Increase (Decrease) production rate	7.01%	-21.26%	-21.51%

Production policy depends on company's sales target, which is estimated every year.

Raw Materials and Suppliers

The origins of products of the Company and its subsidiaries have come from many countries such as countries in America and Asia regions. However, the portion of origin from Thailand has been about one-third of total raw materials.

Regarding Thai shrimp products, raw material more than 99 % come from Thailand as Vannamei. Source of raw shrimp from farms covers areas in Chumphon, Surat Thani, Ranong, Prachuap Khiri Khan. All raw materials are purchased from domestic suppliers. The Company will purchase raw materials from almost 300 shrimp farmers.

Nowadays, the Company has established subsidiary companies in order to run their own aquaculture business for using as raw materials of production for the purpose of expanding business to comprehensive supply chain. In addition, this farm is the prototype farm, which certified high standard and meet customer requirements.

In 2021, Raw materials not purchase from any suppliers exceeds 30 percent of the total raw material purchase order.

Average Raw material price (Vannamei) per kilogram, 2021 (70 pieces/kg)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Price/Baht	131	139	146	143	138	139	130	119	120	128	154	174

Raw Material Situation

World farmed shrimp production amounted to 4.23 million tons, an increase of 15 percent from the previous year. Countries with the greatest increase in productivity are Ecuador, China, India and Vietnam.

Shrimp production in 2021 (based on references from the Thai Shrimp Association), the total production produced by Thailand was 280,000 tons, a 4% increase from last year. Shrimp farming in Thailand this year, farmers in all areas are still facing epidemic problems that are White Spot Syndrome Virus (WSSV), EMS/AHPND, and White Feces Syndrome, which affect the efficiency of raising and are the hidden cost of farmers. In addition, the epidemic of Covid-19 has also affected Thai agriculture to be lack of confidence in shrimp farming and shrimp productivity, due to concerns about the uncertainty of shrimp consumption in the market.

Asset used in operation

Non-Current Assets

Property, Plant and Equipment in 2021

The non-current assets that be used in the business of the company are owned by the company. This includes assets under finance lease as of December 31, 2021.

Type	Consolidate	CFRESH		Subsidiaries	
	Net Value (Million Baht)	Net Value (Million Baht)	Obligation	Net Value (Million Baht)	Obligation
1. Land	385.62	105.28	Nil	280.34	Some guarantees with financial institutions
2. Buildings	708.48	125.40	Nil	583.08	Some guarantees with financial institutions
3. Equipment	333.76	89.17	Nil	244.59	Some guarantees with financial institutions
4. Other fixed assets	144.11	12.25	Nil	131.86	Nil

For more details of assets used in business can be found at Attachment 4.

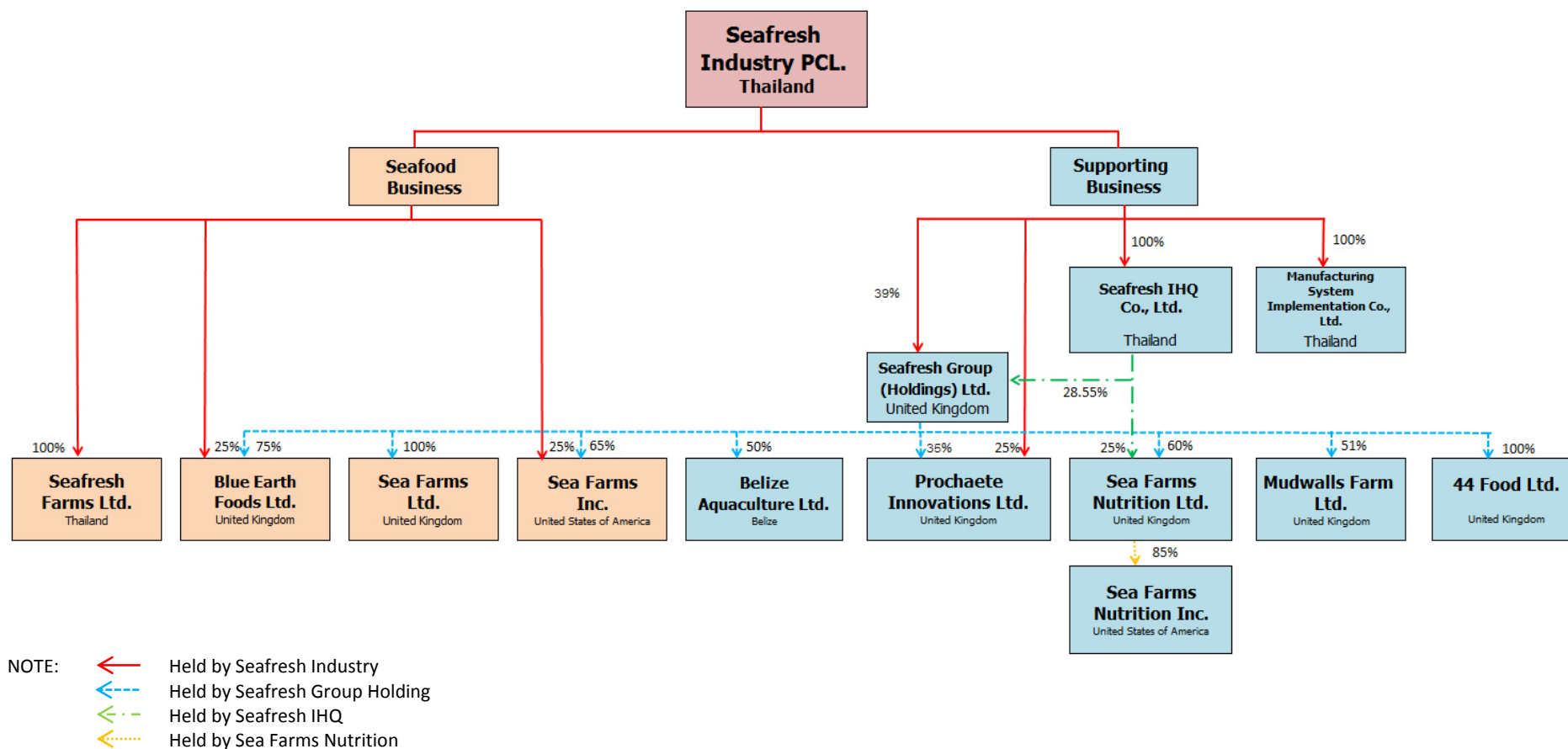
Under-Construction Projects

- None



1.3 Shareholding Structure

Shareholding Structure of the group



**Name list and percentage of shareholding by business partner**

- 1) Temchu Limited holds 32.45% of Seafresh Group (Holdings) Limited
- 2) Mike & David's Fish Company holds 10% of Sea Farms, Inc
- 3) Blue Aqua Consultancy Limited and Valemare Limited hold 40% of Prochaete Innovations Limited
- 4) The Estate of Sir Barry M. Bowen and Bowen & Bowen Limited hold 50% of Belize Aquaculture Limited, which not all business partners are related.
- 5) Valemare Limited holds 15% of Sea Farms Nutrition Limited.
- 6) George Beach and Peter Gilding & Co. Limited hold a 49% in Mudwalls Farm.

Relationship with Business Group of Major Shareholders

Company and its subsidiaries have relationship neither rely on nor complete with other businesses in major shareholder group business significantly.

Shareholders**List of top 10 major shareholders**

At the closing date of the shareholder registration book on 16 March 2022

	Name of Shareholders		No. of Shares	%
1	Chai-apar Group		400,645,400	43.215
2	Mrs.Tassanee	Youngmeevithya	212,400,000	22.910
3	Mr.Aiyawatt	Srivaddhanaprapha	40,000,000	4.315
4	Mr.Chatchai	Tungsrijarouenporn	36,378,600	3.924
5	SKANDINAVISKA ENSKILDA BANKEN AB		20,302,600	2.190
6	Thai NVDR Company Limited		10,395,043	1.121
7	Mr.Chalernpol	Khonjam	9,814,100	1.059
8	Mrs.Aranya	Thopanich	4,000,000	0.431
9	Mrs.Panpilai	Supanroj	3,333,000	0.360
10	Mrs.Somsrong	Jirapattanakul	3,076,000	0.332

Remarks: Chia-apar Group consists of:

1. Mr. Narit Chia-apar
2. Mr. Chintat Chia-apar
3. Miss Chankate Chia-apar

Related persons consist:

1. Mrs. Tassanee Youngmeevithya
2. Mr. Narongrit Chiarawongvanit

Shareholders able to visit website for updating information via <http://www.seafresh.com/investor> before the Annual General Meeting of Shareholders date.

Major Shareholders' Agreement

- None



1.4 Registered Capital and Paid-up Capital

The company has a registered capital with the Stock Exchange of Thailand, 927,099,200 baht and as of December 31, 2021, the paid-up capital is 927,099,200 baht, 927,099,200 ordinary shares at a par value of 1 baht per share.

1.5 Another Securities Issuance

Debentures of Seafresh Industry Public Company Limited No. 1/2016 Due date at 2021

Bond Type	Issuing Amount (units)	Face Value per Unit (Baht)	Issue Date	Maturity Date	Interest (%)
Name-Registered certificate of unsecured and unsubordinated debentures without debenture holders' representative	500,000	1,000	May 27, 2016	May 27, 2021 (5 years)	4.30% Fixed rate per annum (Semi-annually on Interest Payment Date)

1.6 Dividend Payment Policy

The dividend payment policy is not less than 40% of net income after corporate income taxes and all types of reserved fund as required by law. Nevertheless, the dividend payment policy may change, depending on performance, cash flow, investment plan, and economic outlook. Moreover, the Board of Directors' resolution approving dividend payment shall be proposed for final approval with shareholders' meeting.

The subsidiary company's policy is to make dividend payment of no less than 50% of the net profit after tax to the shareholders of the subsidiary company. Nevertheless, the dividend payment policy may change, depending on performance, cash flow, investment plan, and economic outlook. Moreover, dividend payment shall be proposed for final approval with subsidiary's shareholder meeting.

2. Risk Management

2.1 Risk management Policy and Plan

The Company has carried out risk management as stipulated in the policy at both the corporate and operational level in the past year. It covers a wide range of risks such as strategy, operational, finance, compliance, anti-corruption and aspects that may cause business interruption. These may affect the achievement of the objectives of the Company and other departments. These include risks related to environmental, society, governance and emerging risks that may affect the sustainability of the Company.

In the operation of corporate risk management, the Company has appointed the Risk Management Committee to be responsible for formulating guidelines for risk management in accordance with international principles. In addition, the Committee would supervise and monitor risk management in accordance with the policies and guidelines effectively, including reviewing the appropriateness of risk management and continual improvement in line with the mission, goals and environment of the Company.

For executives and employees at all level, they are responsible to manage risks at both the corporate and operational levels that are under their responsibility or as assigned, including reporting on the results of operations in accordance with the format and timeframe as specified by the Risk Management Committee.

2.2 Risk Factors on Business Operation

The various risk factors as the following report, was assessed as being important at the organizational level that may affect the business or the future performance of the Company. These risks are managed in different ways as appropriate and sufficient until the risk level is accepted to the organization in all items. In addition to the risks described below, there may still be additional risks that are not currently known or that the Company seen as insignificant at present.

1. Strategic Risks

1.1) Market Competition

Most of the Company's income from the export of frozen shrimp which has to compete with many other exporters especially entrepreneurs from the world's largest shrimp farming countries which is capable of cultivating shrimp that produces several times more yields than Thailand and has a lower unit cost. Even in the past year, these countries still faced the epidemic of the Covid-19; however, the overall production volume has increased. Importing countries therefore have a variety of options to choose from in terms of quantity and price. The ability of a major exporting country is a risk that affects the Company's main source of income.

Risk Management

The Company uses its competitive advantages strategy in various fields in line with the Company's sustainability guidelines in order to create and maintain a niche market as follows:

- Accredited to international standards in a variety of dimensions in production, food safety, environmental management, labor practice traceability in the supply chain and fair

- Emphasis on the selection of shrimp raw materials with good quality and freshness
- The Company invested in new machineries in the past year that significantly increased production efficiency, reduces damage in the production process, and reduces dependence on workers
- The Company reduces export risks by continuously expanding the domestic market

1.2) Overseas Investment

Over 10 years of business expansion in foreign countries has been creating business growth for sustainability in accordance with the Company's objectives. Overseas operations would be able to generate significant income and returns to the Company but at the same time, it may cause property damage performance and the reputation of the company if managed improperly and concisely enough.

Risk Management

- Set up a subcommittee to closely review the operations of companies
- Having an information system and enterprise resource planning system that links the Company and its overseas subsidiaries, enabling quick access and review information
- Holding a meeting between senior executives of the Company and its subsidiaries
- Having experts consultants to verify that the subsidiaries perform to expectations and comply with relevant laws

2. Operational Risk

2.1) Fluctuation of raw material price and quantity

Shrimp raw materials are the main cost of frozen shrimp products. Although the total shrimp raw material quantity in Thailand in 2021 is close to the previous year's quantity; however, the quantity and price of raw materials fluctuate throughout the year due to factors. This fluctuation is a risk to the expected operating results if the Company is unable to manage sales, raw material procurement, production and delivery are consistent in each activity.

Risk Management

The Company uses guidelines to increase opportunities and reduce the impact of risks as follows:

- Monitoring and forecasting the daily shrimp raw material prices and quantities from various sources
- Building inventories of raw materials for use in production to deliver to customers during the off season of raw materials
- Accessing and purchasing raw materials directly from farmers in a wide area around our factory by our own staff teams

2.2) Geographical concentration of customers

Although the Company has main trading partners spread in many countries around the world but the Group's largest source of income is still from the United Kingdom. Reliance on the United Kingdom is therefore a risk that may affect the Company's performance that is not underestimated even though it is a country with strong stability.

Risk Management

- Expanding the proportion of exports from Thailand to various countries outside the European Union
- Continually expanding the domestic market

2.3) Cyber Security

Cyber threat is more forms that are sophisticated and methods have been developed. In the previous year, cybercriminals are taking advantage of the increasing number of remote users during the COVID-19 pandemic in targeted attacks that focus on the organization and its infrastructure. This risk would be able to cause significant damage if the company is targeted.

Risk Management

- Having a screening system for alerting e-mails that are randomly vulnerable to security, with modern standardized firewall and anti-virus software
- Continuously communicating knowledge to users of the system, it includes guidelines and procedures for protecting sensitive information on personal and company devices
- Establishing an emergency backup computer system that would be able to recover immediately

2.4) COVID-19 epidemic

The 2021 is being another challenging year from the COVID-19 epidemic situation that fluctuates in many aspects such as the rise of virus strains, access and choice of vaccines, lock down the country, the number of infected people in various waves, and the healthcare system. All mentioned are risks that affect the operations and stakeholders of the Company.

Risk Management

The Company has taken various actions in order to be able to operate the business continuously such as

- Closely monitor information from relevant government agencies and assess the potential impact on the Company to prepare for prevention and correction to keep up with the incident
- Implement government measures and standards as a guideline for proper operation
- Appoint a special task force to manage emergencies and communicate to employees and stakeholders
- Set up a system and allocate equipment and tools so that employees would be able to work from home or residence or outside the Company to ensure continuity of business operations

3. Financial Risk**3.1) Fluctuation of Currency Exchange Rate**

The exchange rate of BTH to US dollars depreciated from the beginning of 2021 until the end of the year, more than 4 baht/dollar. Although the depreciation of BTH will benefit for the export that is the Company's main income, it was negative for the import of machinery that use for improving production. Fluctuating exchange rates is therefore a risk that may affect the Company's revenues and expenditures if the management is not good enough.

Risk Management

- Using the derivative financial instruments as appropriate at each specific period such as forward foreign exchange contracts, this may be used for hedging against exchange rate risk from trading transactions without a profit-making policy
- Managing income and expenses in foreign currencies to be in the same currency by hedging in order to reduce the impact of exchange rate fluctuations

3.2) Fluctuation of Interest Rate

In 2021, there was no interest volatility, which is a risk to higher interest burden or lower interest income from the forecast while the Company would manage to prevent and reduce the impact of risks that may occur in accordance with the established guidelines at all times.

Risk Management

- Monitoring the money market and interest rate trends closely to determine appropriate financial instruments
- Setting goals to maintain financial ratios such as debt to equity ratio, liquidity ratio to be at an appropriate level
- Reduce the burden of loan

4. Compliance Risks**4.1) Food safety regulation compliance**

Countries around the world keep their food safety regulations up to date. This is to protect consumers in their country from foodborne illness and death. The Company is involved in keeping their food products safe, good quality and suitable for human consumption. It is also important to ensure that the food safety regulations of Thailand and the strict enforcement of standards and regulations of all importing countries are observed.

Failure to comply with important requirements may lead to the production and handling of food that is unsafe or unsuitable for consumption. In addition to the risk of harm to consumers, the company may also be suspended from exporting products to the importing country.

Risk Management

- Accredited to international standards in production and food safety
- Follow the changes in laws and regulations regularly by deploying a tracking system to notify new or revised regulations to relevant parties

4.2) Trade Measures of Importing Countries

Trade measures of frozen shrimp importing countries are both in the form of tariffs and non-tariffs. Some measures hinder Thailand's frozen shrimp exports, for example: IUU: Illegal, Unreported and Unregulated, Anti-dumping duty of the United States on frozen shrimp, Trafficking in Persons Report of the United States or even screening measure for COVID-19 in frozen shrimp products. These measures pose a risk to export opportunities and causing damage from fines or administrative fees.

Risk Management

- Accredited to international standards in many dimensions in production, food safety, environmental management, labor practice, traceability in the supply chain, and fair trade

- Distribute the export products to many countries, including expanding the market in Thailand
- Closely assess the trade information of importing countries
- Collaborate and support independent organizations and institutions that help reducing the risk of human trafficking in Thailand, and support the company in recruiting and managing labor appropriately and ethically

5. Risk related to Environment, Social and Governance (ESG)

5.1) Climate Change

The climate of the world including Thailand is still to deteriorate. The most obvious influence is temperature and sea level rise and natural disasters such as severe droughts and floods, among others. These changes can affect the continuity of the supply chain, procurement of raw materials, production and delivery of the Company's products.

Risk Management

- Accredited with international environmental management standard ISO14001
- Set target to reduce greenhouse gas emissions
- Reused treated wastewater by using Reverse Osmosis (RO) System, this can reduce the risk of water scarcity, the impact on the community in the use of tap water resources, and water pollution.

5.2) Human Rights

The Company operates a business that involves a wide range of people and has a large number of supervised employees. Recognition and respect of the human rights of all stakeholders is essential to the smoothness of our operations. Violation of human rights in any form or basis, this could lead to conflicts, lawsuits, or trade restrictions.

Risk Management

- Accredited to standards related to labor practices
- Creating the knowledge and understanding of human rights through various policies and manuals, this includes training such as human rights policy, Labor Standards Policy, Social Responsibility Policy, Good corporate governance policy, and Employee Code of Conduct
- Requiring all suppliers and subcontractors in the supply chain to commit to complying with the company Supplier Guide Principles, which include the non-use child or force labor, among other standard expectations based on international agreement

5.3) Shareholders' Investment Risk

Chia-apar group and related parties hold 66.25 percent of company's total paid up shares. If such shareholders vote against or abstain in the agenda that other, shareholders cast their votes against. This may affect any agenda that the law requires a vote of not less than three-fourths of the number of shareholders entitled to vote at such shareholders' meeting did not pass a resolution.

Risk Management

The Board of Directors is responsible for ensuring, which shareholders are treated and protect fundamental rights equally. The Board of Directors has to consider and give approval before any major undertaking, regardless of whether or not a resolution is required from the shareholders' meeting. In addition, the Board of Directors also

consists of 4 independent directors out of a total of 9 directors, all of which are qualified according to regulations. Therefore, the rights and interests of ordinary shareholders are protected as the board of directors is independent and not dominated by the group of major shareholders.

6. Emerging Risk

The growing demand for sustainability product standards

Addition to basic food safety standards, suppliers are increasingly focusing on and demanding products that comply with environmental, labor and social standards. This trend is a business opportunity because the Company certified to various standards in these areas already. However, this trend poses a risk of sourcing sufficient raw materials to meet demand and on-time delivery.

Risk Management

- Accredited to standards related to environmental management, labor practice, traceability in the supply chain and fair trade
- Manage the shrimp farms in the Company's group to maintain international standards accreditation from ASC and Fairtrade in order to be a source of supplementary raw materials that meet high standards directly to the Company
- Strengthen the network of farmers who are certified with BAP standards.

3. **Business Sustainability Development**

3.1 Policy and Objectives of Sustainable Management

The Company is a manufacturer of frozen shrimp who are committed to operating with responsibility for various impacts arising from business operations both inside and outside. The Company, therefore, has established a social responsibility policy in order to reflect the intention and determination to drive business Taking into account both environmental and social issues encompassing respect for human rights and good corporate governance as well.

In 2021, the Company reviewed and scrutinized 7 of the 17 United Nations Sustainable Development Goals (SDGs) including:

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 6: Ensure access to water and sanitation for all

Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all

Goal 12: Ensure sustainable consumption and production patterns

Goal 13: Take urgent action to combat climate change and its impacts

Goal 14: Conserve and sustainably use the oceans, seas and marine resources

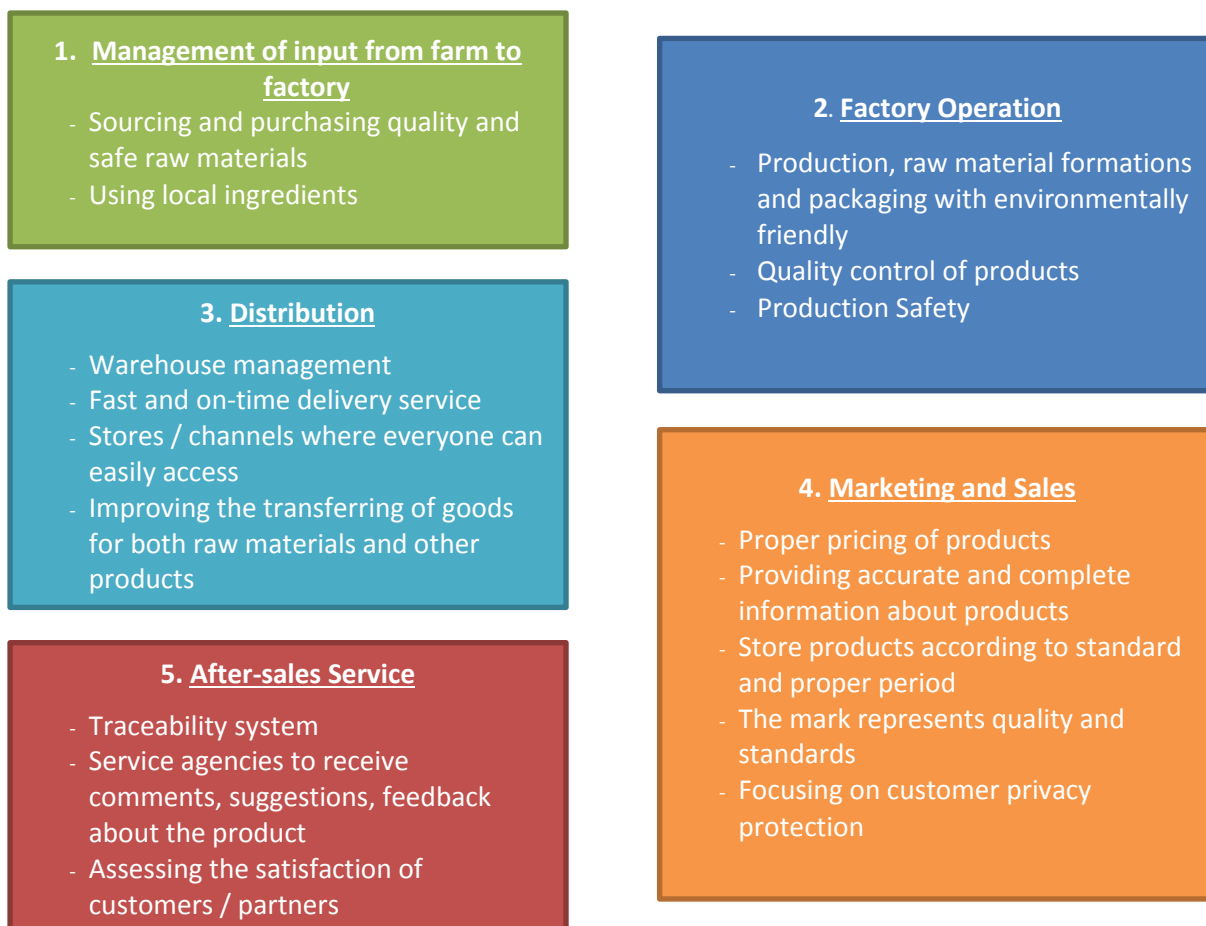
Goal 16: Promote just, peaceful and inclusive societies

Therefore, this has linked the Sustainable Development Goals (SDGs) with operational strategies for sustainable development. Details can be found in the Sustainability Report 2021 under the Company's Sustainable Development Goals page 13, which can be downloaded from the link: http://www.seafresh.com/investor/sr_th.asp.

3.2 Management of Impacts on Stakeholders in the business value chain

3.2.1 Business Value Chain

The Company is committed to creating value for the products therefore adopted the principles of sustainable development risk management to define guidelines for value chain management. In order to meet the expectations of stakeholders in activities related to upstream to downstream business operations. In 2021, the Company conducted a business value chain analysis in key activities as follows:



The management of the Company's value chain starts from selecting, procuring and purchasing of safe quality raw materials. Because the company is located near an area with a large number of quality shrimp farms so the company can supply high quality raw materials large quantities throughout the year. For the factory operation, the Company has production raw material processing and the selection of environmentally friendly packaging. The Company is also committed to producing food according to its safety management system in order to control what is dangerous to food safety. In addition, the Company also encourages employees of all levels to be aware of safety in all production processes and to participate in the safety management system.

For managing distribution, the Company has a fast and on-time delivery system to meet customer needs. The Company transports to our retail stores. In addition, online sales channels have been added so that everyone can access them easily, conveniently and quickly.

In terms of marketing and sales, the Company has set the price appropriately. The expiration date is clearly set and there is a mark on the packaging to demonstrate the quality and standards.

For after-sales service, the Company has a traceability system through cooperation between the Company and supplier. This makes it possible to check back products up to the management of the pond. This system can build confidence for customers as well. This is because the source information of the shrimp can be clearly informed. In addition, the Company has a complaint agency or any suggestions from customers, including customer satisfaction surveys every year In order to improve the quality of the products.

3.2.2 Analysis of Stakeholders in the Business Value Chain

The company assigned the Strategic planning and Risk Management department to work with the top management of all departments to identify material issues for sustainability development. Process of Sustainable Analysis as follows:

- **Stakeholder Identification**

In 2021, the Company has identified relevant stakeholders from activities, products and services both internally and externally. The Company's key stakeholders are divided into 8 groups including shareholders, employees, society and communities, customers, subcontractors raw material suppliers, government and financial institutions

- **Progress with Stakeholders**

Due to being one of the leaders in frozen shrimp production for more than 40 years, The Company is selling its products to all regions around the world. The Company is managed with transparency and accountability with a two-way communication process between the organization and its stakeholders. This is in order to consider the importance and continually monitor and evaluate the results of corporate governance.

In 2021, the Company analyzed the impact caused by the company to the stakeholders and the impact caused by stakeholders to the company through engagement with each stakeholder group to be aware of the expectations of stakeholders.

When knowing the expectations of each group of stakeholders for the company, the Company has identified guidelines to meet the expectations of each group of stakeholders. For the reflection of the cooperation and mutual value creation between the company and its stakeholders to reduce the risk and create added value for the company. For more details of the expectations and responses of each stakeholder group can be found in the Sustainability Report 2021 under the topic “Material Issues and Strategies”

3.3 Management of Environmental Sustainability

3.3.1 Environmental Policy and Guidelines

Environmental Management Policy

The Company sets up the policies which emphasis on environment and society in order to preserve the ecosystem in the community. The company controls the effects of disposal transmit through environment by using process and material waste control for instance all the waste from production is introduced into wastewater treatment system and this program is under the supervise of Provincial Industry Office. The company has achieved ISO 9001 on quality management system and ISO 14001 on environmental management system.

The Company has published the environmental management policy on the company's website: <http://www.seafresh.com/investor/corp.asp>

Energy policy

The Company places importance on energy conservation and it is the responsibility of all employees to collaborate on energy management continuously. Additionally, many countries around the world including Thailand are facing the problem of shortage energy which considered as a major problem affecting the economy, people's living including company staff.

Thus, the Company has set out the following energy conservation policy to be guideline of energy operations and to promote energy efficiency as follows:

1. The Company will operate and develop an energy management system appropriate to the energy consumption. Energy conservation is a part of the Company's operations and is in line with other laws and regulations related to energy conservation and energy management.
2. The Company will continue to improve its energy efficiency and performance suitably with technology used and good procedure.
3. The Company will set policies, objectives, plans and targets for energy conservation in energy management together with yearly review and communicate to all employees to understand and perform correctly.
4. The Company will provide the necessary support including human resources, budget, working hours, training and participation in presenting ideas for energy development.
5. The Company will support the design, procurement, supply of machinery, equipment and production equipment and other needed services to improve on energy efficiency.
6. Energy conservation is a responsibility of the Company's directors, executives and employees. All levels will cooperate in implementing the measures and the Personnel Responsible for Energy (PRE) will monitor and report to the energy management team.

3.3.2 Environmental Operating Results

Energy Management

Each year, the Company has set a target to reduce energy consumption by 3% compared to the previous year. In the past year, it is considered that the Company has been successful in achieving its goals. This can reduce energy consumption by up to 14% compared to the previous year. In addition, the Company continues to focus on saving energy and resources in many forms through projects such as

- The Company has set up a Solar Roof installation project for factory use in order to generate electricity from solar energy
- Other energy conservation such as machinery improvements to reduce energy consumption
- The Company continues to develop machinery continuously to reduce energy consumption in product production or various working processes regularly

Water Management

In terms of the use of the Company's water resources, the Company aims to reduce water usage by 3% compared to the previous year. In 2021, the Company's total water consumption was 489,888 cubic meters, a decrease of 68,950 cubic meters from 2020, or accounted for 12%, of which approximately 45% is tap water and the other 55% is circulating treated wastewater for reuse by Reverse Osmosis System, resulting in this year the company has 244 cubic meters of effluent per day.

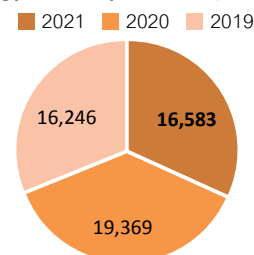
Waste and Pollution Management

Regarding pollution from production processes in the form of waste, air pollution and wastewater, the Company has a process to monitor the performance and install a wastewater treatment system by being under the supervision of the Provincial Industrial Office according to the law and has a management system, which conforms to standards and being continually developed. In addition, the Company has expenses in controlling the wastewater treatment system in 2021 for approximately 258,054 baht. Furthermore, in the previous year there were no complaints about wastewater odor both inside and outside our factory.

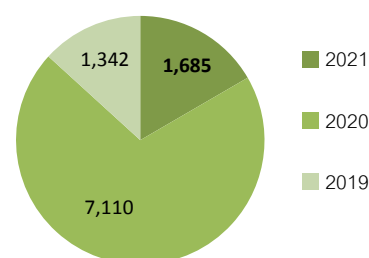
In terms of hazardous waste in 2021, the Company has a total amount of 1.13 tons, most of which were waste and used gloves. However, the Company sent all to a third party who has a legal license in accordance with ISO14001.

Moreover, the Company has environmental quality measurement at least once a year in the office, factory, and surrounding establishments. In 2021, it was found that the air quality standard, odor, and opacity value are in the normal range as required by law. As well as there is no hazardous substances were found leaking from business operations.

Energy Consumption Rate(MJ/ton)







Water Consumption (cubic meter/day)



Greenhouse Gas Management

Greenhouse Gas Emission

(tonCO₂e)

 SCOPE 1 Emissions (Direct)	2021	=	3,783
	2022	=	3,755
	2019	=	995
 SCOPE 2 Emissions (Indirect)	2021	=	7,967
	2020	=	8,691
	2019	=	9,594
 SCOPE 1 Emissions (Direct)	+		
 SCOPE 2 Emissions (Indirect)			
	2021	=	12,881
	2020	=	14,306
	2019	=	11,602

The Company focuses on the management of reducing greenhouse gas problems direct and indirect, emitted by the Company's own operation

In 2021, the emission rate for the reporting scope is 12,881 tonCO₂e, which is the rate of greenhouse gas emissions emitted by the company's factories in Thailand.

Although, in the past year, the Company has only collect data on the amount of greenhouse gas emitted by Seafresh plant in Thailand as well as there has been no verifier on the organization's carbon footprint as require by SEC. However, the Company is committed to reduce the environmental impact of its own greenhouse gas emission.

3.4 Social Sustainability Management

3.4.1 Social Policy and Guidelines

The Company is committed to operating its business under good corporate governance and ethical principles, along with real social responsibility and awareness, taking into account all stakeholders both inside and outside the organization. From shareholders, employees, customers, communities, as well as broad society, in order to lead to sustainable business development, the company has established a social responsibility policy published on the company's website. (<http://www.seafresh.com/investor/corp.asp>)

Additionally, the Company has focused on the importance and respect for human rights. It is a fundamental right that all human beings have equal human dignity, covering to stakeholders or related persons or relationships with the organization. The Company has established a human rights policy with a focus on labor practices, including employment compensation, promotion, training and development. These are without discriminating gender, age, educational institution, race and religion, as well as supporting employment for disadvantaged groups such as the disabled, the elderly, the pardon, to create opportunities to create stable occupations and income and more importantly, to make all employees and personnel feel connected and belong to the organization.

The Company has published the Human Rights Policy and Labor Standards Policy on the Company's website.

Link: <http://www.seafresh.com/investor/corp.asp>

In terms of society and communities in the vicinity, the Company has emphasized on creating the sustainability of the business along with the sustainability of the community by operating the business through the Creating Shared Value (CSV) principle, which is a business practice guideline. This emphasizes on the creation of economic value for business and society at the same time for the success of long term. From the survey and analysis of the area, found that in the vicinity of factories in Chumphon Province, the majority of the population work in agriculture and

fisheries. The company has therefore proceeded to participate with the community to create common values.

3.4.2 Social Operating Results

Employee

The Company adheres to the principles of human rights from employment to taking care of employees and personnel. In order to make all employees and personnel feel bonded as a family with the Company. In 2021, the Company has the following important employee actions:

(1) Compensation and other benefits

Apart from salary, wages, allowances, bonuses and provident funds, the Company also offers other benefits such as health insurance, accident insurance, employee dormitories, etc. In addition, the Company takes into account the subsistence of employees and their families both before and after retirement by providing retirement gratuity organize, personal finance management training to create financial discipline and prepare for retirement and encourage daily employees to work with the company for the long term.

(2) Training

The Company is committed to continuously enhancing the competence of employees at all levels. In the year 2021, the Company has provided an average of 6 hours of internal and external staff training per person according to 5 goals as follows:

1. To compliance with the law
2. To develop knowledge and create a food safety culture
3. To promote the management of the standard system
4. To enhance the competence of employees
5. To develop the organization

(3) Safety, Occupational Health, and Working Environment



The Company has a policy and manages the safety, occupational health and working environment effectively and complying with the legal requirements and work safety standards according to the ISO45001 "Occupational Health and Safety Management System"

In the previous year, the Company has provided Sinofarm vaccine to inject to all employees of the Company, which is a vaccine that the company has paid expenses as welfare for employees in order to build confidence for employees, partners and those involved. In addition, it is considered as a part of alleviating the burden on the government sector and medical personnel who are working hard continuously in the past.



Furthermore, the Company encourages employees to be aware of safety at work by providing knowledge training, training and activities continually. In 2021, the Company has the frequency of accidents (Frequency Rate: FR) equal 0.58 time/million working hours.

(4) Employee Engagement

The Company is committed to managing the quality of work life to achieve balance also need to solve the problem from the root cause, truly understand and reach out to employees, including the management of feelings of employees. Therefore, the Company has organized a training course "Good Labour Practice & Business Ethics" for the head of the unit to the division manager, held in December 2021. This training was for employees at the supervisory level, having guidelines for good labor care in accordance with GLP standards and Thai labor standards. Moreover, this training was to develop relationships between employees at operational and supervisory levels, as well as to have ties in working solidarity, to make employees trust the organization. This is able to reflect the problem to the organization to work together in order to solve the problem. This will result in all employees having a good quality of life at work.

Customers

The Company focuses on food production processes that are quality, safe and meet customer needs, including handling quality complaints from customers. The Company has a sales policy that the customers would be the most satisfied. Therefore, the Company has determined that customer satisfaction is the main measure of the company's operations in order to develop and improve the quality of products and services for the better. In the year 2021, the Company received an 88% satisfaction score from customers.

Social and Community

The Company operates its business with responsibility towards the community and society by focusing on reducing the environmental impact and avoiding any activities that may adversely affect the quality of life of the communities surrounding the establishment. In addition, the Company is also involved in improving the quality of life and promoting participation with the community. In 2021, the Company had activities with Chumphon Provincial Public Health Office, organizing an online lecture about concerning the control system for the spread of corona virus infection 2019 (COVID-19) in the factory. Moreover, there are also activities with local people in doing public benefits for the surrounding communities, such as painting the walls around Ban Hua Thanon School, revamping the fishpond, etc.

4. Management Discussion and Analysis: MD&A

1) Overview

This year is a year of outstanding performance than the previous year with higher sales and profit margins of Seafresh Industry Public Company Limited and its subsidiaries (“Group”).

Sales of the year 2021 of the Company (“CFRESH”) were at THB 1,974.55 million, an increase of THB 135.92 million or 7.39% compared to the previous year. While the group's sales were at THB 6,766.16 million, an increase of THB 930.44 million baht or 15.94% compared to the previous year. Due to the sales of Value Added Shrimp increased in all market segments including the expansion of the domestic market.

From the separate financial statements, the company reported net profit of THB 178.97 million, compared to the previous year which reported net loss THB 308.16 million. In terms of the consolidated financial statements, the company reported net profit attributable to the company of THB 268.58 million, compared to the previous year, which reported net loss of THB 282.42 million due to the following reasons:

1. The Group's gross margin increased from 8.22% to 13.71% due to the continuous improvement in production efficiency resulting in better cost management.
2. The Group had a gain on exchange rate of THB 100.25 million, compared with the same period of the previous year with a loss on exchange rate of THB 22.27 million. As well as it had gain on fair value adjustment of THB 29.63 million, compared with the same period of the previous year with a loss on fair value adjustment of THB 25.48 million due to the depreciation of Thai Baht against US dollar.

Total Revenue

The main revenue of the Group is segmented from Frozen Raw Shrimp, Frozen Cooked Shrimp, Value Added Shrimp such as Sushi, Breaded Shrimp, Battered Shrimp, Shrimp Sausage, Shrimp Ball, vegetables and fruits, which are sold through overseas subsidiaries directly and under the Group's trademark and customers' trademarks. Those are importers, wholesalers, retailers and re-processors in the European Community, Japan, USA, Canada, Australia and Asia.

In year 2021, the revenue of the Company's and its subsidiaries amounted to THB 6,936.89 million, an increase of THB 1,065 million, representing an increase of 18.14% compared to the previous year. Due to the increase of sales in Value Added Shrimp in all market segments, the expansion of the domestic market and the gain from exchange rate.

Cost of Sales and Services

In year 2021, the Group had cost of sales and services equal to THB 5,847.21 million, an increase of THB 480.28 million or 8.95%, compared to the previous due to an increase of sales, better cost management, and the depreciation of Thai baht against the US dollar.

Operating Cost

Operating costs consists of selling expenses and administrative expenses. For the year of 2021, the Group had selling and administrative expenses for THB 651.02 million, an increase of THB 76.19 million or 13.25%, compared with the previous year. Therefore, the selling and administrative expenses accounted for 9.38% of total income.

Financial Cost

The financial cost of the Group in year 2021 amounted THB 77.90 million, a decrease of THB 10.74 million or 12.11%, compared to the previous year. There was the repayment of long-term loans and debentures during the year 2020 and 2021.

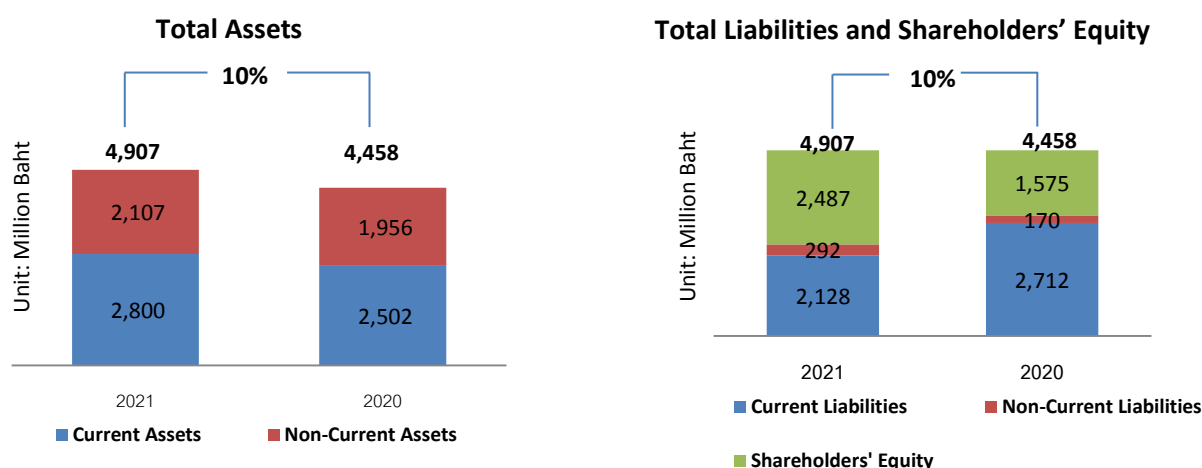
Income Tax Expenses

In 2020 and 2021, income tax expenses were THB 25.82 million and THB 34.02 million, respectively, a decrease of THB 8.19 million or 24.09%, compared to the previous year.

Net Profit (Loss) and Earnings (Loss) per Share

In year 2021, the Group had net profit attributable to the Company equal to THB 268.58 million, representing earnings per share for the year at THB 0.36 per share. While the same period of the previous year, the Group had net loss attributable to the Company equal to THB 282.42 million, accounting for the loss per share for the year was THB 0.61 per share

2) Analysis of Statement of Financial Position



Assets

As of December 31, 2021, the Group's total assets were THB 4,907.21 million, an increase of THB 449.15 million or 10.08% from THB 4,458.06 million at the end of 2020, mainly due to;

- **Cash and Cash Equivalents**

The Group's cash and cash equivalents as of December 31, 2021 and 2020 were THB 36.91 million and THB 33.22 million respectively, an increase of THB 3.69 million.

- **Net Trade and others Account Receivable**

The Group's net trade and other receivables as at December 31, 2021 and 2020 were THB 935.15 million and THB 868.82 million respectively, an increase of THB 66.33 million.

- **Net Inventories**

The Group has net inventories as of December 31, 2021 and 2020, equal to THB 1,697.94 million and THB 1,515.06 million respectively, an increase of THB 182.88 million.

- **Net Property, Plant and Equipment**

The Group has land, plant and equipment as at December 31, 2021 and 2020, equal to THB 1,571.97 million and THB 1,511.23 million respectively, an increase of THB 60.74 million, mainly from the purchase of machinery for improving and increasing the efficiency in production.

Liabilities

Total liabilities of the group as of December 31, 2021 and 2020 were at THB 2,420.26 million and THB 2,882.82 million respectively, a decrease of THB 462.56 million or 16.05% consisting of current liabilities of THB 2,127.88 million, a decrease of THB 584.55 million baht and non-current liabilities THB 2,712.43 million, an increase of THB 121.98 million.

Major of liabilities consist of short-term loans from financial institutions, from related parties, long-term loans from financial institutions, and trade and other account payable.

- Bank overdraft and short-term loans from financial institutions

The Group has overdrafts and short-term loans from financial institutions as of December 31, 2021 and 2020, equal to THB 1,485.65 million and THB 1,604.31 million, a decrease of THB 118.66 million.

- Trade and other Account Payables

As of December 31, 2021 and 2020, the Group had trade and other payables equal to THB 370.91 million and THB 423.92 million, a decrease of THB 53.01 million.

- Current portion of long-term loan

As of December 31, 2021 and 2020, the Group's long-term liabilities due within one year were THB 58.18 million and THB 548.52 million, a decrease of THB 490.34 million, mainly due to the repayment of debentures.

Debt-Equity ratio as of December 31, 2021 and 2020 equal 0.97 time and 1.83 time, respectively.

Shareholders' Equity

The total shareholders' equity of the Group as of December 31, 2021 and 2020 were at THB 2,486.95 million and THB 1,575.24 million respectively, an increase of THB 911.71 million.

Return on Equity ratio as of December 31, 2021 and 2020 were 15.34% and -19.12%, respectively.

Shareholders' Equity (THB million)	The year end 31 December		The Change	
	2020	2021	Amount	
Shareholders' Equity of the Company	1,344.39	2,156.63	Increase	812.24
Non-Controlling Interests	230.85	330.32	Increase	99.47

Cash Flow

The operating results in year 2021; the Group's net cash flow from operating activities was THB 167.51 million, a decrease of THB 266.91 million from THB 434.42 million in the previous year. The main reason was the increase in operating assets of THB 287.90 million, which were trade and other receivables, inventories, and other current assets.

As of December 31, 2021, trade accounts receivable days and inventory days were 48.52 days and 100.28 days, respectively, compared to 54.43 days and 112.88 days in the previous year.

**The Group's cash flow in the year 2020-2021**

Unit: THB million	2020	2021
Net cash flow from operating activities	434.42	167.51
Net cash flow from investing activities	(190.65)	(112.80)
Net cash flow from financing activities	(276.69)	(49.93)
Net increase (decrease) in cash and cash equivalents	(31.43)	3.68
Cash and cash equivalents at the beginning of the year	64.72	33.22
Effect from foreign currency exchange rate at the end of the year	(0.07)	0.01
Cash and cash equivalents at the end of the year	33.22	36.91

The Group's current ratio as of December 31, 2021 was 1.32 times, an increase of 0.92 times from the previous year, while the cash cycle day as of December 31, 2021 was 123.99 days, a decrease from the previous year, which was 142.96 days.

5. General Information and other material Facts**5.1 General Information****Seafresh Industry Public Company Limited**

Stock Symbol	CFRESH
Type of Business	Manufacturing and Distributing Frozen Raw Shrimp, Frozen Cooked Shrimp, and Frozen Value-added Shrimp
Register No.	107537000751
Website	www.seafresh.com
Registered Capital	BHT 927,099,200.00
Paid-up Capital	BHT 927,099,200.00
Par Value	Common Stock: BHT 1 per share
Location	1. Head Office & Factory 402 Moo. 8 Chumphon-Paknam Road, Paknam, Muang, Chumphon 86120, Thailand Tel: +66 7752 1321-3 Fax: +66 7752 1007 2. Branch Office 152/25 Chartered Square Bldg., 31st fl., North Sathon Rd., Silom, Bangrak, Bangkok 10500, Thailand Tel: +66 2637 8888 Fax: +66 2637 8801

References

Auditor	Grant Thornton Company Limited
	18 th FL, Capital Tower All Seasons Place
	87/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
	Telephone: +66 2205 8222 Fax: +66 2654 3339
Share Register	Thailand Securities Depository Company Limited
	93, 14 th Fl., the Stock Exchange of Thailand Bldg., Ratchadapisek Rd., Dindaeng, Dindaeng, Bangkok 10400
	Telephone: +66 2009 9000 Fax: +66 2009 9991
Debenture Registrar	The Siam Commercial Bank Public Company Limited
	9 Rajadapisek Road, Chatu Chak Bangkok 10900
	Telephone: +66 2544 1111 Fax: +66 2937 7931
	(Debentures of Seafresh Industry Public Company Limited No. 1/2016 due date for 2021)

5.2 Others Material Facts

Investors are able to learn more information about the company from the Company's Annual Report Form 56-1 One Report, which is shown on the website: www.sec.or.th or www.set.or.th

5.3 Legal Dispute

There are no lawsuits, which have a negative impact on assets or materially affect the business operations of the Company.

5.4 Secondary Market

- None

Part 2 Corporate Governance

6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

The Board of Directors has established a written corporate governance policy in accordance with the principles of good corporate governance for listed companies (Corporate Governance Code: CG Code) of the Securities and Exchange Commission (SEC) and the guidelines of the Stock Exchange of Thailand (SET) by announcing that all employees acknowledge and abide by. This resulted in a systematic and transparent management and decision-making process.

Policy and Guidelines related to the Board of Directors, Shareholders and Stakeholders

Corporate Governance Policy

The Company realizes the importance of good corporate governance as a key factor to promote the Company's operations for efficiency and sustainable growth, which will lead to the benefits to all related parties, from employees, investors, shareholders and other stakeholders. Therefore, the Board of Directors has established relevant policies and guidelines in the Company's governance policy and business ethics as well as to promote real practice to ensure that any operations of the company will be done with fairness by taking into account the best interests of all groups of stakeholders. This can be summarized various issues covering the main principles according to the principles of good corporate governance in 5 sections as follows:

Section 1: Rights of Shareholders

Section 2: Equitable Treatment of Shareholders

Section 3: Role of Stakeholders

Section 4: Disclosure and Transparency

Section 5: Roles and Responsibilities of the Board of Directors

Section 1: Rights of Shareholders

The Board of Directors should act with a reasonable degree of care and responsibility in regards to the rights and equality of shareholders and should also protect the interests of shareholders. The company encourages shareholders to exercise their following fundamental rights:

- Right to purchase, sell, or transfer stock
- Right to dividends
- Right to receive adequate and timely information of the company
- Right to participate in general meetings and to vote on the appointment or withdrawal of the directors, accounting auditor, and issues that have impacts on the company

The company's policy was made basing on the shareholders' rights in promoting shareholders to exercise their rights as owners in controlling the company through selection of board of directors to work for them. The shareholders also have the rights in making decisions on important changes of the company.

In the General Shareholders' Meeting, the company recognizes the exercise of rights in voting in the meeting for decision making by shareholders on important issues. Invitation letters for meetings and supporting documents are made with complete information on meeting agenda including the board of directors' opinion on each agenda. There are also complete and accurate minutes of meeting for shareholders' inspection. The company has also appointed Thailand Securities Depository Company Limited to send meeting invitation letters to the shareholders 21 days in advance before the meeting date.

Shareholders can also visit the company's website for online meeting details 30 days before the meeting date at <http://www.seafresh.com/investor>. In addition, shareholders can also make enquiries or ask questions in advance at our E-mail address at investor@seafresh.com.

The meeting will be conducted in a transparent manner under the chairmanship of the Chairman by inviting all shareholders for questions and suggestions for each agenda proposed for consideration. All comments and suggestions will be recorded in the minutes of shareholders' meeting, which will be posted 7 days after the meeting at <http://www.seafresh.com/investor>.

Besides, the company brought technology to improve the speed and accuracy of the meeting for instance, registered attendees, counting the vote, and showing the result.

Section 2: Equitable Treatment of Shareholders

Boards of Directors should ensure the equitable treatment and fundamental rights protection of shareholders as follow:

- Allow shareholders to propose meeting agenda in advance before the date of the General Meeting. Minority shareholders are also allowed to propose potential candidates, as specified criteria, for the appointment of the directors.
- Encourage shareholders to appoint proxies to attend and vote at the meetings for and on their behalf.
- No additional meeting agenda without prior notice to the shareholders
- Establish measures to prevent the exploitation of inside information for own benefit or for the benefit of others in a deceitful way which causes damage to shareholders.
- Directors must disclose information about personal stake and involved parties.

In addition, as part of the equitable treatment of shareholders, the Company encourages and facilitates all shareholders; including institutional investors attend meeting equally. The guidelines as follow:

- 1) Shareholders are given the opportunity to propose meeting agenda through E-mail address at investor@seafresh.com or through Fax no. +66 2637 8801. The Company has published the criteria and procedures in proposing meeting agenda and directors' appointment and consideration guidelines at: <http://www.seafresh.com/investor> as well as the issuance of newsletter to shareholders through the SET online system at least 3 month in advance before end of the financial year. As for the Annual Shareholders' Meeting 2021, there had been no shareholders proposing any meeting agenda or recommending any directorship candidates.
- 2) Shareholders are given an opportunity to nominate a person to be elected as the Company's director via Email Address: investor@seafresh.com or via fax number +66

2637 8801. The Company has set the rules and procedures for nominating individuals including the guidelines for consideration of the Board of Directors at http://www.seafresh.com/investor/share_th.asp and disseminating the letter to shareholders through the SET system at least 3 months before the end of the fiscal year. However, in 2021, no shareholder nominated a person to be elected as the Company's director.

- 3) In considering each meeting agenda, the Company's officers will distribute the voting form to shareholders or their proxy in the case of disapproval or abstain. The secretary of the meeting will explain the voting procedures before the consideration of meeting agenda. During the directors' election agenda and shareholders are given the opportunity to select directors individually.
- 4) The secretary of the meeting will conduct the meeting as per agenda proposed in the meeting invitation letters and there shall be no additional agenda for consideration other than those stated in the letter.

Section 3: Role of Stakeholders

The Board of Directors realize the importance of the rights of all related stakeholders, including not violate the rights of stakeholders and encourage a good collaboration between the Company and other stakeholders. As well as the Board of Directors establish key policies and practice guidelines in relation to each type of stakeholders based on fair business operation. Therefore, all stakeholders of the Company are as follows:

Shareholders

The Company has recognized that shareholders are true owners of the company and having their rights in company; so, the Company has set up policy that complied with Corporate Governance through the Rights of Shareholders (Section 1) and Equitable Treatment of Shareholders (Section 2).

Customers

The Company has emphasized on producing high quality products with international standard and safety to support its selling policy in creating customers' highest satisfaction. The Company also has conducted Customers' Satisfaction Survey as the core company's KPI in order to develop and improve the products' quality and services to the utmost. Furthermore, customers' trade secret has also been kept confidential and well aware among employees concerned.

In 2021, the Company has the overall satisfaction survey result at 88% from the survey of customer satisfaction. In addition, the Company had no any case that violated the interest of consumer and no significant complaints from customers.

Suppliers

As stated in the Company's policy, all staff must deal with the Company's suppliers (i.e. subcontractor, general supplier, raw material supplier) with strict conditions and agreement made in buying products or services with utmost honesty and transparency. Moreover, the Company needs to ensure that suppliers run the business with environmental friendly and concern sustainable business. The Company set the team to select supplier, the Company informs business partners to respect human rights, treat their workers fairly and be responsible for society, and environment,

including, follow up on the regular basis. Moreover, the Company will comply with condition or agreement, which is dealt with suppliers.

In 2021, the Company has communicated the “Supplier Guiding Principles” covering human rights, labour, environment, animal welfare, and anti-corruption issues including legal compliance and related regulation in order for business partners to adhere as guideline for sustainable business partnership.

Creditor / Financial Institution

The Company makes sure to strictly comply with all terms of any arrangement such as debt repayment, loans, interests, capital management condition, guarantee (if any). It enters into in a responsible and transparent manner. The Company will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors. In the event that the Company is unable to meet any of the criteria it agreed to, it will make immediate notification to that particular creditor to allow for a course of action to be taken to rectify the situation. Thus, the Company has never had a history of default on payments.

Competitors

The Company is committed to operating business with openness and transparency, do not take advantage over competitor unfairly, and do not deal business with dishonesty or destruction to its competitors. The Company has never had any argument cases with its competitors.

Communities, Social, and Environment

The Company has clearly spelled out in its policy to conserve community and social environment including promoting efficient resources usage by controlling the production process and the residual raw materials not to affect the environment. Also, excess raw materials from production are disposed by scrap resale. In terms of waste from production process, there were brought through wastewater treatment system under the supervision of Office of Provincial Industry. Additionally, the Company has prepared and developed a quality management system standard ISO9001, environmental management standard ISO14001, taking into account the impact on the environment, including conservation of resources and the environment employee practice and good community treatment.

Furthermore, the Board of Directors promotes environmental education and training. In 2021, the Company’s employees had trained in environmental related courses such as the introduction to standards and safety at workplace, CSR-DIW energy conservation, which within the course will include training on environmental standards ISO14001.

Intellectual Property and Copyright

The Company has set a policy to be concentrated in not violate other intellectual property and copyright. For example, all employees have to sign on an agreement of computer and intellectual property violation. The Company set the policy to specify an information technology system and procedures for software infringement or absurd software.

Contact Channel of Complaint and Whistleblowing

The Board of Directors provides the channel for notification, complaints, comments, or suggestions that concern the stakeholders’ risk and effect that may cause damage to all groups of

stakeholders from the Company's business operations or the employees' practice regarding illegal or ethical acts. This includes behaviors that may imply corruption, discrimination, or negligence, or lack of prudence. The complaints can be made through Email Address: cg@seafresh.com

In this regard, the Company has a process for reporting doubts and handling complaints as follows:

When the employees or stakeholders report the comments, suggestions, complaints, or when observing behavior that concerns, or that may represent a violation of the Company's Code of Conduct, they would report through the channel specified. Company's Chairman of the Corporate Governance Committee will send the issue to the Audit Committee for investigation and report the investigation for violations of the Code of Conduct, judgments, and disciplinary action to the executive meeting and the Board of Directors for acknowledgement. Therefore, the Company has a policy to protect who send comments, suggestions, complaints or whistle with confidential.

In the past year, the Company did not find any complaints or whistleblowers that significantly affected the Company's business operations.

Section 4: Disclosure and Transparency

The Board of Directors would disclose financial Information as well as other important information that are accurate, complete, timely, and transparent in according to applicable regulations of The Stock Exchange of Thailand and Securities and Exchange Commission. The provided channels would be easy to access, unbiased and reliable including establishing an Investor Relations Department to communicate with shareholders, investors, and analysts in an unbiased and fair manner.

The Company has disseminated all related information or activities in both Thai and English in the publicity media of the Stock Exchange of Thailand and the Company's website at http://www.seafresh.com/investor/aboutus_th.asp or contact for inquiries at Email Address: investor@seafresh.com

In the year 2021, the Company has disclosed information in the form of financial information and non-financial. The Company will report the information that has to be reported according to the accounting period and important information according to events and as required by law. Additionally, the disclosure of the Company's financial statements is in accordance with the generally accepted accounting standards, the Company has never had a history of being ordered to amend the financial statements and able to submit financial reports in accordance with the law, both quarterly and annually. At the same time, the Company discloses the non-financial statements in accordance with the relevant legal requirements in a correct, complete, timely and transparent manner through the channels of the Stock Exchange of Thailand and the Company's website, which information is always updated.

Section 5: Roles and Responsibility of the Board of Directors

The Board of Directors is responsible for overseeing the business and the performance of its duties to shareholders as follows:

- Oversee company's strategies, policies, business plans and budgets, including IT governance and encouraging innovation and use of technology to support sustainable value creation.
- Ensure the company is competitive with good performance, engage in ethical business, beneficial to society, respect rights and responsibilities to shareholders and stakeholders, develop or reduce negative impacts on the environment, and able to adapt to changing factors.
- Ensure that clear policies and guidelines for anti-corruption are defined and communicated at all levels of the organization and with outsiders for real use.
- Ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.
- Ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards.
- Understand the shareholder structure and shareholder relations which may have an impact on the company's management and operations. Maintain independence from the department manager position up by clearly separating duties between the board and the department manager position up.
- Dedicate enough time to fulfill their duties and responsibilities. Directors, including the Chief Executive Officer, are prohibited to engage in business or be a director in another entity of the same nature and compete with the company unless it is notified to the shareholders' meeting prior to the resolution. Each director shall not hold position in more than three public listed companies at any one time.
- Ensure that the company has effective and appropriate risk management and internal control systems that cover all aspects.
- Monitor financial liquidity and debt servicing ability, establishing a mechanism to support operations under tight financial constraints, and ensuring financial literacy education for employees, and establishing provident funds.
- Determine the remuneration of directors in accordance with their roles and responsibilities. Determine the remuneration of the Chief Executive Officer in accordance with the performance of duties.
- Ensure that the board consists of directors with appropriate and the necessary qualifications, knowledge, skills, experience, character traits, with an appropriate gender and age balance and diversity to achieve the objectives of the company.

6.2 Business Code of Conduct

The Board of Directors has set and announced guidelines of business ethics for directors, management and all employees at all levels in all departments as representatives of the Company to act in business and performance and in order to operate in the same direction under the framework of ethics, integrity, honesty and lawful. This is to build a foundation and maintain the image of the Company to be an organization with sustainable growth. The Company has communicated the code of conduct with employees who are on duty and provided training on business ethics practices throughout.

Moreover, the Board of Directors would monitor this guidance on regular basis. The executives are obliged to report a summary of the violation of the Code of Conduct to the Board of Directors annually and in severe cases report immediately. In addition, the Board of Directors has determined that the Code of Conduct will be disclosed on the Company's website at http://www.seafresh.com/investor/corp_th.asp.

In 2021, the Company reported the number of offenses according to the work regulations, a total of 374 times, of which 38 times were monthly employees. Most of the offenders were foreign employees. However, the Company found 6 cases of violations in accordance with the employee ethics in regards to time attendance, which is a daily worker. It is considered an offense that is insignificant to the Company's operations. In this regard, the Company has punished employees who commit offenses by giving warnings including recording the offenses of such employees as well.

6.3 Material Changes and Developments of the Corporate Governance

6.3.1 Compliance with Corporate Governance Policy

The Board of Directors has established a written corporate governance policy by announcing to everyone and adhering to it, resulting in systematic and transparency management and decision-making process. This is a universal professional way of administration. In addition, the Board of Directors has revised and reviewed various policies, be consistent and appropriate to the changing current situation and regularly evaluates the implementation of the policy.

In 2021, the Board of Directors has reviewed and improved Anti-Corruption Policy in order to operate the Company's business with integrity, have a social responsibility and stakeholders according to good corporate governance. As well as the Company would like to demonstrate and committed to anti-corruption in all its forms and to be consistent with the Self-Assessment Form for Developing an Anti-Corruption System, Version 4.0 of The Private Sector Collective Action Against Corruption (CAC). This year, the Company has applied for a renewal of certification as a member of the project and has been certified to renew the membership for the 2nd time already. This certification will be valid until March 31, 2025.

6.3.2 Applying good corporate governance principles for listed companies

According to the Securities and Exchange Commission has issued good corporate governance principles for listed companies in 2017 (Corporate Governance Code: CG Code) to replace the good corporate governance principles for listed companies for 2012 with the objective to raise the level of good corporate governance. It focuses on applying principles (Apply or Explain) for appropriate practice and beneficial to creating sustainable value for the company.

The Board of Directors has reviewed the practice of good corporate governance for listed companies, and found that in 2021 there are issues that the company has not yet implemented and have appropriate substitution measures as follows:

1) *The chairman of the board should be an independent director and should not be the same person as the chief executive of the company.*

Reason: The Chairman of the Board and Chief Executive Officer is the founder of the Company's business, including being a major shareholder. When the Nomination and Remuneration Committee has considered deems appropriate to hold both positions because he has experience and has a far-reaching vision. He is also able to supervise and ensure that the work can be promoted to create an ethical organizational culture and good corporate governance. In addition, the Board of Directors has clearly defined the roles, duties and responsibilities of the Chairman of the Board and the Chief Executive Officer; as a result, there are no obstacles in the operation.

2) *The board should stipulate that an independent director has a continuous term of office for no more than 9 years from the date of first appointment as an independent director.*

Reason: The Board of Directors has not yet set a term for the longest consecutive term of an independent director. Because the Board of Directors believes that all directors are knowledgeable and competent, experienced, and have a good understanding of the nature of business operations. They are independent to express their opinions and not being or not affiliated with the major shareholder or has control and has qualifications as an independent director according to the regulations of the SEC and SET.

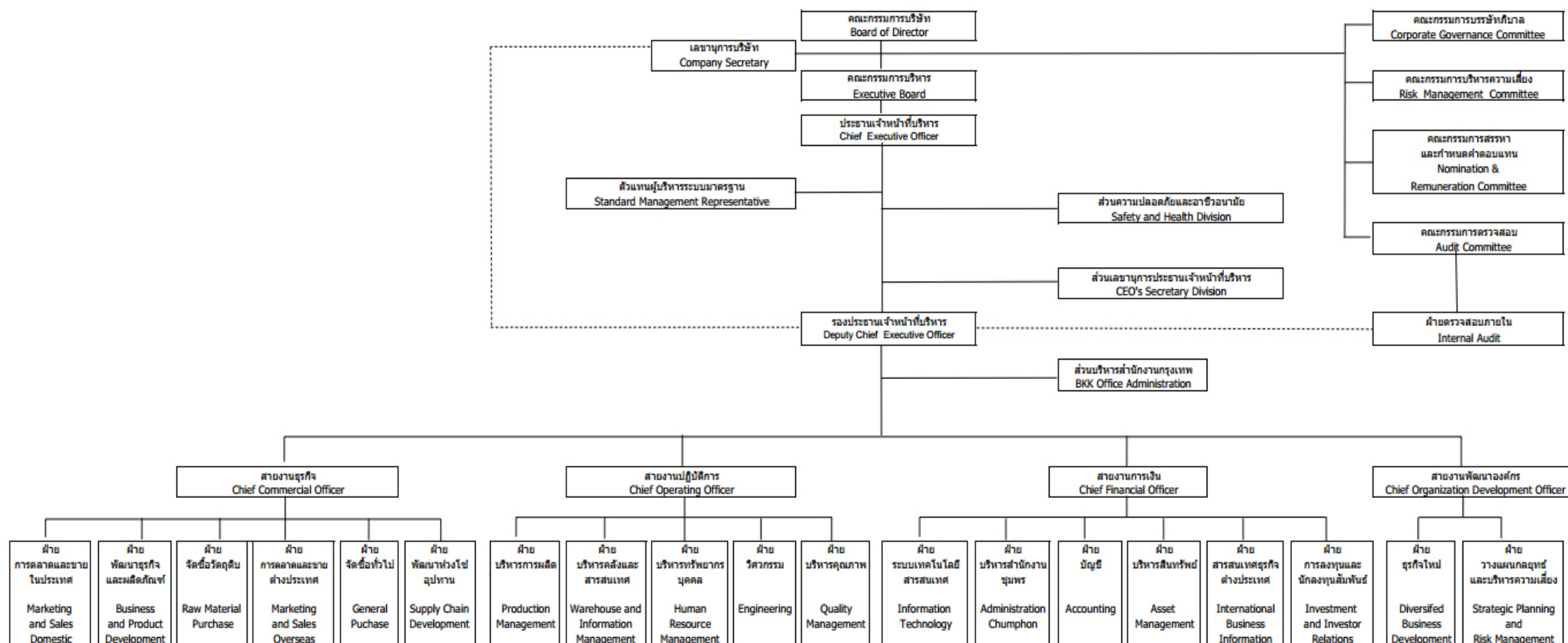
3) *The number of Independent Directors was not higher than 50% of the Board of Directors.*

Reason: The Board of Directors thought that the number of Independent Directors depended on the responsibility and efficiency of the operation, which complied with the SEC criteria. Although the number of Independent Directors was not higher than 50% of the Board of Directors members, the Independent Directors were able to balance the executive authority, performed their duties independently from the Management and gave their opinions in all matters independently. Thus, the Board agreed to maintain the number of Independent Directors as such.

7. Corporate Governance Structure and significant information related to the Board of Directors, Subcommittee, executives , employees and others

7.1 Corporate Governance Structure

The organizational structure of Seafresh Industry Public Company Limited as of December 31, 2021



7.2 Information on the Board of Directors

Board of Directors

As of December 31, 2021, the Board of Directors consists of 9 members as follows:

Name			Position
1.	Mr.Narit	Chia-apar	Chairman of the Board of Directors/ Chief Executive Officer/ Chairman of Executive Board
2.	Mrs.Tassanee	Youngmeevithya	Director/ Deputy Chief Executive Officer/ Chairman of Risk Management Committee/ Chairman of Corporate Governance Committee/ Member of Nomination and Remuneration Committee/ Deputy Chairman of Executive Board
3.	Mr.Naringrit	Chiarawongvanit	Director
4.	Dr.Kamales	Santivejkul	Independent Director/ Chairman of Audit Committee/ Member of Nomination and Remuneration Committee
5.	Dr.Sorachai	Bhisalbutra	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee
6.	Dr.Worapong	Leewattankit	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee
7.	Mrs.Supanee*	Punnsri	Independent Director
8.	Mr.Chintat	Chia-apar	Director / Member of Risk Management Committee/ Member of Corporate Governance Committee / Member of Executive Committee / Chief Organization Development Officer
9.	Ms.Chankate	Chia-apar	Director

*Independent director with relevant business experiences.

Composition of the Board of Directors

The Board of Directors comprise of 9 persons from 3 directors with executive role, 2 non-executive directors, and 4 independent directors or 44% of the entire Board.

The board of directors has authority to consider who are authorized to sign along with the company's stamp. The authorized director is Mr. Narit Chia-apar, Chairman, signing with the company seal affixed, or Mrs. Tassanee Youngmeevithya and Mr. Chintat Chia-apar, two directors jointly sign with the company seal. Only certifying true copies of documents of the Company or related to the Company, financial statements, commercial contracts, export or import documents, and employee contracts, one of directors signing with the company seal affixed can bind the Company.

In case of the board of directors has authorized others to manage the business routine on their behalf, such authorization must be in accordance with the meeting resolutions. Such authorization must consist of clear limitations on roles and responsibilities and the authorized persons are not able to approve items that are in conflict of interest between themselves and the company, proxy, or other subsidiaries.

Since the Chairman of the Board and Chief Executive Officer of the Company is the same person. The committee has measures to balance the power between the committee and the management by appointing an independent director who is the Chairman of the Audit Committee, jointly consider the agenda of the Board meetings.

Ratio of director who represent shareholders

- Nil -

The scope of powers and duties of the Board of Directors

The Board of Directors takes participation in the setup of the company's core policy, vision, strategy, and objectives; then reviewed and approved company's vision in the past year. Moreover, the Board's responsibilities are controlling and monitoring the management team to ensure that their performances are in line with the policy. As well as the Board would make sure that all successfully meet with the company's strategies for the utmost benefit of the Company and the shareholders as a whole. Furthermore, considers establishing the clear roles and responsibilities for Board of Directors, Audit Committee, Corporate Governance Committee, Risk Management Committee, and Nomination and Remuneration Committee, and Executive Committee as per details in the Management section. In addition, the Board monitors the responsibility of the Executive officers to ensure that the business is efficiently managed in the same direction and in line with the policy as well as setting up the operational and investment budgets for the business operations.

Roles and Responsibility of Board of Directors

1. In charge of company's good management by defining company's objectives, target, strategy, policies and resource management as well as monitoring, evaluation, and reporting in accordance with the aforementioned. Furthermore, the board is responsible to implement innovation and technology to add values for the company including overseeing of such information technology.
2. Consider and approve charter of Board of directors and sub committees, company policy, and others by follow the corporate governance principal.
3. Appoint the company secretary in order to provide various regulatory advices which the Board of Directors must know and perform duties in overseeing the activities of the Board of Directors including coordination for compliance with the Board's resolution.
4. Appoint the qualified Audit Committee as required by the securities and exchange act, notification of Capital Market Supervisory Board including the SET regulations.
5. Appoint the Risk Management Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee to help perform duties according to the responsibilities of the Board of Directors.
6. Appoint Chief Executive Officer as selected by the Nomination and Remuneration Committee.
7. In charge of company's competitiveness and performance with ethical business, respect right and responsible to shareholder and stakeholder, beneficial to social, develop or reduce environment impact and corporate resilience under uncertainty including creating corporate culture and behaving exemplary.
8. Ensure that all directors and management carry out their roles and responsibilities with duty of care and duty of loyalty to the organization in accordance with law, regulations and shareholder meeting resolution.
9. Determine remuneration in accordance with duties and responsibilities of the directors and based on performance of Chief Executive Officer including of set salary structure to motivate the employee to lead the company in meeting its objectives.

10. Ensure that there is a framework and mechanism to oversee the policies and operations of subsidiaries and other businesses that the company has significant investment. Such framework and mechanism should be appropriate with each company. Those subsidiaries and other businesses should have the same understanding of the policies and operations.
11. Determine and ensure that the company has effective and comprehensive framework of internal control as well as risk management.
12. Ensure that the company has a clear anti-corruption policy and guidelines and clearly communicate to all of staff level in the company so that everyone will comply.
13. Ensure integrity of financial and non-financial information disclosure by involving with the department manager level.
14. Responsible for monitoring financial liquidity and debt services coverage, establishing a mechanism to support operations under tight financial constraints, and ensuring financial literacy education for employees.
15. Consider and approve the acquisition or disposal of assets unless such transaction must be approved by the shareholders' meeting. In this regard, such approval shall be in accordance with the notification of the Capital Market Supervisory Board and / or the relevant notifications, regulations and / or related regulations of the SET.
16. Approval of connected transactions unless such transaction must be approved by the shareholders' meeting, in this regard, such approval shall be in accordance with the notification of the Capital Market Supervisory Board and / or the relevant notifications, regulations and / or regulations of the SET.
17. Approve budget for annual operation and investment.
18. Consider and approve the interim dividend payment to shareholders when seeing that the company has enough profit to do so and report the dividend payment to the shareholders' meeting in the next shareholders' meeting.

Roles and Duties of Chairman of the Board of Directors

1. Oversee, monitor, and ensure that the board effectively carries out its duties.
2. Ensure that all directors contribute to the company's ethical culture and good corporate governance.
3. Determine and approve meeting agenda with representative of Independent directors appointed by the board of directors and assign the Company Secretary sends meeting invitation letter to the Directors.
4. The Chairman of the Board of Directors shall ensure that directors receive effective information for each agenda.
5. Allocate adequate time for Department Manager level up to present in each agenda, and provide the enough time for the directors to freely and carefully discuss important matters.
6. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.
7. Ensure that the company has effective communication with Shareholders.

7.3 Information on subcommittee

The Company has set up sub-committee to assist in screening relevant issues requires fair judgment and assist in the corporate governance of the Company. The Company also defines the authority, duties, and responsibilities of each committee. At present, the Company has appointed 5 sub-committees as follows:

- 1) Audit Committee
- 2) Risk Management Committee
- 3) Corporate Governance Committee
- 4) Nomination and Remuneration Committee
- 5) Executive Committee

Audit Committee

The Board of Directors setup the Audit Committee since on December 21, 1999. All committees are independent directors, which qualified with SEC regulation and SET that term of each Audit Committee member will be not exceeding 3 years. The Audit Committee also held meetings and proposed reports to Board of the Directors on regular basis.

Name		Position	Attendance / No. of attendance
Dr. Kamales	Santivejkul*	Chairman of Audit Committee	11/11
Dr. Sorachai	Bhisalbutra	Member of Audit Committee	11/11
Dr. Worapong	Leewattanakit	Member of Audit Committee	11/11

Remark: *Dr. Kamales Santivejkul is an Audit Committee member who has knowledge and experience in reviewing the financial statements.

Audit Committee's Qualifications

1. Audit Committee members should be appointed by the Board of Directors and/or shareholders meeting
2. All Audit Committee members must be an independent director and fully qualified by the Securities and Exchange Commission (S.E.C) regulations
3. Not being a director appointed by the Board to decide on the operations of the listed company, parent company, subsidiaries, affiliated companies, subsidiaries of the same control level or being the major shareholders, controlling person of the listed company
4. Not being a director of the parent company, subsidiary, affiliate company, subsidiary in the same level of the company only for the case of listed company
5. Fully knowledge and experience that is able to achieve an assigned audit tasks. The audit committee must be able to devote sufficient time to the operation of the Audit Committee

Audit Committee Responsibilities

1. To review the Company's financial reporting process to ensure that it is accurate and adequate
2. To review the Company's internal control system, Risk Management and internal audit to ensure that they are suitable, adequate and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit

3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business
4. To consider, select and nominate an independent person to be the Company's auditor, propose such person's remuneration to the board of directors on the proposal to shareholders for approval
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report
 - (b) an opinion on the adequacy of the Company's internal control system and risk management
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
 - (d) an opinion on the suitability of an auditor
 - (e) an opinion on the transactions that may lead to conflicts of interests
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. To ensure that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor within 30 days from the date they are notified by the external auditor
8. To review the company's compliance with private sector's anti-corruption and certification programs, including the Collective Action Coalition against Corruption's Self-Evaluation Tool
9. To consider, review the Audit Committee Charter at least once a year and propose any necessary amendments to comply with the scope of responsibility in the company's operations and propose to the board of directors for approval
10. To perform any other act as assigned by the Company's board of directors by which such assignment shall be performed with the Audit Committee

Risk Management Committee

Over the past 10 years, the Risk Management Committee has been established. The Risk Management Committee has supervised the improvement and development of risk management in accordance with various guidelines in order to suit the organization, personnel, business, environment and related trends continuously.

Even in 2021, the numbers of Risk Management Committee meetings were less than the previous year. Fortunately, it still maintained the number of meetings according to the charter. Most importantly, last year was the first year that the Company was able to reduce all very high risk to an acceptable level, which is in line with the better performance of the Company. In addition, because all directors are high-level executives of the company, therefore, no risk management committee member receives remuneration from being a member this committee.

Name		Position	Attendance / No. of attendance
Mrs. Tassanee	Youngmeevithya	Chairman of Risk Management Committee	4/4
Mr. Chintat	Chia-apar	Member of Risk Management Committee	4/4
Mr. Boonlert	Foongvannaluck	Member of Risk Management Committee	4/4
Miss Yaowalax	Tangsanguannuch	Member of Risk Management Committee	3/4

Duties and Responsibilities

1. Consider the company's policy and framework, set the pace for its current international risk management, and proposed to the Board of Directors for approval
2. Supervise all departments in the company to provide
 - Risk assessment, for instance, strategic risk, operational risk, financial reporting risk, compliance risk, corruption risk, and operational disruptions, which are relevant to the business and responsibility of each department
 - Risk management
 - Mitigation strategy to manage risks to be within the acceptable level
3. Monitor the company's risk management plan in each department, according to previous paragraph, in order that reduce the risk to acceptable level and/or suitable to business condition
4. Adjust and develop company's risk management regularly to ensure risk management is effective
5. Review risk management policy and framework annually to ensure that the content is aligned with business operation
6. Report significant risk management performance, exposure, risk management conduct, progress, and result of risk management to the Board of Directors, Audit Committee, and Executive Committee regularly and disclose in the annual report

Corporate Governance Committee

The Board of Directors established the Corporate Governance Committee in 2012. There are regular meetings held in 2021, with 2 meetings, the details are as follows:

Name		Position	Attendance / No. of attendance
Mrs. Tassanee	Youngmeevithya	Chairman of Corporate Governance Committee	2/2
Mr. Chintat	Chia-apar	Member of Corporate Governance Committee	2/2
Mr. Pairoj	Yangthong	Member of Corporate Governance Committee	2/2
Miss Yaowalax	Tangsanguannuch	Member of Corporate Governance Committee	2/2

Duties and Responsibilities

1. Propose corporate governance practices to Board of Directors
2. Oversee the performance of the Board of Directors and management to ensure compliance with corporate governance practices
3. Revise current corporate governance practices against international standards and give recommendations to the Board for review and continuous development
4. Monitor to ensure effective anti-corruption policies for business operation
5. Establish guidelines for corporate policies to ensure the departments set the policies in accordance with corporate governance practices
6. Screen, deliberate, and affirm the company policies in accordance with corporate governance practices
7. Propose affirmative policies to the company board for approval.
8. Review the company policies at least once a year
9. Report on actions taken in connection with all aspects of corporate governance to the audit committee
10. Perform annual performance evaluate on the Corporate Governance Committees

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 4 persons, consisting of 1 executive director and 3 independent directors, representing 75% of the entire board. In addition, the Chairman of the Board Nomination and remuneration is also an independent director.

Name		Position	Attendance / No. of attendance
Dr. Kamales	Santivejkul	Chairman of Nomination and Remuneration Committee	1/1
Mrs. Tassanee	Youngmeevithya	Member of Nomination and Remuneration Committee	1/1
Dr. Sorachai	Bhisalbutra	Member of Nomination and Remuneration Committee	1/1
Dr. Worapong	Leewattanakit	Member of Nomination and Remuneration Committee	1/1

Duties and Responsibilities

1. Considers the appropriate structure, and composition of members for the Board of Directors
2. Establishes the qualifications of the Board of Directors and top management as well as criteria in nomination of the Board of Directors and top management

3. Considers and reviews the qualifications of Board of Directors and assessment Board of Directors', who is retired by rotation, and top management's performance
4. Defines nomination process in accordance with the composition and qualifications as the position of Board of Directors and top management
5. Considers remuneration form and criteria to suit the responsibilities of the Board of Directors and top management by proposing to the Board of Directors, the Board of Directors shall consider and propose to shareholders' meeting for approval
6. Determines criteria of conditional consideration of offering new issuing share to the Board of Directors and top managements, in the case that the company has offering new issuing share to the Board of Directors and employees
7. Clarify all the questions of the remuneration of the company's director at the meeting of shareholder
8. Submits an operation report annually to the Board of Directors

Executive Committee

The Board of Directors approves the appointment of the Executive Committee to manage, control, supervise and be responsible for various activities within the scope assigned by the Board of Directors.

The Executive Committee has 3 members comprises of all executive directors or 100% of the committees. In year 2021, 13 meeting were held.

Name		Position	Attendance / No. of attendance
Mr. Narit	Chia-apar	Chairman of Executive Committee	13/13
Mrs. Tassanee	Youngmeevithya	Member of Executive Committee	12/13
Mr. Chintat	Chia-apar	Member of Executive Committee	12/13

Duties and Responsibilities

1. Establish strategies, business plan, management structure, and administrative powers to propose to the Board of Directors for approval
2. Monitor, audit and determine the management policies for efficiency and productivities to conform to the instruction of the Board of Directors
3. Support activities and adapt internal control in accordance with anti-corruption policies
4. Consider and approve the Company's annual budget and investment prior to further approval of the Board of Directors
5. Consider remuneration policy and salary structure
6. Entering into any transaction binding the company conforming to the Company's Delegation of Authorities
7. Perform other duties as assigned by the Board of Directors. However, in the granting of powers, duties and responsibilities, the Executive Committee shall not be granted or sub-grant power to a grantee that causes the Executive Committee or the grantee to approve transactions in which the Executive Committee or the grantee to approve transactions in which the Executive Committee or the grantee, or any person who may have any conflict of interest, may have a vested interest, or any person who may have any conflict of interest with the company or its subsidiaries, except where the approval of transactions

must be presented to the Board meeting and/or the shareholders' meeting for consideration and approving such transactions in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand or related laws and regulations

7.4 Information of Executives

	<u>Name</u>	<u>Position</u>
1.	Mr.Narit Chia-apar	Chief Executive Officer
2.	Mrs.Tassanee Youngmeevithya	Deputy of Chief Executive Officer
3.	Mr.Chintat Chia-apar	Chief Organization Development Officer
4.	Miss Yaowalax Tangsanguannuch	Chief Financial Officer
5.	Mr.Boonlert Foongwannaluck	Chief Commercial Officer
6.	Mr.Pairoj Yangthong	Chief Operating Officer

The Responsibility of Executives

1. Supervise the operation, management and/or normal business operations for the benefit of the Company
2. Operate in accordance with the policies, work plans and budgets approved by the Executive Committee and/or the Board of Directors
3. Prepare and propose policies, business plans, business strategies, budgets and investments for presentation to Executive Committee Meeting
4. Supervise the operations of the Company to be in accordance with the policies, work plans and budgets approved by the Executive Committee
5. Authorize to consider and approve financial expenditure in the normal business operations of the Company for the Company's operation that the credit limit for each item is as specifies in the approval authority

Chief Executive Officer annual performance assessment

The Board of Directors had conducted annual performance assessment of Chief Executive Officer to accordance with the SET guideline. The company had delivered assessment to the committee evaluation, which includes assessment topics as follows:

1. Leadership
2. Strategies
3. Compliance to strategies
4. Planning and financial practices
5. Relationship with Board of Directors
6. Relationship with externals
7. Management and relationships with employees
8. Succession
9. Product knowledge and services
10. Personal attribute

CEO performance for year 2020 was evaluated by 7 directors (excluding CEO). Overall, in 10 topics considered an excellent.

Executive Remuneration

Remuneration for the Chief Executive Officer and the top management is in accordance with the principles set by the Company by using the criteria for evaluating performance according to the KPI set by the Company, through the concept of the Balanced Scorecard that has been defined and reviewed by the Board of Directors. The said remuneration determination takes into account the performance of the Company and the performance of each executive. The remuneration of the management consists of:

1) Cash Remuneration

In 2021, the company has paid management remuneration, which consisted of salaries totaling 15.68 million baht.

2) Non-cash Remuneration

- None -

Succession Plan

The Board of Directors realizes the necessity and the importance of the succession of executives, so the Board of Directors oversees the formulation of a succession plan and a development for top executives for sustainable business. The Company has proceeded with following guidelines:

- 1) The Nomination and Remuneration Committee and Chief Executive Officer shall jointly plan succession for top executives in key positions by defining the skills, knowledge, competence and potential of a person to be a successor.
- 2) The Board of Directors has encouraged the training and provision of knowledge for directors and executives to allow on-going improvement of performance of duties and enhance efficiency.
- 3) The Board of Directors appropriated task to more challenge and job rotation for increase knowledge of employee, which is important factor to in career growth.
- 4) The Nomination and Remuneration Committee shall report the changes to the Board of Directors when there is a chance in the top executives' position.

7.5 Information on Employees

The Company and its subsidiaries have 2,122 employees totally, divided into production line 1,721, management line 392, sales line 37 people. In terms of various compensation and benefits (salary, wages, allowance, bonus, contributions, provident fund), the total amount was 1,099.22 million baht. The Company passed a resolution to establish a provident fund on April 10, 2006 under the Provident Fund Act 2530 and the amendments to the Securities and Exchange Act B.E. 2535 and its amendments, including other relevant laws. For the welfare of the employees of the company, which started to accumulate and contribute from the wage's payment period in May 2006 onwards.

Because a provident fund that is considered a retirement savings fund for employees, the Company therefore has a policy to encourage the Provident Fund Committee to select fund managers who comply with the investment governance code (I Code) by selecting a management company that has a supporting system. Fund operation is appropriate, safe, and responsible for investment management, taking into account environmental, social and governance factors. (Environment, Social and Governance: ESG) as well as benefit members in the long term.

Additionally, the Company offers other benefits such as health insurance, accident insurance, staff dormitory, fitness center, leisure center, including training and learning for continuously enhancing the competence of personnel.



The Company manages employment conditions, working conditions and various benefits, under the Labor Law and the Thai labor standard requirements by adhering to the principles of fairness, ethics and transparency. The Company has been certified according to Thai labor standards (TLS 8001-2020) with the highest level of complete integrity. The Company won the award for *“Outstanding Establishment in Safety, Occupational Health and Work Environment for the year 2021 at the national level (Platinum level) for the 10th consecutive year”* and *“Outstanding Establishment Award for Labor Relations and Welfare for the year 2021 at the national level”*.



Moreover, this year, the Company has also been selected for *“Thailand Labour Management Excellence Award 2021 for the large sized enterprise”*. This is an award given to an enterprise that has a continuous standard of labor management in 3 areas, consisting of Thai Labour Standards, Labour Relations and Welfare, and Occupational Safety, Health, and Working Environment. A royal trophy gave this award from Her Royal Highness Princess Maha Chakri Sirindhorn.

The Company is 1 of 9 enterprises that received a plaque of honor for the a prototype project *“Good Labour following to the Sufficiency Economy”*. In this regard, the project focuses on allocating available resources to use for employees to be self-reliant during the Covid-19 situation by adopting the Sufficiency Economy Philosophy in the workplace. In addition, this project also aims to encourage employees to use empty areas to grow vegetables in the kitchen garden to help reduce the burden of the living expenses and can develop into a supplementary career to generate their income.

Moreover, the Company focuses on the importance to recruiting, selecting, hiring and recruiting people to work by considering knowledge, ability, and experience suitable for the position as specified by the Company. Along with consideration of compensation and promotion by using, the criteria for assessing the performance of the KPI set by the company through the concept of the Balanced Scorecard.

7.6 Other Significant Information

Information of Company Secretary

The Board of Directors appointed Miss Yaowalax Tangsanguannuch as a company secretary effective from 16th January 2020. The qualification of company secretary is shown in Attachment 1.

Roles and duties of the company secretary

The Company Secretary must perform duties responsibly by caution and honesty as well as having to comply with the law, objectives, the Company's Articles of Association, Board resolution and the resolutions of the shareholders' meeting. The legal duties of the Company Secretary are as follows:

1. Prepare and maintain the following documents:
 - A. Register of Directors
 - B. Notice of the Board of Directors Meeting Board meeting minutes and the annual report of the company
 - C. Letter calling for the shareholders' meeting and minutes of the shareholders' meeting
2. Keeping reports of interest reported by directors or executives and send a copy of the interest report to the Chairman of the Board and the Chairman of the Audit Committee knows within 7 business days from the date the company receives the report
3. Other actions as assigned by the company as follows:
 - Provide legal and regulatory advice related and supervision practices in conducting activities of the Committee to be in accordance with the law
 - Responsible for organizing the Board of Directors' meetings and shareholders' meetings
 - Coordinate with departments within the company to comply with the resolutions of the Board of Directors and the shareholders' meeting
 - Liaise with supervisory agencies such as the SET office and oversee the disclosure of information and reporting information to regulators and the public in a correct and complete manner
 - Provide an orientation Giving advice to newly appointed directors
 - Other duties as assigned by the company

Information of Internal Audit

Please refer to the section on Internal Control and Risk Management and Attachment 3 of this report.

Information of Investor Relations

The Board of Directors has establish an Investor Relations Department that operates under “Investor Relations Code of Conduct” and is the center to care about the disclosure of the Company’s information to shareholders, investors, institutional investors, analysts, and the general public who are interested in the Company’s securities equally and fairly.

For more detail: http://www.seafresh.com/investor/corp_th.asp

In 2021, the Company has organized 3 activities for Analyst Meetings for senior management to provide various information to analysts and investors. Moreover, news and other events of the Company are also presented through the Company’s website as well as information and responses to inquiries via email and telephone.

For more detail: http://www.seafresh.com/investor/csr_th.asp

Preliminary inquiries about the Company can be inquired at the Investment and Investor Relations Department: Miss Tanawan Surawattanavisase, Head of Investment and Investor Relations.

Contact number 02-637-8888 ext. 533

E-mail Address: investor@seafresh.com

Audit Fee

1) Audit Fee

The Company and subsidiaries paid an annual audit fee as follows:

- An audit fee in the past financial year total Baht 3.3 million for the company and domestic subsidiaries.
- An audit fee for overseas subsidiaries in the previous year was Baht 5.44 million.

2) Non-Audit Fee

-None-

8. Report on key operating results on corporate governance

8.1 Summary of duty performance of the Board of Directors in the past year

Nomination of Directors and Top Executives management

Independent Director

For the selection of independent directors, nomination and remuneration committee act as a leader to recruit qualified candidates in accordance with the Board of directors' instruction which consistent with the regulations of the SET and the SEC and then propose to the board of directors and / or shareholders for consideration and approval.

Independent Director's Qualification

In the selection of independent director, the Board has set the following qualification guidelines and definition of "Independent" in complies with the SET and SEC regulations as follows:

1. Holding not more than one percent of the total voting shares of the company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, with the number of shares held by the director's related persons being counted
2. Being a director who is not or has never been an executive director, employee, staff member, salaried advisor, or controlling person of the company, its subsidiary, associated company, same-level subsidiary, juristic persons with potential of conflict of interest, major shareholder, or controlling person, unless such characteristics have lapsed for at least two years before being appointed
3. Having no relationship by blood or by legal registration under the status of father, mother, spouse, sibling, and child, including the child's spouse, of other directors, executives, major shareholders, controlling persons, or persons who are being nominated for appointment as directors, executives, or controlling persons of the company or its subsidiary
4. Not being or having been a shareholder or authority having control of the business relationship with the company, parent company, subsidiaries, affiliates, shareholders or controlling person of the company including professional service and business relationship which are specified by the Securities and Exchange Commission of Thailand unless the

forementioned status has passed for not less than 2 years prior to being appointed as Independent Director

5. Being a director who is not or has never been an external auditor of the company, subsidiary, affiliate, major shareholder, or controlling person, and not a significant shareholder, controlling person, or partner of audit firm to which an external auditor of the company, subsidiary, affiliate, major shareholder, or controlling person belongs, except in case such characteristics have lapsed for at least 2 years before being appointed
6. Being a director who is not or has never been a provider of any professional service including legal advisory service or financial advisory service with the service fee thereof exceeding Baht 2 million per year from the company, subsidiary, affiliate, major shareholder, or controlling person, and not a significant shareholder, controlling person, or stockholder of the provider of such professional service, except in case such characteristics have lapsed for at least 2 years before being appointed
7. Being a director who is not appointed as representative of a director, major shareholder or shareholder with a relationship to a major shareholder of the company
8. Not having or not having had a business with the same nature and in competition to the business of the Company, subsidiaries or not be a significant partner in a partnership company or director, employee, consultant who receives a regular salary or holds more than 1 percent of the total shares with voting rights of another company which has the same nature and in competition to the business of the company, subsidiaries, or affiliates
9. Not having any other characteristics that may hinder the exercise of his/her independent judgment about the company's business operations

Nomination of Directors

To appoint the new director, nomination and remuneration committee which consists of 3 independent directors of 4 directors are responsible for the selection and screening individual person who are qualified under the regulations of the company, adhere to the policy's tenure as director, and accord with company's operational strategies.

The company also considers the rights of minor shareholders to appoint the director and given the opportunity to propose the highly qualified knowledgeable, capable and specialized in various areas as candidates for directorship in advance through E-mail address at investor@seafresh.com or through Fax no. +662 637 8801. The Company has established guidelines and practices in the nomination of directors including the consideration of the committee at <http://www.seafresh.com/investor>. The company also published a letter to the shareholders through the stock exchange at least 3 months before the end of the financial year. However, in the yearly 2021, there had been no shareholders recommended any directorship candidates.

Up next, The Nomination and Remuneration Committee will propose the qualified persons for being directors. In order to gain professional directors and Board Diversity, the Nomination and Remuneration Committee will consider the selection from structure, size, and element of the Board of the Directors such as technical, specialty, gender, etc. The number of proposed persons by the Nomination and Remuneration Committee will be equal to number of retired directors by rotation and give their suggestions to the Board of the Directors for opinions before proposing to the Annual General Meeting of Shareholders.

After the selection, the Company will present to the Annual General Meeting of Shareholders meeting following procedures and methods as below:

1. Each shareholder has the same number of voting right as the number of shares held
2. Each shareholder can exercise all of its voting right as described one (1) in order to elect an individual or a group as the company director but it cannot split the voting right unequally among individuals
3. The person received the highest voting respectively would be elected as Director equal to the number of directors required. In the case that the vote is the same for two or more people, the Chairman will make decision
4. At each Annual General Meeting of Shareholders, the Director stays in the position the longest will be retired by rotation in the ratio of 1:3. However, The Director, who was retired by rotation, can be reelected as director again
5. Beside the retirement according to the term, the director may out of the position when:
 - 5.1 Died
 - 5.2 Resign
 - 5.3 Not qualify according to the Article 68 of Public Company Act 1992 or other relevant laws as well as the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and company regulations
 - 5.4 The shareholder meeting can remove any directors before end of term with the vote not less than three fourth of the shareholder present at the meeting and the required total share of the vote should not be less than 50% of the holding share of shareholder present at the meeting.
 - 5.5 The court issued an order

Top Executive Management Nomination

For the Chief Executive Officer nomination, Executive Board will be prescreen who qualified with knowledge, skills, experience to benefit company's operation, well understanding of the business, and able to manage for achieve the given objectives and targets, then present to the Nomination and Remuneration committee for approval then present to the Board of the Directors for consideration and approval.

Directors and Executive Development

The Board of Directors attaches great importance to the development and training of directors. In order to perform their duties efficiently and to develop directors and add perspectives of ideas those are beneficial to the company business. Therefore, encouraging all directors is the purpose of continually increase the knowledge of the operation.

The company's directors have attended the training courses organized by the Thai Institute of Directors (IOD) as follows:

<u>Name</u>		<u>Courses</u>
1. Mr. Narit	Chia-apar	Director Certification Program (DCP)
2. Mrs. Tassanee	Youngmeevithya	Director Certification Program (DCP)
3. Dr. Kamales	Santivejkul	Director Certification Program (DCP)
4. Mr. Narongrit	Chiarawongvanit	Director Accreditation Program (DAP)
5. Dr. Sorachai	Bhisalbutra	Director Accreditation Program (DAP)
6. Dr. Worapong	Leewattanakit	Director Accreditation Program (DAP)
7. Mrs. Supanee	Punnasri	Director Accreditation Program (DAP)
8. Mr. Chintat	Chia-apar	Director Accreditation Program (DAP)
9. Miss Chankate	Chia-apar	Director Accreditation Program (DAP)

In 2021, Miss Chankate Chia-apar, Director of the Company participated the training of Thai Institute of Directors in the course of Director Accreditation Program (DAP) 184/2021.

Orientation for new director

In the event of a change of director, the Board of Directors requires an orientation for new directors. So, the directors have knowledge understanding of the business of the Company. In addition, the Board of Directors has stipulated that the Company's management is responsible for preparing basic information about the company that is beneficial to the performance of duties of the directors also; recommend the nature and business direction to new directors. In order to prepare the directors for the performance of duties, the company secretary is the coordinator in various matters.

The Board of Director's Performance Assessment

The Board of Directors had conducted performance assessment of the entire to accordance with SET guideline, which requires to be conducted on a yearly basis, which divided by principle as follows:

- 1) **Performance assessment of the Board as a group** under the subjects as follows:
 - ◆ Structure and Characteristics of the Board
 - ◆ Roles and Responsibilities of the Board
 - ◆ Board meetings attendance
 - ◆ Duties performance of the Boards
 - ◆ Relationship with management
 - ◆ Self-development of Directors and executive's development
- 2) **The Board of Director's individual self-assessments** under the subjects as follows:
 - ◆ Structure and Characteristics of the Board
 - ◆ Roles and Responsibilities of the Board
 - ◆ Board meetings attendance
- 3) **Performance assessment of all Sub-committees** comprising of the Audit Committee, Risk Management Committee, Corporate Governance Committee, and Nomination and Remuneration Committee, Executive Committee

3.1 Performance assessment of the Board as a group under the subjects as follows:

- Structure and Characteristics of the Board
- Roles and Responsibilities of the Board
- Board meetings attendance
- Duties performance of the Boards
- Relationship with management
- Self-development of Directors

3.2 Sub-committee's individual self-assessments under the subjects as follows:

- Structure and Characteristics of the Board
- Roles and Responsibilities of the Board
- Board meetings attendance

The Board of Directors has established a process for assessing the performance of the entire Board of Directors individually and evaluating the performance of every sub-committee as follows:

- 1) Conduct an individual assessment of the performance of the committees as well as the performance evaluation of all committees at least once a year
- 2) The company secretary collects all forms of assessment results and present to the Board of Directors to consider the results of the assessment and use as a guideline for developing operations to be more efficient

For the performance evaluation of the Board of Directors and sub-committees both as a group and individual for the year 2021, the overall is good to very good. The Board of Directors will use the assessment results for further improvement and development.

Board of Directors' Meeting

Due to Company article of association, the Board of Directors meeting shall be arranged with more than half members must attend the meeting. However, the Board of Directors has considered that the meeting shall be held with more than two-third of all Directors.

The meetings have been scheduled annually as tentative time schedule in December. There will be a board meeting once per month, except April and October but editable due to time and events. An independent director will be appointed to consider and set meeting agenda. Company Secretary would send the meeting documents and invitation to member of the Board at least 7 days before the meeting. Normally, the meeting takes about 3 hours. Thus, the Chairman has allocated sufficient time to executives present and explains significant matters the committee commented independently. Directors are also invited to ask for more information in order for consideration within scope of company's policies or regulations.

The independent directors are able to arrange a meeting among them as necessary for discuss of issues about the deal without management in attendance, and report the result of the meeting to the Chairman. However, in year 2021, there is no meeting among independent directors.

Meeting Attendance

All of the Company's directors have devoted sufficient time to attend the board meetings and were presented at the Annual General Meeting of Shareholders for 2021.

The meeting attendance in 2021, is recorded in the table below.

	Name	Position	Attendance	AGM 2020
1.	Mr.Narit Chia-apar	Chairman of the Board of Directors/ Chief Executive Officer/Chairman of Executive Committee	10/10	Yes
2.	Mrs.Tassanee Youngmeevithya	Director/ Deputy Chief Executive Officer/ Chairman of Risk Management Committee/Chairman of Corporate Governance Committee/ Member of Nomination and Remuneration Committee Deputy Chairman of Executive Committee	10/10	Yes
3.	Mr.Naringrit Chiarawongvanit	Director	10/10	NO*
4.	Dr.Kamales Santivejkul	Independent Director/ Chairman of Audit Committee/Chairman of Nomination and Remuneration Committee	10/10	Yes
5.	Dr.Sorachai Bhisalbutra	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	10/10	Yes
6.	Dr.Worapong Leewattankit	Independent Director/ Member of Audit Committee/Member of Nomination and Remuneration Committee	10/10	Yes
7.	Mrs.Supanee Punnsri	Independent Director	10/10	Yes
8.	Mr.Chintat Chia-apar	Director / Member of Risk Management Committee/ Member of Corporate Governance Committee/Member of Executive Committee/Chief Organization Development Officer	10/10	Yes
9.	Miss Chankate Chai-apar**	Director	7/7	Yes

Remark: * Mr.Narongrit Chiarawongvanit did not attend the AGM 2020, due to the epidemic situation of coronavirus infection 2019 in 2021

** Miss Chankate Chia-apar was appointed as the director of the Company at the Annual General Meeting of Shareholders on April 16, 2021

Director Remuneration

Directors' remuneration is reviewed annually. The remuneration is set at an appropriate level comparable to the market and the same industry and suitable for the burden Scope of the assigned roles and responsibilities. This includes enough to motivate and retain quality directors for the company.

The company complies with guidelines for Director's remuneration as follows:

- Remuneration of directors has a reasonable level comparing to similar industry and appropriate with the assigned duties and responsibilities.
- Non-executive director will receive only a meeting allowance by the number of attendants. In case of they are assigned to be a director of sub-committee, they have the right to receive a meeting allowance by number of attendants.
- The executive director will not receive meeting allowance

The Nomination and Remuneration Committee will initially consider the remuneration. Then bring the information presented to the Board of Directors meeting to consider before presenting to the shareholders' meeting for approval. The remuneration for directors and sub-committees for the year 2020 approved by shareholders, the total amount is 2,000,000 baht, which the monetary compensation component is the meeting allowance only.

In 2021, the Company has paid various remunerations to directors as follow:

1) Monetary Remuneration

Total director remuneration for the year 2021 is 1,386,667 baht, which is the meeting allowance (amount 13,333baht per time) that for 6 directors as table below:

Name		Position	Remuneration/year (Baht)
Dr.Kamales	Santivejkul	Independent Director	166,667
		Chairman of Audit Committee	146,667
		Chairman of Nomination and Remuneration Committee	13,333
Dr.Sorachai	Bhisalbutra	Independent Director	166,667
		Member of Audit Committee	146,667
		Member of Nomination and Remuneration Committee	13,333
Dr.Worapong	Leewattanakit	Independent Director	166,667
		Member of Audit Committee	146,667
		Member of Nomination and Remuneration Committee	13,333
Mrs.Supanee	Punnasri	Independent Director	148,333
Mr.Narongrit	Chiarawiongvani	Director	150,000
Miss Chankate	Chia-apar	Director	108,333

Remark: 1. None of director received any remuneration from being directorship of the subsidiary of the Company

2. No remuneration is paid to executive directors

2) Other Remuneration

- Nil -

Subsidiaries and Affiliate Operation Control

The Board of the Director has a mechanism to control, manage, and monitor the operation of all subsidiaries and affiliate to maintain benefits of the company capital expenditure. The company assigned representative to be the directors in the company at least in a percentage of shareholding. The representative has to be approved from the Board of the Directors.

Authorized and responsibility scope of company's representative

- Participation in the importance business operation policy
- Control and oversee subsidiaries to disclose financial statements, performance, transactions between the company and related persons, acquisition or disposition of assets, or any other importance transaction of the company in according to the rules of the company
- Consider and set up an internal control system and other mechanism for properly and appropriated controlling subsidiary

Monitoring to ensure compliance with corporate governance principles

Interest Disclosure

The committees specify the company director and executives must reveal their own interest and other related person to the committee. Those related interest director or executives with the company will unable to make a decision in this related transaction.

Securities Holding of Director and Management Team Disclosure

The Company shows the securities holding of director and executives in an annual report and set the policy to all directors and executives to clarify their securities holding within 3 days since the transaction date. The Company Secretary will coordinate to submit the report to the SET and SEC. In addition, the Company also invites the directors and executives show their change in securities holding in Board of Directors meeting.

In 2021, securities holding report of the board of directors and executives, the details are as follows:

Name	Position	Shareholding* As of 16/03/2021		Shareholding* As of 16/03/2022	
		Shares	%	Shares	%
Mr.Narit Chia-apar	Chairman of the Board/ Chief Executive Officer	107,803,000	23.26	216,606,000	23.26
Mrs.Tassanee Youngmeevithya	Director/ Deputy Chief Executive Officer	106,200,000	22.91	212,400,000	22.91
Mr.Chintat Chia-apar	Director/ Chief Organization Development Officer	67,053,500	14.47	134,107,000	14.47
Mr.Naringrit Chiarawongvanit	Director	3,128,200	0.68	1,153,000	0.13
Dr.Kamales Santivejkul	Independent Director/ Chairman of Audit Committee	1,000,000	0.22	2,000,000	0.22
Dr.Sorachai Bhisalbutra	Independent Director/ Member of Audit Committee	2,198,200	0.47	1,900,000	0.21
Dr.Worapong Leewattankit	Independent Director/ Member of Audit Committee	500,000	0.11	1,100,000	0.12
Mrs.Supanee Punnsri	Independent Director	841,900	0.18	841,900	0.09
Miss Chankate Chai-apar		25,466,200	5.49	50,932,400	5.49
Miss Yaowalax Tangsanguannuch	Chief Financial Officer	-	-	-	-
Mr.Boonlert Foongvannaluck	Chief Commercial Officer	230,000	0.05	460,000	0.05
Mr.Pairoj Yanfthong	Chief Operating Officer	69,000	0.01	143,000	0.02

Remark: * Securities holding is including the securities holding by own, spouse, and immature child

Director's qualification policies

The company considers policies as qualification of Directors as follows:

1. To limit a number of listed-company that company's director can take position as director to 3 companies at the same time.
2. Prohibit to Director (including Chairman of the Board of Directors) participated as shareholder or director in other corporates which are in the same field and being competitors to the company. Exception, director has proposed to AGM before appointment approval.

Corporate Governance

The Board of Directors has regularly reviewed the policy and evaluated the implementation of its policies, resulting in the year 2021 the Company received a rating of 90% at the level of "excellent" or 5 stars for the 5th consecutive year from the survey on corporate governance of Thai listed companies. In addition, the Company is ranked 1 in 59 Top Quartile companies in the listed companies with Market capitalization between 1,000 – 2,999 million baht that received an outstanding corporate governance assessment result or Top Quartile. From this assessment reflects the business potential of the Group focusing on continuous improvement of corporate governance at a good level along with business operations for the organization to grow sustainably. As a result, the shareholders have confidence in the operation of the company.

Conflict of Interests

The Company has established policies and approval procedures for any transactions of conflict of interest or relating activities. Strict practice according to the SET's regulations will be followed and considered to ensure persons related to such conflict of interests have not involvement in any of the company's decision-making. The company has clearly disclosed the information in the financial statements, see note to Financial Statements.

In the past year, the Company did not have a case that may cause a conflict of interest.

Measures for Control of Internal Information

The Company has set necessary measures in controlling internal information for prevention of abuse for personal interests as follows:

- Directors and executives must immediately report of any changes of company's securities held after each of the transaction in the Board of the Directors meeting.
- Directors and executives, who gain access to inside information, must refrain from the company's securities trading within one month before the disclosure of the financial statement to the public.
- Violation in abuse of company's inside information for personal interests will be imposed with severe punishment such as termination of directorship or employment.

In the past year, there was not found that the directors and executives had not traded in securities during the period the company had set to refrain from trading.

Information Technology

The company has set management policy of information technology for organization with the details is as follows;

- 1) Manage the company's computer network to be stable and efficient. Ensure that computers and communication devices are adequate and available at all times
- 2) Develop information systems (database, processing, storage, reporting, and publishing) for effective management and decision-making
- 3) Encourage and develop personnel to have knowledge and skills in using information systems continuously
- 4) Provide up-to-date information technology to support efficient operations, taking into account cost and benefits
- 5) Implement security risk management for computer networks and information systems.
- 6) No violation of software licenses
- 7) Follow the laws and regulations related to the use of information technology
- 8) Manage all types of social media access, including the publishing of text, still images, video, audio, data, etc., to ensure safe and secure use

Internal Controlling System and Risk Management System

The Company recognizes the importance of internal controlling system of all levels. Therefore, we have clearly established written responsibilities and duties of management and all other employees as well as setting up the budget limit for approval of procurement requests, procurement orders, and other expenses. We created the checked and balanced system and control the utilization of the Company's assets to the maximum benefit. The company also set solid financial control system and risk management system including preventive measures.

The Internal Audit Department has been established to conduct internal auditing of the Company's operation systems to ensure full compliance to the company's legal and regulatory requirements. The internal audit department is obligated to report its finding directly to the audit committees.

In 2021, the Audit Committee had evaluated the internal control system through questioning the Management. The evaluation assessment showed that the company's internal control system is divided into five perspectives, organization and environment, risk management, administrative management, information and communication system, and traceability system. The Committee had the opinion that the company had sufficient internal control system.

Anti-Corruption Management

The Company is committed to conducting its business in a transparent, ethical and lawful manner. As a part of commitment, the Company established a written Anti-Corruption policy and a process as a clear guideline to be a good example, raise awareness, and communicate with performance of duties in a good faith with sustainability.

The Company expressed its intention to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) and was certified as a member of the project on September 6, 2013. In addition, the Company received the certificate renewal from the project committee for the second time in a row on September 31, 2021.

In 2021, the Company has taken steps to prevent involvement with corruption, as in summary:

- 1) The Company reviewed and revised the anti-corruption policy and proposed to the Board of Directors for approval. Such policies identify the definition, scope, responsibilities, resolution and penalty. In addition, it is a part of the Company's code of conduct.
- 2) The Company communicates to directors, management, staff and overseas subsidiaries for implementing all legally processes. Besides, the Company also offers training in ethics, anti- corruption policy and risk management for employees to know about the policies and practices in anti-corruption.
- 3) The Company provides whistleblowing channel to report in case of found corruption and has procedure to secure the reporter.

The Company has disclosed details of policies and actions to prevent involvement with corruption on the Company's website (http://www.seafresh.com/investor/corp_th.asp) under the heading of corporate governance.

8.2 Report on the performance of duties of the Audit Committee in 2021

In 2021, the Audit Committee had 11 meetings, which all members attended and has performed its duties in summary as follows:

1. Supervision of the preparation of the Company's financial reports and subsidiaries. Inquiring and listening to explanations from the management and the auditor on the accuracy, completeness and reliability of the financial statements
2. Supervision for the review of the internal control system and the risk management system to assess the adequacy
3. Reviewing the Company to comply with relevant laws and good corporate governance principles
4. Disclosure of opinions on the nomination of the auditors and the audit fees of the Company
5. Review of related transactions or transactions that may lead to conflicts of interest
6. Review of the Audit Committee Charter

Details of the Audit Committee Report can be found at Attachment 6, Report of the Sub-Committee.

8.3 Summary of the performance of duties of the other committees in 2021

Details of the sub-committees in the meeting and performance of the sub-committees in the past year would be viewed at information about sub-committees and Attachment 6, Reports of sub-committees.

9. Internal Control and Related Party Transaction

9.1 Internal Control and Risk Management

The Board of Directors Opinion Summarize

Board of Directors has assigned the Audit Committee reviewing the internal control system to ensure that the Company's internal control system is appropriate and sufficient by applying the control principles of the COSO (The Committee of Sponsoring Organizations of the Treadway Commission), covering the internal control of management, operational aspects, accounting and finance, and compliance with regulations and laws.

In the Board of Directors meeting No. 2/2021 on February 28, 2021 the committee has assessed the internal control evaluation report of the audit committee. The evaluation summarized that the internal control systems evaluation in 5 elements are internal control, risk assessment, operational control, information system & data communication and monitoring system. The committees consider that the company has appropriate internal control. The company has optimal allocation of manpower to correspond with operation effectively and internal control system is sufficient to monitor operation of subsidiaries, including asset protection of the Group from illegal use by director, transactions with conflict or connected person. The internal control among other topics the committee considered that it is sufficient and appropriated.

The Audit Committee opinion, which is different from The Board of Directors opinion

- Nil -

Head of Internal Audit Information

At present, the Company is in the process of recruiting an internal audit supervisor. The Audit Committee therefore has the opinion that Ms. Yaowalak Tangsanguannuch shall take the position of Acting Head of Internal Audit. Due to having sufficient knowledge and qualifications Experience in accounting, finance and internal audit work in the business, therefore, considered that it is appropriate to perform such duties.

For the consideration, approval, appointment, transfer and dismissal or incumbent managers within the company must approve by the audit committee with qualifications of the head of internal audit appears in Attachment 3.



9.2 Related Party Transaction

Connected Transactions of Seafresh Industry Public Company Limited and its subsidiaries with related companies, the details are as follows:

Name and Relationship	Transaction	Person with RPTs	Value (Million Baht)			Necessity and Reasonableness and the Board of Directors' Opinion
			Year 2021	Year 2020	Year 2019	
<u>Chartered Squared Holding Company Limited</u> Mr.Narit Chia-apar, Ms.Tassanee Yongmeevithya, Mr.Chintat Chia-apar and Miss Chankat Chia-apar, as Directors, and Chia-apar group, as Shareholders, held 100% of shares.	- Office rental and service	CFRESH/ SIHQ	9.18	9.29	9.21	- The Company and subsidiaries lease office space from Chartered Square Holding Company Limited for utilize sales office.
	- Service fee and equipment	CFRESH	-	-	0.02	
	- Sales of goods	CFRESH	0.02	0.06	0.11	- The Company sold shrimp products
	- Service income	CFRESH/MSI	0.31	0.43	0.42	- Subsidiary's information technology and others income
	- Trade account receivable	CFRESH	-	-	0.14	- The value of shrimp products
	- Other accounts payable	CFRESH/MSI	0.17	0.17	0.07	
<u>Thai K. Boiler Company Limited</u> Mr.Narit Chia-apar, and Ms.Tassanee Yongmeevithya as Directors, and Chia-apar group, as Shareholders, held 100% of shares.	- Service fee and equipment	CFRESH	0.61	0.30	0.04	- Boiler inspection service and other services
	- Service income	SIHQ	-	-	0.13	- Subsidiary's training services income
	-Purchase assets	CFRESH	-	0.53	0.04	
	-Assets payable	CFRESH	-	0.38	-	
	- Other accounts payable	CFRESH	0.01	0.24	-	
<u>Belize Aquaculture Limited</u> (BAL) , the joint venture which 50% of shares holding by SGH, CFRESH 's subsidiary, and 50% of unrelated party	- Other Account receivable		374.46	316.55	377.96	SGH has lent with 8% of interest rate and the maturity date within 13 April 2018 The lending is one of the conditions for joint venture, which approved by the CFRESH board No. 4/2012 on 19 April 2012
	- Lending		358.34	325.30	258.69	
	- Accrued interest receivable		71.58	61.82	65.25	
<u>Mr.Narit Chia-apar Yongmeevithya</u> as Directors and Shareholders	- Short term loan	SIHQ	70.00	-	-	Short-term loan amounting to BHT20 million and BHT50 million baht, at an interest rate of 5.90% per annum, with repayment on 29 September 2022 and 4 October 2022, respectively
	- Loan interest	SIHQ	1.02	-	-	
	- Other accounts payable	SIHQ	0.02	-	-	



Necessity and Reasonability of the Transaction

In 2021, the company and its subsidiaries have related business transactions with related parties, which is relevant to the terms and conditions as determined by the company and related parties. This business transactions for the purpose of determine on prices and conditions which appears not differently dealt with outsider as referenced in in the note no. 8 of the financial statement 2021 which is reviewed by auditors.

Audit Committee's Opinion

Audit committee was substantially consistent with auditors that the transactions are reasonable into sufficient discloses and integrity of it, with regards to the best interests of the company.

Related Party Transaction Policy

The related party transactions occurred and will been occurred in the future considered as the normal business transactions. There is no any conflict interest. The audit committees consider and give opinions on the transactions appropriately including disclosure rely upon to SEC and the Stock Exchange of Thailand's regulations.

Part 3 Financial Report

STATEMENT OF THE RESPONSIBILITY OF BOARD OF DIRECTOR TO FINANCIAL REPORT

The Company's Board of Director is responsible for reporting the Company's Financial Statements. The Financial Statements were prepared in accordance with Thai accounting standards and Thai Financial Reporting Standards. The Company has used the appropriate and consistency accounting policies to ensure that the information has been recorded correctly and completely, and be adequate to protect the Company's assets and prevent any misallocated items in the Financial Statements.

The Board of Directors appointed the Audit Committee, which comprises three Independent Directors, has been responsible for quality of the Financial Reports as well as to ensure the internal control system is the most appropriate and effective. The Board of Directors believes that the Company's internal control system is capable of assuring a reliable Financial Statement, as of December 31, 2021.



(Mr.Narit Chia-apar)
Chairman of the Board



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Seafresh Industry Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Seafresh Industry Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2021, the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Seafresh Industry Public Company Limited and its subsidiaries as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate 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 consolidated and separate 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 that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
<p>Deferred tax assets</p> <p>As at 31 December 2021, the Company had booked deferred tax assets of Baht 51 million relating to tax losses carried forward. The Company has not recognized a portion of deferred tax assets of Baht 135 million on the remaining cumulative tax losses. The Company will recognise deferred tax assets on tax losses carried forwards only when it is probable that it can generate taxable profits to utilize tax losses carried forward.</p> <p>In calculating deferred tax assets recognised from tax losses carried forward, management is required to exercise judgment in relation to the future forecast of taxable income.</p> <p>I have focused on this matter because the audit of such balances requires significant judgment since the outcome of management's forecasts is subject to uncertainties of future economic growth and market conditions.</p> <p>The Company disclosed deferred tax assets in Note 25.1 to financial statements.</p>	<p>I determined the sufficiency and appropriateness of audit evidence by performing the following procedures:</p> <ul style="list-style-type: none"> - Assessed the methodology that management used to estimate revenue, expenses and operating results in the future. - Discussed with management to understand the business plans and the assumption used. - Evaluated the reasonableness of underlying assumptions that management applied in forecasting by comparing the past results in budgeting and the business growth rate in normal situation including trend analysis in the marketing and same industry. - Verified the mathematical accuracy of the business forecasts. - Tested the appropriateness of deferred tax asset calculation by comparing future tax benefit that the Company can utilise from the forecasted profits. - Assessed the adequacy and appropriateness of the disclosures relating to the deferred tax.



Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 and revise a material misstatement.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's 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 Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated and separate financial statements.

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

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



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

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

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

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

Miss Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

28 February 2022



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	36,908,931	33,215,968	7,300,331	14,748,579
Trade and other accounts receivable - net	8	935,150,746	868,820,161	158,721,922	247,743,253
Short-term loan to and interest receivable					
- related parties	6	-	-	136,096,570	80,524,373
Inventories - net	9	1,697,938,570	1,515,064,905	413,973,737	438,423,652
Biological assets - net		372,784	3,105,942	-	-
Refundable value added tax		39,241,046	15,280,708	5,369,997	756,887
Derivative assets	32	923,554	-	998,976	7,926,427
Other current assets	10	89,316,117	66,947,110	21,924,600	12,349,189
Total Current Assets		2,799,851,748	2,502,434,794	744,386,133	802,472,360
NON - CURRENT ASSETS					
Restricted deposits with bank	11	21,000,000	20,000,000	20,000,000	20,000,000
Long-term loans to and interest receivable - related party	6	429,916,581	387,113,629	-	-
Investments in subsidiaries	12	-	-	1,233,824,435	1,233,824,435
Investment in joint venture	13	-	-	-	-
Property, plant and equipment - net	14	1,571,972,417	1,511,225,306	332,089,202	386,114,921
Right-of-use assets - net	15.1	18,008,415	21,823,566	12,285,388	14,702,880
Intangible assets - net	16	7,347,518	5,248,837	75,093	169,684
Deferred tax assets	25.1	51,000,000	-	51,000,000	-
Other non-current assets		8,109,091	10,209,412	6,521,574	8,514,421
Total Non - Current Assets		2,107,354,022	1,955,620,750	1,655,795,692	1,663,326,341
TOTAL ASSETS		4,907,205,770	4,458,055,544	2,400,181,825	2,465,798,701



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	17	1,485,647,066	1,604,312,613	529,438,287	843,476,736
Trade and other accounts payable		370,454,700	420,956,281	23,429,399	17,043,748
Accounts payable for purchase of fixed assets		451,149	2,961,781	451,149	2,945,196
Accrued expenses	18	51,191,689	62,284,623	26,315,309	12,000,044
Current portion of					
- lease liabilities	15.2	4,010,013	5,227,367	1,737,567	2,196,954
- long-term loans from financial institutions	19	58,179,831	48,601,326	-	-
- bonds - net	20	-	499,913,888	-	499,913,888
- employee benefit obligations	21	8,726,830	15,462,646	7,336,934	15,462,646
Short-term loans from related parties	6	70,000,000	-	141,350,002	63,550,000
Accrued income tax		27,091,672	1,015,860	-	-
Derivative liabilities	32	-	25,902,547	-	-
Other current liabilities		52,131,383	25,788,673	19,036,053	4,850,695
Total Current Liabilities		2,127,884,333	2,712,427,605	749,094,700	1,461,439,907
NON - CURRENT LIABILITIES					
Lease liabilities - net	15.2	14,120,488	16,648,772	11,077,297	12,814,864
Long-term loans from financial institutions - net	19	173,659,564	58,814,581	-	-
Employee benefit obligations - net	21	53,388,997	59,808,402	47,925,566	53,918,018
Deferred tax liabilities	25.1	51,174,417	35,087,088	-	-
Other non-current liabilities		30,000	30,000	30,000	30,000
Total Non - Current Liabilities		292,373,466	170,388,843	59,032,863	66,762,882
TOTAL LIABILITIES		2,420,257,799	2,882,816,448	808,127,563	1,528,202,789



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 1 par value					
- Authorised 927,099,200 shares					
(2020 : 485,694,600 shares)	22	927,099,200	485,694,600	927,099,200	485,694,600
- Issued and fully paid - up 927,099,200 shares					
(2020 : 463,549,600 shares)	22	927,099,200	463,549,600	927,099,200	463,549,600
Premium on share capital		799,228,000	799,228,000	799,228,000	799,228,000
Premium on treasury stock		12,902,865	12,902,865	12,902,865	12,902,865
Retained earnings (deficits)					
- Appropriated for legal reserve	23	48,569,460	48,569,460	48,569,460	48,569,460
- Unappropriated		392,084,157	112,344,958	(195,745,263)	(386,654,013)
Other components of shareholders' equity		(23,252,505)	(92,202,150)	-	-
Total equity attributable					
to the Company's shareholders		2,156,631,177	1,344,392,733	1,592,054,262	937,595,912
Non-controlling interests		330,316,794	230,846,363	-	-
TOTAL SHAREHOLDERS' EQUITY		2,486,947,971	1,575,239,096	1,592,054,262	937,595,912
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,907,205,770	4,458,055,544	2,400,181,825	2,465,798,701



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	2021	2020	2021	2020
Income					
Sales	28, 31	6,766,156,388	5,835,721,219	1,974,553,352	1,838,638,099
Service	28	19,510,433	19,151,439	2,969,924	2,227,997
Other income	26	21,339,748	17,017,114	147,358,009	62,519,936
Gain on exchange rates - net		100,246,975	-	21,713,532	-
Gain on fair value adjustment		29,634,270	-	-	7,926,427
Total income		6,936,887,814	5,871,889,772	2,146,594,817	1,911,312,459
Expenses					
Cost of sales	11	(5,838,683,059)	(5,356,074,358)	(1,740,247,135)	(1,921,664,847)
Cost of service		(8,525,719)	(10,852,085)	(2,923,124)	(2,193,197)
Selling expenses		(286,792,966)	(224,148,474)	(141,534,888)	(110,555,262)
Administrative expenses		(364,230,312)	(350,681,692)	(88,930,664)	(103,731,775)
Loss from exchange rates - net		-	(22,271,660)	-	(31,778,370)
Loss from fair value adjustment		-	(25,482,101)	(6,927,452)	-
Finance costs		(77,904,238)	(88,642,929)	(38,061,055)	(49,551,318)
Total expenses		(6,576,136,294)	(6,078,153,299)	(2,018,624,318)	2,219,474,769)
Profit (loss) before income tax		360,751,520	(206,263,527)	127,970,499	(308,162,310)
Income tax income (expense)	25.2	(25,822,274)	(34,016,134)	51,000,000	-
Profit (loss) for the year		334,929,246	(240,279,661)	178,970,499	(308,162,310)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of post-employee benefit obligations - net of tax	21	11,158,018	-	11,938,251	-
Items that will be reclassified subsequently to profit or loss					
Translation adjustment on foreign currency					
financial statements - net of tax		102,072,013	25,144,996	-	-
Other comprehensive income for the year		113,230,031	25,144,996	11,938,251	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		448,159,277	(215,134,665)	190,908,750	(308,162,310)



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
PROFIT (LOSS) ATTRIBUTABLE TO				
The Company's shareholders	268,581,181	(282,417,673)	178,970,499	(308,162,310)
Non-controlling interests	66,348,065	42,138,012	-	-
	<u>334,929,246</u>	<u>(240,279,661)</u>	<u>178,970,499</u>	<u>(308,162,310)</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO				
The Company's shareholders	348,688,844	(265,432,228)	190,908,750	(308,162,310)
Non-controlling interests	99,470,433	50,297,563	-	-
	<u>448,159,277</u>	<u>(215,134,665)</u>	<u>190,908,750</u>	<u>(308,162,310)</u>
BASIC/DILUTED EARNINGS PER SHARE				
Profit (loss) (Baht per share)	<u>0.36</u>	<u>(0.61)</u>	<u>0.24</u>	<u>(0.66)</u>
Weighted average number of common shares (share)	<u>750,569,352</u>	<u>463,549,600</u>	<u>750,569,352</u>	<u>463,549,600</u>



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

Equity attributable to the Company's shareholders														
Note	Paid - up share Capital	Premium on share capital	Premium on treasury stock	Retained earnings		Other components of shareholders' equity				Total equity attributable to the Company's shareholders	Non- controlling interests	Total shareholders' equity		
						Appropriated for legal reserve	Unappropriated	Other comprehensive income Translation adjustment on foreign currency financial statements	Surplus on investment under common control				Premium from change in portion of investment in subsidiary	Total
Consolidated F/S														



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Note	Paid - up Share Capital	Premium on share capital	Premium on treasury stock	Retained earnings (deficits)		Total
					Appropriated for Legal		
					Reserve	Unappropriated	
<u>Separate F/S</u>							
Balance as at 1 January 2020		463,549,600	799,228,000	12,902,865	48,569,460	(78,491,703)	1,245,758,222
Loss for the year		-	-	-	-	(308,162,310)	(308,162,310)
Total comprehensive income for the year		-	-	-	-	(308,162,310)	(308,162,310)
Balance as at 31 December 2020		463,549,600	799,228,000	12,902,865	48,569,460	(386,654,013)	937,595,912
Balance as at 1 January 2021		463,549,600	799,228,000	12,902,865	48,569,460	(386,654,013)	937,595,912
Increase in share capital	24	463,549,600	-	-	-	-	463,549,600
Transactions with shareholders		463,549,600	-	-	-	-	463,549,600
Profit for the year		-	-	-	-	178,970,499	178,970,499
Other comprehensive income for the year		-	-	-	-	11,938,251	11,938,251
Total comprehensive income for the year		-	-	-	-	190,908,750	190,908,750
Balance as at 31 December 2021		927,099,200	799,228,000	12,902,865	48,569,460	(195,745,263)	1,592,054,262



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before income tax	360,751,520	(206,263,527)	127,970,499	(308,162,310)
Adjustments to reconcile profit (loss) before income tax to net cash provided from (used in) operating activities				
Depreciation and amortisation expenses	147,312,494	153,481,291	61,891,002	73,056,204
Written off bad debt	189,600	-	189,600	-
Reversal of allowance for decline in value of inventories	(51,895,420)	(32,964,721)	(53,321,844)	(35,900,000)
Allowance (reversal of allowance) for decline in value of biological assets	(761,345)	2,609,883	-	-
Amortised finance costs	86,112	629,673	86,112	629,673
Loss (gain) on sales of fixed assets	(6,046,762)	5,441,361	(6,143,082)	(367,539)
Written off inventories	13,886,421	6,078,007	-	-
Written off fixed assets	91,468	35,831,200	91,464	349,418
Written off withholding tax deducted at source	-	2,825,009	-	-
Impairment for expected credit loss	40,054,833	15,700,205	-	-
Unrealised loss (gain) on foreign exchange rates	(18,692,617)	26,353,440	(773,328)	(10,074,605)
Loss (gain) from fair value adjustment	(29,634,270)	25,482,101	6,927,452	(7,926,427)
Provision for employee benefit obligations	5,632,761	7,096,442	3,668,850	6,366,170
Dividend income	-	-	(109,799,998)	(18,003,200)
Interest income	(59,912)	(102,050)	(2,330,459)	(753,068)
Interest expense	69,834,773	76,242,511	38,061,055	49,415,428
Cash flows provided from (used in) operations before changes in operating assets and liabilities	530,749,656	118,440,825	66,517,323	(251,370,256)
Decrease (increase) in operating assets				
Trade and other accounts receivable	(97,186,613)	(87,649,526)	89,599,600	96,252,352
Inventories	(144,973,273)	316,232,416	77,771,759	388,501,260
Biological assets	3,494,503	(2,732,968)	-	-
Other current assets	(51,330,664)	8,826,384	(14,190,815)	7,846,185
Other non-current assets	2,100,321	(749,256)	2,917,502	257,654
Increase (decrease) in operating liabilities				
Trade and other accounts payable	(60,256,575)	136,677,210	19,449,026	(19,219,801)
Other current liabilities	26,342,710	(18,396,710)	14,185,357	(874,705)
Paid for employee benefits obligation	(7,629,964)	(10,071,016)	(5,848,764)	(10,071,016)
Cash received from operations	201,310,101	460,577,359	250,400,988	211,321,673
Income tax payment	(33,803,945)	(26,155,675)	(924,655)	(1,091,452)
Net cash provided from operating activities	167,506,156	434,421,684	249,476,333	210,230,221



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in restricted deposits with bank	(1,000,000)	-	-	-
Proceeds from collection short-term loans to related party	-	-	-	28,700,000
Payment from short-term loans to related parties	-	-	(53,300,000)	(108,700,000)
Payment for investments in subsidiaries	-	(24,140,868)	-	(18,000,000)
Purchases of fixed assets	(116,338,937)	(164,442,601)	(9,879,740)	(13,777,547)
Purchases of intangible assets	(4,465,686)	(4,194,233)	-	(169,580)
Proceeds from sales of fixed assets	8,943,310	2,003,180	8,084,112	442,175
Dividend received	-	-	-	4,454,086
Interest income	62,207	120,053	60,556	228,695
Net cash used in investing activities	(112,799,106)	(190,654,469)	(55,035,072)	(106,822,171)
Cash flows from financing activities				
Interest payment	(72,049,063)	(79,166,603)	(36,797,376)	(52,068,982)
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(118,665,547)	415,504,253	(314,038,449)	395,013,114
Proceeds for short-term loans from related parties	74,400,000	-	201,600,000	67,200,000
Repayments for short-term loans from related parties	(4,400,000)	-	(14,000,000)	(9,600,886)
Proceeds for long-term loans from financial institutions	169,602,565	-	-	-
Repayment for long-term loans from financial institutions	(56,962,229)	(94,881,224)	-	(20,000,000)
Repayment for bonds	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)
Received from share capital increment	463,549,600	-	463,549,600	-
Decrease in lease liabilities	(5,407,584)	(5,800,637)	(2,196,954)	(2,635,987)
Dividend paid to non-controlling interests	(2)	(12,341,948)	-	-
Net cash used in financing activities	(49,932,260)	(276,686,159)	(201,883,179)	(122,092,741)
Translation adjustment on foreign currency financial statements	(1,091,187)	1,485,703	-	-
Increase (decrease) in cash and cash equivalents - net	3,683,603	(31,433,241)	(7,441,918)	(18,684,691)
Cash and cash equivalents at beginning of year	33,215,968	64,722,771	14,748,579	33,358,258
Effect on foreign currency exchange rate at the end of year	9,360	(73,562)	(6,330)	75,012
Cash and cash equivalents at end of year	36,908,931	33,215,968	7,300,331	14,748,579
Supplemental cash flows information				
Non cash transactions:-				
Off - setting short-term loans from related parties with dividend income	-	-	109,799,998	13,549,114
Acquisition of right-of-use assets under lease liabilities	1,031,104	27,676,776	-	17,647,805
Payable for purchase of fixed assets	451,149	7,823,242	2,494,047	1,842,173
Transferred other current assets to property, plant and equipment	-	30,538,914	-	-
Transferred other receivables to long-term loans to related party	-	15,312,329	-	-



SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

1. NATURE OF OPERATIONS AND GENERAL INFORMATION

Seafresh Industry Public Company Limited (“the Company”) is a public company limited which is incorporated and domiciled in Thailand. It is listed on the Stock Exchange of Thailand. The registered addresses of the Company’s office and branch are as follows:

Head office: 402 Moo 8, Chumphon - Paknam Road, Paknam, Muangchumphon, Chumphon 86120.

1 Branch: 152/25, Chartered Square Building, 31st Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500.

As at 31 December 2021 and 2020, the major shareholder of the Company is Chia-Apar family and related parties, who owns 30.64% and 66.68%, respectively of the Company’s share capital.

The Company and its subsidiaries (“the Group”) is principally engaged in the manufacturing and distribution of frozen raw shrimp, processed shrimp, vegetable and fruit, and others seafood products including other services as disclosed in Note 2.2.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The consolidated and separate financial statements have been prepared under the historical cost, except as disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.



2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Seafresh Industry Public Company Limited and its subsidiaries which the Company can exercise control over or holds shares with voting right more than 50% as follows:

	Country of incorporation	Percentage of Shareholding		Nature of business
		2021	2020	
Subsidiaries				
Seafresh Group (Holdings) Limited (SGH) (39% held by the Company and 28.55% held by SIHQ)	United Kingdom	67.55	67.55	Investment in companies engaged in seafood processing and other related business
Sea Farms Limited (100% held by SGH)	United Kingdom	67.55	67.55	Import and distribution of seafood
Blue Earth Foods Limited (25% held by the Company and 75% held by SGH)	United Kingdom	75.66	75.66	Sourcing, producing and distribution of processed seafood
Sea Farms, Inc. (25% held by the Company and 65% held by SGH)	United States of America	68.91	68.91	Import and distribution of seafood
Prochaete Innovation Limited (25% held by the Company and 35% held by SGH)	United Kingdom	48.64	48.64	Research and development of fish meal substitution
Sea Farms Nutrition Limited (SFN) (60% held by SGH and 25% held by SIHQ)	United Kingdom	65.53	65.53	Produce and sell animals feed and nutrition
Sea Farms Nutrition, Inc. (85% held by SFN)	United States of America	55.70	55.70	Sell animals feed and nutrition
Mudwalls Farm Limited (51% held by SGH)	United Kingdom	34.45	34.45	Trading of fruit and vegetable
44 Foods Limited (100% held by SGH)	United Kingdom	67.55	67.55	E-Commerce platform for food products
Manufacturing Systems Implementation Company Limited	Thailand	100.00	100.00	Consulting and installation of computer system
Seafresh IHQ Company Limited (SIHQ)	Thailand	100.00	100.00	Provide managerial, technical support and financial management services to companies in the Group
Seafresh Farm Company Limited	Thailand	100.00	100.00	Shrimp farm
Joint venture				
Belize Aquaculture Limited (50% held by SGH)	Belize	50.00	50.00	Shrimp farm

Significant inter-company transactions with subsidiaries included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepared using the same accounting policies for similar transactions or accounts of similar nature in the preparation of the Company's financial statements.

2.3 New and revised financial reporting standards, interpretations and guidance

2.3.1 Amendments and interpretation to the Standards that are effective from 1 January 2021

2.3.1.1 Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No. 8 “Accounting policies, Changes in Accounting Estimates and Errors”

There is an amendment to the definition of the term “Materiality” to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarifies the materiality application to Thai Financial Reporting Standard No.1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

2.3.1.2 Thai Financial Reporting Standard No.3 “Business combinations”

This standard was amended to provide more consideration as follows:

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of purchase whether it is considered as purchase of assets or business combination.
- Amend the definition of the term “Business” to define the business combination to include, at a minimum, an input and a substantive process that are collectively significant contribution to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

2.3.1.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

These standards change specific hedge accounting requirements to relief the uncertainties arising from impact of interest rate benchmark reform including the effects of changes to contractual cash flow or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to disclose all hedging relationships directly affected by such uncertainty.

2.3.1.4 Conceptual Framework for Financial Reporting

The conceptual framework definition was amended to define assets and liabilities and criteria for recognizing assets and liabilities in financial statements by adding the conceptual and application consideration as follows:

- Measurement including factors to be considered when selecting a benchmark basis.
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes about responsibilities by function, conservative consideration concept, and uncertainty in the measurement of values in the preparation of financial information. The revision in conceptual framework also affect to the revision in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

2.3.1.5 Thai Financial Reporting Standard No.16 “Leases”

This standard amends of Covid-19 related rent concessions which permits lessees, as a practical expedient, not to assess whether rent concessions that meet specified conditions are lease modification.

However, the Group has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021 and has not early adopted TFRS which are not yet effective. The application has no material impact on the financial statements.

2.3.2 Financial Reporting Standards and guidance which effective for the accounting period beginning on or after 1 January 2022

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevance to the interest rate benchmark (IBOR) reform Phase 2 amendments (Phase 2 amendments). The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flow or hedging relationship arising from the change of interest rate benchmark to alternative benchmark rates. The impact financial reporting standards are as follows:

Financial reporting standard	Name of standard
Thai Financial Reporting Standard 4	Insurance contracts
Thai Financial Reporting Standard 7	Disclosure of financial instruments
Thai Financial Reporting Standard 9	Financial instruments
Thai Financial Reporting Standard 16	Lease
Accounting guidance	Financial instruments and disclosures for insurance business

The significant information are as follows:

- Applying a practical expedient on relief measurement when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), have to comply with 2 conditions are 1) the changes that are necessary as a direct result of the IBOR reform and 2) the new basis for determining contractual cash flows are considered economically equivalent, will not result in an immediate gain or loss in the statement of profit or loss. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS7 requires addition disclosures as follows:

- The nature and extent of risks arising from the IBOR reform including methods that the entity uses in managing for the transition to alternative benchmark rates.
- The quantitative information related to the financial instruments that have yet transitioning to an alternative benchmark rate as at the end of the reporting period, by separate significant benchmark rates under the IBOR reform.
- The changing to an entity's risk management strategies that the risk arising from financial instruments and transition to alternative benchmark rates.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards and guidelines on accounting which have been announced in the Royal Gazette on 22 December 2021. Such Thai Financial Reporting Standards and guidelines on accounting are not applicable to the Group.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Investments in subsidiaries and joint venture

a) Subsidiaries

Subsidiaries 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieving in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognized in profit or loss.

Any contingent consideration to be transferred by the group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognize and previously held interest measured less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Intercompany transactions, balances, unrealized gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are adjusted where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

b) Joint arrangement

Investment in joint arrangement is classified as either joint operation or joint venture depending on the contractual rights and obligations of each investor. The Group assessed the nature of its joint arrangement and determined it to be joint venture. Joint venture is accounted for using the equity method.

Under the equity method of accounting, interests in joint venture is initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and change in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the joint venture), the Group will not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains or losses on transactions between the group and its joint venture is eliminated to the extent of the group's interest in the joint venture unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture are changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Foreign currency translation

1) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit and loss, any exchange component of that gain or loss is recognized in profit and loss.

3) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are presented under current liabilities in the statement of financial position.

Cash at banks with restrictions of usage are presented separately as “Restricted deposits with banks” under non-current assets in the statement of financial position.

3.4 Financial instrument

Recognition and derecognition

The Group will recognize financial assets and financial liabilities when the Group becomes a party to the contractual provisions of the financial instrument.

The Group will derecognize financial assets when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

The Group will derecognize financial liabilities when they are extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

The Group classified financial assets into the categorized (1) amortised cost (2) fair value through other comprehensive income (FVTOCI) or (3) fair value through profit or loss (FVTPL) based on 2 criteria as follows:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented as a separate transaction.

At initial recognition, the financial assets (in the case of a financial asset not at FVTPL) are initial recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Group does not have any financial assets categorized and measured by FVTOCI.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions:

- the Group held such financial assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest method and are subjected to impairment which recognized in the profit or loss as separate item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL.

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

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI (if any). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Classification and initial measurement of financial liabilities

The Group classifies the financial instruments issued by the Group as financial liabilities or equity securities by considering contractual obligations.

The Group initial recognized the financial liabilities at fair value and adjusted with transaction costs that are directly attributable to the acquisition of the financial liabilities.

Subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method and are expenses in the profit or loss except derivative liabilities are measured at FVTPL.

3.5 Trade accounts receivable

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade accounts receivable are presented at transaction price less impairment for expected credit loss. Impairment of trade accounts receivable are measured at an amount equal to lifetime expected credit losses (ECLs). ECLs are estimated using the Simplified approach which a provision matrix developing. The expected loss rate is based on historical credit loss experiences, adjusted with factors that are specific to the debtors together with an assessment of both current and future forecast of general economic conditions. The expected loss will recognize in profit or loss as part of administrative expenses.



3.6 Inventories

Inventories are stated at the lower of cost and net realizable 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, rebates and other similar items. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads based on normal operating capacity, excluding borrowing costs. Net realizable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

3.7 Biological assets

Biological assets comprise shrimps in the ponds. These are measured at cost less impairment losses, (if any), since the growing period to harvest is approximately 3 months. Costs of biological assets include all costs of baby shrimp and farming costs.

3.8 Property, plant and equipment

Land is stated at cost and is not depreciated.

All plant and equipment are stated at historical cost less accumulated depreciation and impairment on assets (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items including an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located, when the entity has the obligation to do so.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is recognized. All other repairs and maintenance are charged to statement of profit or loss during the period in which they are incurred.

Depreciation on other asset is calculated on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Buildings	20 - 50 years
Building improvements	5 - 10 years
Machine and factory equipment	3 - 10 years
Office fixtures and supplies	3 - 10 years
Vehicles	5 - 10 years



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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds from sales on assets with the carrying amount and net gains or losses will be recognized in statements of profit or loss.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalized as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are recognized as expenses.

3.9 Intangible assets

Intangible assets acquired through business combination are initially recognized at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognized at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortization and accumulated impairment losses (if any) of assets.

Intangible assets with finite lives are amortized on a systematic basis over their economic useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is recognized to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	3 years
Relationship with customers	3 years

3.10 Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill

that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.11 Leases

Leases - where the Group is the lessee

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

The Group initially recognized the right-of-use (ROU) at cost at the lease commencement date, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any incentive received, initial direct costs and estimated costs to be incurred 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.

After the lease commencement date, the ROU is stated at historical cost less accumulated depreciation and impairment on assets (if any). The Group calculated the depreciation on the ROU using the straight-line method over the lease period.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group will use the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability at the commencement date are as follows:

- (a) fixed payment less incentive receivable (if any);
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable under a residual value guarantee;
- (d) the exercise price, under a purchase option that the Group is reasonably certain to exercise; and
- (e) payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments

- a change in the Company's estimate of the amount expected to be payable under a residual value guarantee
- the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group recognized the lease associated with payments for short-term leases that have a lease term of 12 months or less and lease of low-value assets as an expense on a straight-line basis over the lease period.

Leases - where the Group is the lessor

At the commencement date, the Group will classify leases as operating lease or a finance lease. If the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset, the lease will be classified to operating lease. If the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset, the lease will be classified to finance lease.

The underlying assets of operating lease are presented in the right-of-use assets in the statement of financial position and measured their value on a basis consistent with other similar right-of-use assets of the Group.

3.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantial ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as profit or loss in the period in which they are incurred.

3.13 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.14 Employee benefits

Provident fund

The Group and its employees in Thailand have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rates of 3% and 5%, respectively, of their basic salaries. The fund, will pay to employees upon termination in accordance with the fund rules. The Group contribution to the fund are recognized as expense when incurred.



Post - employment benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under the labor law.

The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are recognized to equity through other comprehensive income in the period in which they arise.

3.15 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; the amount has been reliably estimated. Restructuring provisions comprise lease, lease termination penalties and employee termination payment. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.16 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in shareholders' equity.

3.17 Premium on treasury stock

Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock. Losses on disposal of treasury stock are determined by reference to the carrying amount and are presented in premium on treasury stock and retained earnings, consecutively.

3.18 Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time.

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

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

For bundled packages, the Group accounts for individual products and services separately if they are distinct or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Other income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

Interest income is recognized on an accrual basis based on effective interest rate.



3.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's board of directors who makes strategic decisions.

3.21 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company 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.

3.22 Fair value estimate

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible classified by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly that is, as prices or indirectly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

4. CRITICAL ACCOUNTING ESTIMATE, ASSUMPTIONS AND JUDGEMENT

The preparation of financial statements, management undertake judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Critical accounting estimates, assumption and judgements are as follows:

4.1 Plant and equipment and intangible assets

Management determines the estimated useful lives and residual values of the Group's plant and equipment and intangible assets. The management reviews the calculations of depreciation and amortization expenses where the estimated useful life and residual value differ from the previous estimation or there is written-off for technically obsolete or non-used assets by sales or abandon.

4.2 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligation.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit obligations.

4.3 Impairment of trade receivables

The Group determines an impairment of trade receivables with an amount equal to lifetime expected credit losses (ECLs). The management uses of various assumptions and judgements to estimate ECLs including exercise the judgement to estimate an expected loss rate, the determination of factor that are specific to the debtors together with an assessment of both current and future forecast of general economic conditions. The management reviews these estimates and assumptions on a regular basis.

4.4 Allowance for decline in value of inventory

The Group provides allowances for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowances are based on consideration of inventory turnover and deterioration of each category.



4.5 Recoverability of joint venture balances

The Group has provided trading and loan balances to its joint venture, Belize Aquaculture Limited, a company incorporated in Belize. Management reassess the recoverable amount of these balances on an annual basis. In assessing any risks of impairment, management estimate the reasonable amount based on its share of the net assets, the ongoing trading position, and any ultimate estimated realizable value. Estimation uncertainty arises through any assumptions relating to these aspects. During the year, additional impairment provisions have been recognized against these balances, reflecting ongoing losses and the net liability position of the joint venture. Management also note a continuing high degree of estimation uncertainty as to any ultimate recoverable amount against these balances.

4.6 Impairment of assets

The Group treats assets as impaired when there has been a significant or prolonged decline in their fair value. The determination of what is “significant” or “prolonged” requires management judgment.

4.7 Leases

Determining the lease term

The Group exercises judgement in determining whether it is reasonably certain to exercise option to terminate or extend a lease in determining the lease term which considered all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease or not to exercise the option to terminate the lease.

Determining discount rate

The discount used in calculation of the lease liability is the rate implicit in the leases if it can be readily determined, or the incremental borrowing rate if not. The Group evaluates the incremental borrowing rate by using information provided by third-party of the Group and adjusts information obtained to reflect changes in the Group’s financial factor.

4.8 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the company and subsidiary’s future taxable income against which the deductible temporary differences can be utilized. Management judgement is required in assessing the impact of any legal or economic limit or uncertainties in various tax jurisdictions.

5. CAPITAL RISK MANAGEMENT

The Group’s objectives in the management of capital is to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.



6. TRANSACTIONS WITH RELATED PARTIES

The Company has significant business transactions with its related parties (related in term of common shareholders and/or management). Such transactions have been complied with the terms and conditions as determined by the Company and related parties.

The relationship between the Company and related parties are summarised below:

Names	Relationship
Seafresh Group (Holdings) Limited (SGH)	Subsidiary
Sea Farms Limited	Subsidiary of SGH
Blue Earth Foods Limited	Subsidiary of SGH
Sea Farms, Inc.	Subsidiary of SGH
Prochaete Innovation Limited	Subsidiary of SGH
Sea Farms Nutrition Limited (SFN)	Subsidiary of SGH
Sea Farms Nutrition, Inc.	Subsidiary of SFN
Mudwalls Farm Limited	Subsidiary of SGH
44 Foods Limited	Subsidiary of SGH
Manufacturing System Implementation Company Limited	Subsidiary
Seafresh IHQ Company Limited	Subsidiary
Seafresh Farm Company Limited	Subsidiary
Belize Aquaculture Limited	Joint Venture of SGH
Chartered Square Holding Company Limited	Common director and shareholders
Thai K Boiler Company Limited	Common director and shareholders
Mr. Narit Chia-apar	Shareholder and director

Transaction	Pricing policy
Sales of goods	Cost plus margin
Purchase of goods	Agreed price
Interest income	2.00% per annum
Other income	Cost plus margin
Dividend income	Upon declaration
Interest on credit sale	1.00% per month
Service fee	Cost plus margin
Office rental and service	Cost plus margin
Service and equipment	Cost plus margin
Interest charge - Short-term loan	0.50%, 1.00 and 5.95% per annum
Sales of assets	Agreed price



Significant transactions with related parties for the years ended 31 December 2021 and 2020 are as follows:

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
<u>Subsidiaries</u>				
Sales of goods	-	-	851,860	783,412
Service income	-	-	2,970	2,228
Interest income	-	-	2,272	662
Other income - interest on credit sale	-	-	12,540	24,891
Dividend income	-	-	109,800	18,003
Service fee	-	-	10,116	10,116
Interest charge	-	-	2,040	57
Purchase of raw materials	-	-	13,636	15,788
Management income	-	-	600	600
Miscellaneous income	-	-	1,537	1,824
Purchase of assets	-	-	49	-
<u>Related parties</u>				
Sales of goods	15	55	15	55
Service income	287	284	-	-
Office rental and service	9,177	9,291	8,478	8,584
Miscellaneous expenses	24	144	24	144
Service and equipment	610	298	11	298
Purchase of assets	-	534	-	534
<u>Shareholder and director</u>				
Interest expense - short- term loan	1,023	-	-	-
<u>Key management personnel compensation</u>				
Short-term employee benefits	74,443	44,108	17,038	18,144
Provision for post-employment benefits	421	400	421	400



Significant balances with the related parties as at 31 December 2021 and 2020 are as follows:

	Consolidated F/S		(Unit : Thousand Baht)	
	2021	2020	2021	2020
Trade accounts receivable				
Subsidiaries	-	-	128,925	200,138
Related party	-	-	-	-
Total	-	-	128,925	200,138
Other accounts receivable				
Subsidiaries	-	-	741	5,925
Joint venture - net	374,461	316,549	-	-
Total	374,461	316,549	741	5,925
Other current assets				
Subsidiaries	-	-	448	443
Short-term loans to and interest receivable				
Subsidiaries				
Loans to	-	-	133,300	80,000
Interest receivable	-	-	2,797	524
Total	-	-	136,097	80,524
Long-term loans to and interest receivable				
Joint venture				
Loans to	358,339	325,298	-	-
Interest receivable	71,578	61,816	-	-
Total	429,917	387,114	-	-
Other accounts payable				
Subsidiaries	-	-	9,083	114
Related parties	182	789	71	676
Shareholder and director	23	-	-	-
Total	205	789	9,154	790
Short-term loans from				
Subsidiaries	-	-	141,350	63,550
Shareholder and director	70,000	-	-	-
Total	70,000	-	141,350	63,550

Short-term loans to related party

The balance of short-term loans to subsidiary and the movement during the year are as follows:

(Unit : Thousand Baht)

Borrower	Interest rate (% per annum)	Currency	Principal (Thousand Baht)	Maturity date	Separate F/S			
					2020	Increase	Decrease	2021
Seafresh Farm Company Limited	2.00	Baht	133,300	At call	80,000	53,300	-	133,300

Long-term loans to related party

The balances of long-term loans to joint venture and the movement during the year are as follows:

(Unit : Thousand Baht)

			Consolidated F/S							
Borrower	Interest rate (% per annum)	Principal (Thousand US dollar)	31 December			Unrealized gain on exchange rates	Currency translation differences	Impairment for expected credit loss		31 December 2021
			2020	Increase	Decrease			Increase	Transferred out	
Belize Aquaculture Limited	8.00	14,466	325,298	-	-	15,684	35,242	(17,885)	-	358,339

Short-term loans are classified as long-term loans due to the lender (subsidiary) has an intention to extend the period of loan repayment to more than one year.

As at 31 December 2021, the subsidiary has cumulatively recognized a share of equity loss from the joint venture amounting to Baht 128.51 million (2020: Baht 98.84 million)

The subsidiary has not recognized interest income from long-term loans to joint venture since 1 January 2016 until loans are settled by the joint venture.



The Group has outstanding amount net of share of equity loss from the joint venture amount to Baht 804 million which includes other accounts receivable of Baht 374 million, interest receivable of Baht 72 million and long-term loans of Baht 358 million. The Company believes that the amount will be recoverable since the underlying property held by the joint venture exceeds the value of the amounts outstanding. The principal asset of the joint venture has a fair value amounting to USD 35.82 million (equivalent to Baht 1,197.10 million as at 31 December 2021) based on a valuation performed by an independent appraiser.

Short-term loans from related parties

The balance of short-term loans from related person, related parties and subsidiaries and the movements during the year are as follows:

(Unit : Thousand Baht)

Lender	Interest rate (% per annum)	Currency	Principal (Thousand Baht)	Maturity date	Consolidated F/S			
					31 December 2020	Increase	Decrease	31 December 2021
Thai K Boiler Company Limited	0.50	Baht	4,400	At call	-	4,400	(4,400)	-
Shareholder and director	5.90	Baht	20,000	29 September 2022	-	20,000	-	20,000
Shareholder and director	5.90	Baht	50,000	4 October 2022	-	50,000	-	50,000
Total					-	74,400	(4,400)	70,000

(Unit : Thousand Baht)

Lender	Interest rate (% per annum)	Currency	Principal (Thousand Baht)	Maturity date	Separate F/S			
					31 December 2020	Increase	Decrease	31 December 2021
Seafresh IHQ Company Limited	1.00	Baht	79,700	At call	62,050	14,000	(76,050)	-
Seafresh IHQ Company Limited	0.50	Baht	112,100	At call	-	112,100	(41,550)	70,550
Seafresh IHQ Company Limited	5.95	Baht	20,000	29 September 2022	-	20,000	(5,600)	14,400
Seafresh IHQ Company Limited	5.95	Baht	50,000	4 October 2022	-	50,000	-	50,000
Manufacturing Systems Implementation Company Limited	0.50	Baht	7,000	At call	1,500	5,500	(600)	6,400
Total					63,550	201,600	(123,800)	141,350

7. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2021	2020
Cash on hand	178	341
Deposits held at call with banks	36,731	32,875
Total	36,909	33,216

8. TRADE AND OTHER ACCOUNTS RECEIVABLE - NET

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	2021	2020
Trade accounts receivable - general	555,070	547,154
Trade accounts receivable - related parties (Note 6)	-	-
Other accounts receivable - third parties	5,620	5,117
Other accounts receivable - related parties (Note 6)	485,960	397,374
Total	1,046,650	949,645
<u>Less</u> Impairment for expected credit loss - other accounts receivable - related parties (Note 6)	(102,107)	(80,677)
Currency translation differences (Note 6)	(9,392)	(148)
Net	935,151	868,820



The aging analysis of trade accounts receivable are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
<u>Trade accounts receivable - general</u>				
Not yet due	525,168	514,464	21,992	28,179
Less than 3 months	29,561	30,838	6,637	12,397
3 - 6 months	-	1,852	-	1,067
6 - 12 months	-	-	-	-
Over 12 months	341	-	341	-
Total	555,070	547,154	28,970	41,643
<u>Trade accounts receivable - related parties</u>				
Not yet due	-	-	75,254	109,151
Less than 3 months	-	-	53,671	29,565
3 - 6 months	-	-	-	8,691
6 - 12 months	-	-	-	52,731
Total	-	-	128,925	200,138

9. INVENTORIES - NET

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Finished goods	1,599,056	1,491,978	407,851	491,486
Work in process	1,222	672	144	126
Raw materials and packaging supplies	110,416	85,649	15,557	9,712
Chemical and others	1,330	2,638	-	-
Total	1,712,024	1,580,937	423,532	501,324
<u>Less Allowance for decline in value</u>				
of inventories	(13,977)	(65,835)	(9,578)	(62,900)
Currency translation differences	(108)	(37)	-	-
Net	1,697,939	1,515,065	413,974	438,424

The decrease in the allowance for the decline in inventory of the Company was principally due to the decrease in the slow-moving inventories of the Company.

The movements in allowance for decline in value of inventories during the year are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Beginning balance	65,872	98,800	62,900	98,800
Increase	4,399	3,705	-	770
Decrease	(56,294)	(36,670)	(53,322)	(36,670)
Currency translation differences	108	37	-	-
Ending balance	14,085	65,872	9,578	62,900

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Cost of goods sold	5,890,578	5,389,039	1,793,569	1,957,565
Decrease in allowance	(51,895)	(32,965)	(53,322)	(35,900)
Total cost of sales	5,838,683	5,356,074	1,740,247	1,921,665

10. OTHER CURRENT ASSETS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Prepaid expense	78,495	53,186	17,451	7,689
Office supplies	2,831	3,800	2,515	3,268
Tax coupon	942	263	942	263
Advance payment	48	587	48	522
Others	7,000	9,111	969	607
Total	89,316	66,947	21,925	12,349

11. RESTRICTED DEPOSITS WITH BANK

Restricted deposits with bank represent fixed deposit of 3 months, 6 months 12 months pledged as collateral for the overdraft and short-term loans facilities from financial institutions.



12. INVESTMENTS IN SUBSIDIARIES

		Separate F/S									
		Paid-up capital		Percentage of shareholding direct (%)		Percentage of shareholding direct and indirect (%)		At Cost (Thousand Baht)		Dividend Income (Thousand Baht)	
Currency of investments		31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Seafresh Group (Holdings) Limited	GBP	10,000	10,000	39.00	39.00	67.55	67.55	190	190	-	14,803
Sea Farms Limited	GBP	1	1	-	-	67.55	67.55	-	-	-	-
Blue Earth Foods Limited	GBP	3,000	3,000	25.00	25.00	75.66	75.66	36	36	-	-
Sea Farms, Inc.	USD	10,000	10,000	25.00	25.00	68.91	68.91	77	77	-	-
Prochaete Innovation Limited	GBP	100	100	25.00	25.00	48.64	48.64	1	1	-	-
Sea Farms Nutrition Limited	GBP	10,000	10,000	-	-	65.53	65.53	-	-	-	-
Sea Farms Nutrition, Inc.	USD	1	1	-	-	55.70	55.70	-	-	-	-
Mudwalls Farm Limited	GBP	100	100	-	-	34.45	34.45	-	-	-	-
44 Foods Limited	GBP	100	100	-	-	67.65	67.65	-	-	-	-
Manufacturing Systems											
Implementation Company Limited	Thousand Baht	3,000	3,000	100.00	100.00	100.00	100.00	3,521	3,521	-	3,200
Seafresh IHQ Company Limited	Thousand Baht	900,000	900,000	100.00	100.00	100.00	100.00	900,000	900,000	109,800	-
Seafresh Farm Company Limited	Thousand Baht	330,000	330,000	100.00	100.00	100.00	100.00	330,000	330,000	-	-
Total								1,233,825	1,233,825	109,800	18,003



The Company has only 48.64% and 34.45% interest in Prochaete Innovation Limited and Mudwalls Farm Limited, respectively but has included them in the consolidated financial statements because the Company can govern the financial and operating policies of such subsidiaries through the board of directors voting rights which more than 50%.

At the Board of Director's Meeting No. 6/2020 on 21 July 2020, the director passed the resolution to approve Seafresh Group (Holdings) Limited to invest 51% of Mudwalls Limited's common share which incorporated in United Kingdom for trading of vegetable and fruit. Such subsidiary has been changed the registered name to Mudwalls Farm Limited on 17 August 2020.

At the Board of Director's Meeting No. 7/2020 on 13 August 2020, the director passed the resolution to approve Seafresh Group (Holdings) Limited to invest 100% of 44 Foods Limited's common share which incorporated in United Kingdom to expand the CFRESH group market and support the growth of other businesses in the future.

The total non-controlling interests as at 31 December 2021 of is Baht 330.32 million (2020: Baht 230.85 million) of which Baht 272.33 million (2020: Baht 182.57 million) is of Sea Farms Limited which is considered as material non-controlling interests. Set out below are the summarised financial information for aforementioned subsidiary.

Summarised statement of financial position as at 31 December 2021 and 2020

	(Unit : Million Baht)	
	Sea Farms Limited	
	2021	2020
<u>Assets</u>		
Current assets	1,580	1,490
Non-current assets	4	11
Total assets	1,584	1,501
<u>Liabilities</u>		
Current liabilities	745	939
Non-current liabilities	-	-
Total liabilities	745	939
Net assets	839	562



Summarised statement of comprehensive income for the years ended 31 December 2021 and 2020

(Unit : Million Baht)		
Sea Farms Limited		
	2021	2020
Revenue	2,820	2,453
Profit before income tax	255	148
Income tax expense	45	19
Profit after income tax	210	129
Other comprehensive income	-	-
Total comprehensive income	210	129
Total comprehensive income attributable to non-controlling interests	68	42
Dividends paid to non-controlling interests	-	12

(Unit : Million Baht)		
Sea Farms Limited		
	2021	2020
Net cash from operating activities	128	115
Net cash used in investing activities	-	-
Net cash used in financing activities	(80)	(72)
Net cash inflows	48	43

The information above is the amount before inter-company eliminations.

13. INVESTMENT IN JOINT VENTURE

		Consolidated F/S					
		Percentage of investment (%)		At cost (Thousand Baht)		Equity method (Thousand Baht)	
	Paid-up capital	2021	2020	2021	2020	2021	2020
Belize Aquaculture Limited	BZD 13.75 million	50.00	50.00	9,663	9,663	-	-

The Group has no contingent liabilities relating to the Group's interest in the joint venture.

No movements in the Group's investment in joint venture because a subsidiary has fully recognized loss sharing from investment under the equity method.



Summary of financial information of joint venture by investment portion are as follows:

	(Unit : Thousand Baht)	
	Belize Aquaculture Limited	
	2021	2020
Cash and cash equivalents	172	191
Trade and other accounts receivable	604	1,190
Inventories	7,134	6,708
Property, plant and equipment	309,729	284,901
Other non-current assets	129	313
Total assets	317,768	293,303
Trade and other accounts payable	281,073	275,466
Loans	278,661	223,272
Total liabilities	559,734	498,738
Net assets	(241,966)	(205,435)
Revenue	148	-
Cost of sales	-	-
Selling and administrative expenses	(38,722)	(21,206)
Loss before income tax	(38,574)	(21,206)
Income tax	-	-
Loss for the year	(38,574)	(21,206)

**14. PROPERTY, PLANT AND EQUIPMENT - NET**

(Unit : Thousand Baht)

	Consolidated F/S						
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	Total
As at 1 January 2020							
Opening - net book value	353,411	633,485	332,041	71,573	76,630	22,257	1,489,397
Additions	-	34,246	49,740	13,856	5,552	83,764	187,158
Transfer in	3,500	20,387	22,186	357	550	-	46,980
Transfer out	-	-	-	(20)	-	(46,960)	(46,980)
Disposals - net	-	(7,270)	(175)	-	-	-	(7,445)
Write off - net	-	(22,324)	(13,050)	(94)	(363)	-	(35,831)
Depreciation	-	(40,822)	(74,553)	(11,654)	(16,019)	-	(143,048)
Currency translation differences	1,436	11,711	5,017	1,748	1,082	-	20,994
Closing - net book value	358,347	629,413	321,206	75,766	67,432	59,061	1,511,225
As at 31 December 2020							
Cost	358,347	1,282,325	983,470	196,372	172,085	59,061	3,051,660
<u>Less</u> Accumulated depreciation	-	(652,912)	(662,264)	(120,606)	(104,653)	-	(1,540,435)
Net book value	358,347	629,413	321,206	75,766	67,432	59,061	1,511,225



(Unit : Thousand Baht)

	Consolidated F/S						
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	Total
As at 1 January 2021							
Opening - net book value	358,347	629,413	321,206	75,766	67,432	59,061	1,511,225
Additions	-	40,267	41,339	9,384	1,094	21,744	113,828
Transfer in	21,557	26,422	23,355	253	-	-	71,587
Transfer out	-	-	-	-	-	(71,587)	(71,587)
Disposals - net	-	-	(22)	-	(2,875)	-	(2,897)
Write off - net	-	(3)	(71)	(3)	(14)	-	(91)
Depreciation	-	(36,883)	(73,942)	(15,476)	(12,727)	-	(139,028)
Currency translation differences	5,720	49,267	21,892	7,547	4,509	-	88,935
Closing - net book value	385,624	708,483	333,757	77,471	57,419	9,218	1,571,972
As at 31 December 2021							
Cost	385,624	1,405,148	1,096,499	219,882	151,781	9,218	3,268,152
<u>Less</u> Accumulated depreciation	-	(696,665)	(762,742)	(142,411)	(94,362)	-	(1,696,180)
Net book value	385,624	708,483	333,757	77,471	57,419	9,218	1,571,972

Certain land and buildings are mortgaged as collateral for long-term loans from financial institutions as explained in Note 19.



(Unit : Thousand Baht)

	Separate F/S						
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	Total
As at 1 January 2020							
Opening - net book value	105,279	165,846	119,897	4,136	27,200	18,131	440,489
Additions	-	484	3,796	809	-	10,531	15,620
Transfer	-	47	19,337	13	-	(19,397)	-
Disposals - net	-	-	(75)	-	-	-	(75)
Write off - net	-	-	(346)	(3)	-	-	(349)
Depreciation	-	(21,545)	(35,265)	(2,323)	(10,437)	-	(69,570)
Closing - net book value	105,279	144,832	107,344	2,632	16,763	9,265	386,115
As at 31 December 2020							
Cost	105,279	732,378	498,406	46,052	101,669	9,265	1,493,049
<u>Less</u> Accumulated depreciation	-	(587,546)	(391,062)	(43,420)	(84,906)	-	(1,106,934)
Net book value	105,279	144,832	107,344	2,632	16,763	9,265	386,115



(Unit : Thousand Baht)

	Separate F/S						
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	Total
As at 1 January 2021							
Opening - net book value	105,279	144,832	107,344	2,631	16,763	9,266	386,115
Additions	-	-	1,480	375	-	5,530	7,385
Transfer	-	593	12,037	-	-	(12,630)	-
Disposals - net	-	-	-	-	(1,941)	-	(1,941)
Write off - net	-	(3)	(71)	(3)	(14)	-	(91)
Depreciation	-	(20,024)	(31,625)	(1,306)	(6,424)	-	(59,379)
Closing - net book value	105,279	125,398	89,165	1,697	8,384	2,166	332,089
As at 31 December 2021							
Cost	105,279	732,705	508,644	44,111	74,762	2,166	1,467,667
<u>Less</u> Accumulated depreciation	-	(607,307)	(419,479)	(42,414)	(66,378)	-	(1,135,578)
Net book value	105,279	125,398	89,165	1,697	8,384	2,166	332,089

15. RIGHT-OF-USE ASSETS - NET AND LEASE LIABILITIES - NET

15.1 Right-of-use assets - net

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated F/S				
	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Total
As at 1 January 2020					
Net book value as at 1 January	17,392	5,922	1,910	1,446	26,670
Addition during the year	-	-	-	883	883
Depreciation during the year	(2,046)	(2,230)	(712)	(776)	(5,764)
Currency translation differences	-	24	8	3	35
Net book value as at 31 December	15,346	3,716	1,206	1,556	21,824
As at 31 December 2020					
Cost	17,392	7,037	2,636	2,903	29,968
<u>Less</u> Accumulated depreciation	(2,046)	(3,321)	(1,430)	(1,347)	(8,144)
Net book value	15,346	3,716	1,206	1,556	21,824

(Unit: Thousand Baht)

	Consolidated F/S				
	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Total
As at 1 January 2021					
Net book value as at 1 January	15,346	3,716	1,206	1,556	21,824
Addition during the year	-	1,031	-	-	1,031
Depreciation during the year	(2,046)	(1,803)	(754)	(825)	(5,428)
Currency translation differences	-	318	113	150	581
Net book value as at 31 December	13,300	3,262	565	881	18,008
As at 31 December 2021					
Cost	17,392	8,666	2,925	3,222	32,205
<u>Less</u> Accumulated depreciation	(4,092)	(5,404)	(2,360)	(2,341)	(14,197)
Net book value	13,300	3,262	565	881	18,008



(Unit : Thousand Baht)

Separate F/S

	Buildings, and improvement	Machine, and factory equipment	Total
As at 1 January 2020			
Net book value as at 1 January	16,065	1,582	17,647
Depreciation during the year	(1,890)	(1,054)	(2,944)
Net book value as at 31 December	14,175	528	14,703
As at 31 December 2020			
Cost	16,065	1,582	17,647
<u>Less</u> Accumulated depreciation	(1,890)	(1,054)	(2,944)
Net book value	14,175	528	14,703

(Unit : Thousand Baht)

Separate F/S

	Buildings, and improvement	Machine, and factory equipment	Total
As at 1 January 2021			
Net book value as at 1 January	14,175	528	14,703
Depreciation during the year	(1,890)	(528)	(2,418)
Net book value as at 31 December	12,285	-	12,285
As at 31 December 2021			
Cost	16,065	1,582	17,647
<u>Less</u> Accumulated depreciation	(3,780)	(1,582)	(5,362)
Net book value	12,285	-	12,285

Income and expenses relating to right-of-use assets for the years ended 31 December 2021 and 2020 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Expenses relating to short-term leases	1,012	669	514	669
Income relating to sub-lease	-	-	828	1,437

15.2 Lease liabilities – net

As at 31 December 2021 and 2020, the Group has lease agreements for buildings, machine, office equipment and vehicles with period of 18 - 78 months. The present value of lease liabilities are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Not later than 1 year	4,760	6,156	2,276	2,816
Later than 1 year but not later than 5 years	12,064	12,784	9,104	9,104
Later than 5 years	3,696	6,160	3,414	5,690
	20,520	25,100	14,794	17,610
<u>Less</u> Deferred finance cost	(2,390)	(3,224)	(1,979)	(2,598)
Present value of lease liabilities	18,130	21,876	12,815	15,012
<u>Less</u> Current portion	(4,010)	(5,227)	(1,738)	(2,197)
Lease liabilities - net	14,120	16,649	11,077	12,815

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Not later than 1 year	4,010	5,227	1,738	2,197
Later than 1 year but not later than 5 years	10,552	10,832	7,781	7,441
Later than 5 years	3,568	5,817	3,296	5,374
Present value of lease liabilities	18,130	21,876	12,815	15,012

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Finance cost relating to lease liabilities	1,032	1,060	619	720

**INTANGIBLE ASSETS - NET**

(Unit : Thousand Baht)

Consolidated F/S

	Customer relationship	Computer software	Total
As at 1 January 2020			
Opening - net book value	-	5,509	5,509
Additions	-	4,194	4,194
Amortization	-	(4,544)	(4,544)
Currency translation differences	-	90	90
Closing - net book value	-	5,249	5,249
As at 31 December 2020			
Cost	19,101	49,904	69,005
<u>Less</u> Accumulated amortization	(19,101)	(44,655)	(63,756)
Net book value	-	5,249	5,249
As at 1 January 2021			
Opening - net book value	-	5,249	5,249
Additions	-	4,466	4,466
Amortization	-	(2,856)	(2,856)
Currency translation differences	-	489	489
Closing - net book value	-	7,348	7,348
As at 31 December 2021			
Cost	21,196	57,912	79,108
<u>Less</u> Accumulated amortization	(21,196)	(50,564)	(71,760)
Net book value	-	7,348	7,348



(Unit : Thousand Baht)

Separate F/S

Computer software

As at 1 January 2020

Opening - net book value	541
Additions	170
Amortization	(541)
Closing - net book value	170

As at 31 December 2020

Cost	17,585
<u>Less</u> Accumulated amortization	(17,415)
Net book value	170

As at 1 January 2021

Opening - net book value	170
Additions	-
Amortization	(95)
Closing - net book value	75

As at 31 December 2021

Cost	17,585
<u>Less</u> Accumulated amortization	(17,510)
Net book value	75

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

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Bank overdrafts	17,238	15,677	17,238	15,677
Short-term loans from financial institutions	1,468,409	1,588,636	512,200	827,800
Total	1,485,647	1,604,313	529,438	843,477

Bank overdrafts and short-term loan facilities of the Group bear interest rate at 1.10% to 3.20% per annum and are collateralized by the bank deposits of the Company, inventories and trade accounts receivable of its subsidiaries.



As at 31 December 2021, the Group has unutilised short-term credit facilities amounting to Baht 397 million (2020: Baht 490 million).

17. ACCRUED EXPENSES

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Accrued salary and bonus	9,128	108	8,186	108
Accrued transportation and warehouse expense	384	5,939	384	66
Accrued utilities expense	3,948	5,507	3,858	5,075
Accrued consulting expense	756	620	756	620
Accrued promotional expense	3,765	-	92	-
Accrued management expense	-	-	8,988	-
Others	33,211	50,111	4,050	6,131
Total	51,192	62,285	26,315	12,000

**18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET**

					(Unit : Thousand Baht)	
					Consolidated F/S	
Loans	Principals	Term (years)	Maturity	Repayment	2021	2020
1	GBP 2.2 million	5	June 2025	Monthly installments of GBP 18,313 plus final installment on the last installment date	45,566	50,017
2	GBP 2.4 million	2.3	July 2021	Monthly installments of GBP 87,321	-	24,928
3	GBP 1.9 million	2.3	July 2021	Monthly installments of GBP 46,210	-	13,185
4	GBP 0.5 million	4.1	April 2023	Monthly installments of GBP 3,192 plus final installment on the last installment date	20,745	19,286
5	GBP 2.5 million	4.3	July 2025	Monthly installments of GBP 47,600	92,593	-
6	GBP 1.9 million	4	June 2025	Monthly installments of GBP 38,400	72,936	-
Total					231,840	107,416
<u>Less</u> Current portion					(58,180)	(48,601)
Portion due more than one year					173,660	58,815

During the year 2020, loan of the oversea subsidiary has been agreed to extend the maturity date and repayment of the principal amount of GBP 2.2 million. The installments will be monthly repayments of GBP 18,313 for 60 months period with a final repayment on the last installment date. However, such change has no significant impact to the financial statements.

The subsidiaries' loans bear interest rate at 3.0% to 4.8% above base lending rate per annum. The Group must comply with the covenants in the contracts.

The subsidiaries' loans are collateralised by the mortgaged of land with building and assets of subsidiaries (Note 14).

Movements in long-term loans are summarised below:

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	2021	2020	2021	2020
Opening balance	107,416	197,280	-	20,000
Add Additional borrowings	169,603	-	-	-
Less Repayments	(56,962)	(94,881)	-	(20,000)
Currency translation differences	11,783	5,017	-	-
Ending balance	231,840	107,416	-	-

Maturity of long-term loans is as follows:

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	2021	2020	2021	2020
Between 1 and 2 years	116,360	59,089	-	-
Between 3 years and 5 years	115,480	48,327	-	-
	231,840	107,416	-	-

19. BONDS - NET

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	2021	2020	2021	2020
Bonds	-	500,000	-	500,000
Less Finance costs	-	(86)	-	(86)
Bonds - net	-	499,914	-	499,914



Movements in bonds are summarised below:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Opening balance	499,914	999,284	499,914	999,284
Amortized finance costs	86	630	86	630
<u>Less</u> Payment during the year	(500,000)	(500,000)	(500,000)	(500,000)
Ending balance	-	499,914	-	499,914
<u>Less</u> Current port of Bond-net	-	(499,914)	-	(499,914)
Portion due more than one year	-	-	-	-

Details of bonds are as follows:

Issuance Date	Type of Bond	Amount (Million Baht)	Per value and Offering prices per unit	Term (Years)	Interest rate * (% per annum)
1. 24 - 26 May 2016	Unsubordinated and unsecured bong	500	Baht 1,000	5	4.30
2. 9 November 2017	Unsubordinated and unsecured bong	500	Baht 1,000	3	3.60

* Interest is repayable every 6 months.

Such bonds were issued with covenants relating to general matters including the maintenance of financial ratio of the consolidated financial statements as at the end of each year.

The Group disclosed fair values of bond which bear fixed interest rate as following:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Book Value	-	499,914	-	499,914
Fair Value	-	499,727	-	499,727

The fair value of bond which bear fixed interest rate is based on discounted cash flow using discount rate upon the bond rates at the date of the financial statements. The rates range from 3.83% as at 31 December 2020. The fair value is within level 2 of the fair value hierarchy.

20. EMPLOYEE BENEFITS OBLIGATION - NET

Movements in employee benefits obligations for the years ended 31 December 2021 and 2020 are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Employee benefits obligation at beginning of year	75,271	78,246	69,381	73,086
Past service cost	-	-	-	-
Current service cost	4,881	5,445	4,043	4,847
Interest cost	752	1,651	685	1,519
Transferred employees to subsidiary	-	-	(1,059)	-
Remeasurement of post-employee benefit obligations	(11,158)	-	(11,938)	-
Benefits paid during the year	(7,630)	(10,071)	(5,849)	(10,071)
Employee benefits obligation at ending of year	62,116	75,271	55,263	69,381
<u>Less</u> Current portion	(8,727)	(15,463)	(7,337)	(15,463)
Net	53,389	59,808	47,926	53,918

Assumptions to estimate the actuarial valuation date are as follows:

	Consolidated and Separate F/S	
	2021	2020
Discount rate (% per year)	1.09 - 1.60	2.50 - 2.80
Inflation rate (% per year)	2.75	2.80
Future salary increase rate (Depending on age range) (% per year)	4.00 - 5.00	5.00

For the years ended 31 December 2021 and 2020, provision for employee benefit expenses included in the profit or loss are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Current service cost	4,881	5,445	4,043	4,847
Interest cost	752	1,651	685	1,519
Total expenses recognized in profit or loss	5,633	7,096	4,728	6,366

Amount recognized in other comprehensive income related to defined benefit plans of the group are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Actuarial loss (gain) from				
remeasurement of post-employee				
benefit obligations:				
- changes in demographic				
assumptions	3,601	-	3,434	-
- changes in financial assumptions	691	-	548	-
- experience adjustment	(15,450)	-	(15,920)	-
Total income recognized in				
other comprehensive income	(11,158)	-	(11,938)	-

All income summarised above were included within items that will not be reclassified subsequently to profit or loss in the statement of profit or loss and other comprehensive income.

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:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021		2021	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Discount rate				
Increment (decrement) of employee benefit	(3,831)	4,310	(3,483)	3,913
Salary growth rate				
Increment (decrement) of employee benefit	4,772	(4,319)	4,326	(3,918)
	Increase	Decrease	Increase	Decrease
	20%	20%	20%	20%
Employee turnover				
Increment (decrement) of employee benefit	(3,642)	4,262	(3,337)	3,902

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2020		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate				
Increment (decrement) of employee benefit	(4,241)	4,742	(3,959)	4,428
Salary growth rate				
Increment (decrement) of employee benefit	6,031	(5,458)	5,610	(5,074)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Employee turnover				
Increment (decrement) of employee benefit	(5,677)	6,775	(5,417)	6,479

As at 31 December 2021, expected maturity of employee benefits obligation before discount are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Within one year	6,648	5,861
Between 2 - 5 years	19,581	16,670
Between 6 - 10 years	20,360	19,142
Between 11 - 15 years	8,089	7,813
Total	54,678	49,486

21. SHARE CAPITAL

On 16 April 2021, the Annual General Meeting of the shareholders No.1/2021 passed the resolution to approve for

- reduce the Company's registered share capital amounting to Baht 22,145,000 from the existing registered share capital amounting to Baht 485,694,600 to the registered share capital amounting to Baht 463,549,600 by cancelling unissued registered share capital of 22,145,000 shares with a par value of Baht 1 per share.



- increase of the Company's registered share capital amounting to Baht 463,549,600 from the registered share capital amounting to Baht 463,549,600 to the registered share capital amounting to Baht 927,099,200 by issuing 463,549,600 newly issued common shares with a par value of Baht 1 per share to offer the existing shareholders of the Company in proportion of their shareholding (Right Offering). The newly issued common shares have been traded on 20 May 2021.

The Company amended its Memorandum of Association to the new share capital and registered the change in share capital with the Department of Business Development on 27 April 2021.

22. LEGAL RESERVE

Legal reserve represents the reserve which the Company appropriated under the provisions of the Public Limited Companies Act B.E. 2535, which requires the Company to appropriate at least 5% of its net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

(Unit : Thousand Baht)

	Consolidated F/S				
	Finance Lease liabilities	Short-term loans from related party	Bank overdrafts and short-term loans from financial institutions	Bonds	Long-term loans from financial institutions
					Total
1 January 2020	-	-	1,188,808	999,284	197,280
Increase from first time adoption of TFRS 16	26,794	-	-	-	-
Cash-flows:					
Repayment	(5,801)	-	-	(500,000)	(94,881)
Proceeds	-	-	415,505	-	-
Non-cash:					
Increase during the year	883	-	-	-	-
Amortized finance costs	-	-	-	630	-
Currency translation differences	-	-	-	-	5,017
31 December 2020	21,876	-	1,604,313	499,914	107,416
					2,233,519



(Unit : Thousand Baht)

	Consolidated F/S					
	Finance Lease liabilities	Short-term loans from related party	Bank overdrafts and short- term loans from financial institutions	Bonds	Long-term loans from financial institutions	Total
Cash-flows:						
Repayment	(5,408)	(4,400)	(118,666)	(500,000)	(56,962)	(685,436)
Proceeds	-	74,400	-	-	169,603	244,003
Non-cash:						
Increase during the year	1,031	-	-	-	-	1,031
Amortized finance costs	-	-	-	86	-	86
Currency translation differences	631	-	-	-	11,783	12,414
31 December 2021	18,130	70,000	1,485,647	-	231,840	1,805,617

(Unit : Thousand Baht)

	Separate F/S					
	Finance Lease liabilities	Short-term loans from related party	Bank overdrafts and short- term loans from financial institutions	Bonds	Long-term loans from financial institutions	Total
1 January 2020	-	19,500	448,463	999,284	20,000	1,487,247
Increase from first time adoption of TFRS 16	17,647	-	-	-	-	17,647
Cash-flows:						
Repayment	(2,635)	(9,601)	-	(500,000)	(20,000)	(532,236)
Proceeds	-	67,200	395,013	-	-	462,213
Non-cash:						
Amortized finance costs	-	-	-	630	-	630
Off - setting short-term loans from related parties with dividend income	-	(13,549)	-	-	-	(13,549)
31 December 2020	15,012	63,550	843,476	499,914	-	1,421,952
Cash-flows:						
Repayment	(2,917)	(14,000)	(314,038)	(500,000)	-	(830,955)
Proceeds	-	201,600	-	-	-	201,600
Non-cash:						
Amortized finance costs	-	-	-	86	-	86
Off - setting short-term loans from related parties with dividend income	-	(109,800)	-	-	-	(109,800)
31 December 2021	12,095	141,350	529,438	-	-	682,883

24. INCOME TAX

Applicable tax rates for the Group are as follows;

	Tax rate (%)	
	2021	2020
Income tax under the Revenue Code of the Company and subsidiary in Thailand	8, 20	8, 20
Corporate income tax in foreign countries	19	19

25.1 Deferred tax assets and tax liabilities

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Deferred tax assets	51,000	-	51,000	-
Deferred tax liabilities	(51,174)	(35,087)	-	-
Net	(174)	(35,087)	51,000	-

The change in deferred tax assets and liabilities are as follows:

	(Unit : Thousand Baht)				
	Consolidated F/S				31 December 2021
	1 January 2021	Statement of profit or loss	Shareholders' equity	Currency translation differences	
<u>Deferred tax assets from</u>					
Loss carried forward	4,150	46,506	-	344	51,000
Forward exchange contracts	6,428	(6,947)	-	533	14
Gain on inventory	1,546	(948)	-	146	744
Total	12,124	38,611	-	1,023	51,758
<u>Deferred tax liabilities from</u>					
Difference from depreciation rate	(47,211)	446	-	(5,167)	(51,932)
Net	(35,087)	39,057	-	(4,144)	(174)

(Unit : Thousand Baht)

Consolidated F/S					
	1 January 2020	Statement of profit or loss	Shareholders' equity	Currency translation differences	31 December 2020
<u>Deferred tax assets from</u>					
Loss carried forward	705	3,382	-	63	4,150
Forward exchange contracts	3,985	2,363	-	80	6,428
Gain on inventory	1,230	278	-	38	1,546
Total	5,920	6,023	-	181	12,124
<u>Deferred tax liabilities from</u>					
Difference from depreciation rate	(35,430)	(10,644)	-	(1,137)	(47,211)
Net	(29,510)	(4,621)	-	(956)	(35,087)

(Unit : Thousand Baht)

Separate F/S					
	1 January 2021	Statement of profit or loss	Shareholders' equity	Currency translation differences	31 December 2021
<u>Deferred tax assets from</u>					
Loss carried forward	-	51,000	-	-	51,000

(Unit : Thousand Baht)

Separate F/S					
	1 January 2020	Statement of profit or loss	Shareholders' equity	Currency translation differences	31 December 2020
<u>Deferred tax assets from</u>					
Loss carried forward	-	-	-	-	-

Deferred tax assets are recognized for tax loss carried forward only to the extent that realization of the related tax benefit through the future taxable profits is probable. As at 31 December 2021, unrecognized deferred tax assets in the consolidated and separate financial statements is Baht 135.47 million (2020: Baht 189.41 million). Unutilized tax losses will expire during 2024 to 2032.

25.2 Income tax expenses recognized in the statements of profit or loss for the years ended 31 December 2021 and 2020 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Current tax	64,879	29,395	-	-
Deferred tax	(39,057)	4,621	(51,000)	-
Total	25,822	34,016	(51,000)	-

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Profit before tax	360,752	(206,264)	127,970	(308,162)
Tax calculated at a tax rate of 20%	72,150	(41,253)	25,594	(61,632)
Tax effect of:				
Revenue granted income tax exemption and expenses that are deduct able at a greater amount	(13,404)	(4,719)	(22,914)	(3,846)
Impact of intercompany transactions	30,809	12,666	-	-
Change in tax rate	(30,172)	(10,757)	-	-
Unrecognized temporary differences	(3,025)	565	(3,126)	-
Reversal of unrecognized deferred tax assets	-	(4,678)	-	(4,678)
Expenses not deductible for tax purpose	8,872	15,323	(542)	172
Utilization of previously unrecognized tax losses	-	-	96	-
Adjustment in respect of prior year	-	450	-	-
Reversal of deferred tax assets	2,166	-	-	-
Tax on unrecognized of previously with loss carried forward as deferred tax asset	(51,000)	-	(51,000)	-
Unrecognized current year loss as deferred tax assets	9,426	66,419	-	69,984
Tax charged	25,822	34,016	(51,000)	-

25. OTHER INCOME

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Interest income	60	102	2,330	753
Dividend received	-	-	109,800	18,003
Income from sale of by products	7,079	6,925	7,079	6,925
Compensation from export duty	1,367	1,777	1,367	1,777
Interest income from credit sale	-	-	12,540	24,891
Income from sales of scrap	1,170	728	1,103	728
Gain on sales of fixed assets	6,143	-	6,143	368
Others	5,521	7,485	6,996	9,075
Total	21,340	17,017	147,358	62,520

26. EXPENSES BY NATURE

Significant expenses by nature are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Salaries and wages and others employee benefits	1,052,687	885,642	342,014	353,518
Depreciation and amortization expenses	147,312	153,481	61,892	73,056
Raw materials and consumable supplies used	4,634,055	3,874,920	1,300,179	1,192,990
Logistic expenses	202,342	142,043	68,715	31,453
Utilities expenses	107,749	103,958	67,307	68,244
Warehouse expenses	40,092	35,298	52	17
Maintenance expenses	47,571	43,820	10,874	14,993
Rental expenses and service expenses	10,336	8,725	6,305	6,074
Changes in finished goods and work in process	(151,513)	325,437	83,616	384,612
Reversal of allowance for decline in value of inventories	(51,895)	(32,965)	(53,322)	(35,900)



27. REVENUES

Majority revenues of the Group are consisted of frozen raw shrimp, frozen cooked shrimp, processed shrimp such as breaded shrimp, tempura shrimp and sushi shrimp, fruit and vegetable. Sales are through the subsidiaries in overseas under the trademark of the Group and customers which are an importer, a wholesaler, a retailer and a re-processor in the European Union, Japan, USA, Canada and Australia. The Group recognized revenues from sales at point in time.

Furthermore, the Group has revenue from service agreements to provides consulting and implement computer systems in Oracle application in Thailand. The Group recognized revenue from such services over the servicing period (Over time).

28. SEGMENT REPORTING

The Group presents the operating segments by geographical area. Segment information is presented in respect of the Group operating segments which are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the board of directors. The board of directors reviews the Group's internal reporting regularly in order to assess the performance and allocate resources. The board of directors measures the business based on a measure of segment profit before tax, which is derived on a basis that is consistent with the measurement of profit in the consolidated information preparation.

Operating segments are defined as components of the Group about which segment financial information is available by a segment basis that is evaluated regularly by the board of directors.

The information of operating segment for the years ended 31 December 2021 and 2020 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S							
	Overseas operation		Thailand operation		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from third parties	5,637,004	4,780,133	1,148,663	1,074,740	-	-	6,785,667	5,854,873
Revenues from related parties	-	-	911,367	846,102	(911,367)	(846,102)	-	-
Total revenues	5,637,004	4,780,133	2,060,030	1,920,842	(911,367)	(846,102)	6,785,667	5,854,873
Revenue classified by revenue recognition								
At point in time	5,637,004	4,780,133	1,981,013	1,839,001	(851,860)	(783,412)	6,766,157	5,835,722
Over time	-	-	79,017	81,841	(59,507)	(62,690)	19,510	19,151
Total	5,637,004	4,780,133	2,060,030	1,920,842	(911,367)	(846,102)	6,785,667	5,854,873



(Unit : Thousand Baht)

	Consolidated F/S							
	Overseas operation		Thailand operation		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Interest income	-	-	60	102	-	-	60	102
Interest expense	105,811	114,410	37,146	49,463	(73,122)	(87,631)	69,835	76,242
Depreciation and amortization expenses	75,522	67,393	71,790	86,088	-	-	147,312	153,481
Segment profit (loss) before income tax	285,086	128,373	119,550	(322,675)	(43,884)	(11,962)	360,752	(206,264)
Segment assets	3,708,797	3,203,660	2,228,664	2,330,070	(1,030,255)	(1,075,674)	4,907,206	4,458,056
Increase (decrease) of non-current assets of segment	152,454	126,677	(721)	(22,189)	-	-	151,733	104,488
Segment liabilities	2,546,795	2,361,027	755,601	1,489,761	(882,138)	(967,972)	2,420,258	2,882,816

Major customers

For the year ended 31 December 2021, the Group's revenue from sales of products from external major customers amounting to Baht 3,221 million (31 December 2020 : Baht 3,063 million).

29. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Capital commitments

As at 31 December 2021, the Company and a subsidiary has capital commitments in respect of purchases of machinery and equipment amounting to Baht 0.24 million (31 December 2020 : Baht 4.70 million) and Baht 0.65 million (31 December 2020 : purchase of land amounting to Baht 16.15 million), respectively.

30.2 Bank guarantees

	Consolidated and Separate F/S	
	2021	2020
US Customs bond	USD 0.3 million	USD 0.2 million
Electricity guarantee	Baht 7.9 million	Baht 7.7 million
Import / export guarantee - Customs Dept.	Baht 1 million	Baht 1 million

30. PROMOTIONAL PRIVILEGES

The Company has been granted various promotional privileges by the Board of Investment under the Investment Promotion Act. B.E. 2520 Details of the promotion certificates are as follows:

Certificate No.	Certificate's date	The promoted business	Date of first earning operating income
1739(3)/2550	4 June 2007	The manufacture of frozen processed or semi-processed products.	1 July 2011
1740(2)/2550	20 June 2007	The manufacture of frozen seafood products.	1 July 2011
1070(2)/2557	9 January 2014	The manufacture of frozen seafood products.	13 July 2019
1075(3)/2557	10 January 2014	The manufacture of semi-processed product and frozen product	4 July 2019

Subject to certain imposed conditions, the privileges granted include the following:

- Permission to own land in order to carry on the promoted activities, as deemed appropriate by the Board of Investment.
- Exemption from import duty on machinery imported for use in production, as approved by the Board.
- Exemption from corporate income tax on net profit for a period of eight years commencing as from the date of first earning income from the promoted operation. (Exemption certificate no. 1740(2)/2550 and 1070(2)/2557 not exceed 100 percent of investment).
- Exemption from income tax on dividends paid from the profit of the promoted operation, for a period of eight years.
- Permission to deduct costs of installation or construction of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.

The Company's operating revenues for the years ended 31 December 2021 and 2020 divided into promoted and non-promoted operations are as follows:



(Unit : Thousand Baht)

	Promoted business	Non - promoted business	Total
2021			
Sales			
Domestic sales	124,610	29,841	154,451
Export sales	1,228,248	591,854	1,820,102
Total sales	1,352,858	621,695	1,974,553
2020			
Sales			
Domestic sales	132,249	106,645	238,894
Export sales	919,774	679,970	1,599,744
Total sales	1,052,023	786,615	1,838,638

31. FINANCIAL INSTRUMENT

32.1 The outstanding of financial assets and financial liabilities as at 31 December 2021 and 2020 as follows:

(Unit : Thousand Baht)

	Consolidated F/S					
	2021			2020		
	Carrying amounts	Fair value through profit or loss	Amortized cost - net	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial assets						
Cash and cash equivalents	36,909	-	36,909	33,216	-	33,216
Trade and other accounts receivable	935,151	-	935,151	868,820	-	868,820
Derivative assets	924	924	-	-	-	-
Restricted deposits with bank	21,000	-	21,000	20,000	-	20,000
Long-term loans to and interest receivable - related party	429,917	-	429,917	387,114	-	387,114

Financial liabilities



(Unit : Thousand Baht)

Consolidated F/S						
	2021			2020		
	Carrying amounts	Fair value through profit or loss	Amortized cost - net	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Bank overdrafts and short-term loans from financial institutions	1,485,647	-	1,485,647	1,604,313	-	1,604,313
Trade and other accounts payable	370,455	-	370,455	420,956	-	420,956
Accounts payable for purchase of fixed assets	451	-	451	2,962	-	2,962
Bonds	-	-	-	499,914	-	499,914
Derivative liabilities	-	-	-	25,903	25,903	-
Long-term loans from financial institutions	231,839	-	231,839	107,416	-	107,416
Lease liabilities	18,131	-	18,131	21,876	-	21,876

(Unit : Thousand Baht)

Separate F/S						
	2021			2020		
	Carrying amounts	Fair value through profit or loss	Amortized cost - net	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial assets						
Cash and cash equivalents	7,300	-	7,300	14,749	-	14,749
Trade and other accounts receivable	158,722	-	158,722	247,743	-	247,743
Short-term loan to and interest receivable - related parties	136,097	-	136,097	80,254	-	80,254
Derivative assets	999	999	-	7,926	7,926	-
Restricted deposits with bank	20,000	-	20,000	20,000	-	20,000
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	529,438	-	529,438	843,477	-	843,477
Trade and other accounts payable	23,429	-	23,429	17,044	-	17,044
Accounts payable for purchase of fixed assets	451	-	451	2,945	-	2,945
Bonds	-	-	-	499,914	-	499,914
Short-term loans from related parties	141,350	-	141,350	63,550	-	63,550
Lease liabilities	12,815	-	12,815	15,012	-	15,012

32.2 Risks and risks management policy

The Group has financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Group has exposure to credit risk primarily with respect to trade and other receivable and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses since most of the credit granting are covered with contracts and guarantees. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, and other receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at financial institution, loans to, bank overdrafts, short-term and long-term loans with interest bearing. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

(Unit : Thousand Baht)

	Consolidated F/S				
	2021				
	Floated rate	Fixed rate	No interest	Total	Interest rate (%) (Per annum)
Cash and cash equivalents	36,446	-	463	36,909	0.01 - 0.38
Restricted deposits with bank	1,000	20,000	-	21,000	1.15 - 1.88
Long-term loans to and interest receivable - related party	-	429,917	-	429,917	8.00
Bank overdrafts and short-term loans from financial institutions	956,029	529,438	-	1,485,647	1.00 – 5.25
Long-term loans from financial institutions	231,839	-	-	231,839	3.00 - 4.80
Lease liabilities	-	18,131	-	18,131	3.03 - 6.00

(Unit : Thousand Baht)



Consolidated F/S					
2020					
	Floated rate	Fixed rate	No interest	Total	Interest rate (%) (Per annum)
Cash and cash equivalents	32,756	-	460	33,216	0.05 - 0.38
Restricted deposits with bank	-	20,000	-	20,000	1.15 - 1.88
Long-term loans to and interest receivable - related party	-	387,114	-	387,114	8.00
Bank overdrafts and short-term loans from financial institutions	760,836	843,477	-	1,604,313	1.00 - 3.60
Bonds	-	499,914	-	499,914	3.60
Lease liabilities	-	21,876	-	21,876	3.03 - 6.00
Long-term loans from financial institutions	107,416	-	-	107,416	2.50 - 4.80

(Unit : Thousand Baht)

Separate F/S					
2021					
	Floated rate	Fixed rate	No interest	Total	Interest rate (%) (Per annum)
Cash and cash equivalents	6,837	-	463	7,300	0.05 - 0.38
Short-term loan to and interest receivable - related parties	-	136,097	-	136,097	2.00
Restricted deposits with bank	-	20,000	-	20,000	1.10 - 1.88
Bank overdrafts and short-term loans from financial institutions	-	529,438	-	529,438	1.00 - 5.25
Short-term loans from related parties	-	141,350	-	141,350	0.50 - 5.95
Lease liabilities	-	12,815	-	12,815	3.03 - 4.57

(Unit : Thousand Baht)



	Separate F/S				
	2020				Interest rate (%) (Per annum)
	Floated rate	Fixed rate	No interest	Total	
Cash and cash equivalents	14,289	-	460	14,749	0.05 - 0.38
Restricted deposits with bank	-	20,000	-	20,000	1.15 - 1.88
Short-term loan to and interest receivable - related parties	-	80,524	-	80,524	2.00
Bank overdrafts and short-term loans from financial institutions	-	843,477	-	843,477	1.00 - 3.60
Bonds	-	499,914	-	499,914	3.60
Short-term loans from related parties	-	63,550	-	63,550	0.50 - 5.95
Lease liabilities	-	15,012	-	15,012	3.03 - 4.57

Foreign exchange risk

The Group has exposure to foreign currency risk from trading transactions and borrowings that are denominated in foreign currencies. The Group has entered into forward exchange and currency swap contracts which mature within one year to manage the risk.

As at 31 December 2021 and 2020, the Company has balance of financial assets denominated in foreign currencies as follows:

	Separate F/S			
	2021		2020	
	Thousand US dollar	Exchange rate (Closing rate)	Thousand US dollar	Exchange rate (Closing rate)
Trade accounts receivable	4,297	33.25	7,142	29.87

Some of financial assets and liabilities, dominated in foreign currencies, have forward exchange contracts and derivatives to protect the risk.

Derivative financial instruments of the Group as at 31 December 2021 and 2020 are as follows:



	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
<u>Current assets</u>				
Foreign currency forward contracts - trading	923	-	999	5,979
Foreign currency put option - trading	-	1,947	-	1,947
Total	923	1,947	999	7,926
<u>Current liabilities</u>				
Foreign currency forward contracts - trading	-	27,850	-	-

Derivative financial instruments of the Group are not qualified to the hedge accounting. The Group classified derivative financial instruments as trading for accounting purpose and measured at fair value through profit or loss.

Liquidity risk

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

32.3 Fair value hierarchy

The carrying amounts of the financial assets and financial liabilities approximate their fair values, except long-term loans from financial institutions and bond with interest charged at the fixed rates. Long-term loans from financial institutions with interest charged at the floating rates have the fair value approximate the carrying amount.

As at 31 December 2021 and 2020, the Group has assets and liabilities measured at fair value in the statement of financial position which are grouped into levels of a fair value hierarchy as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S			
	2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivative assets	-	923	-	923

(Unit: Thousand Baht)



	Consolidated F/S			
	2020			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Derivative liabilities	-	25,903	-	25,903

(Unit: Thousand Baht)

	Separate F/S			
	2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivative assets	-	999	-	999

(Unit: Thousand Baht)

	Separate F/S			
	2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivative assets	-	7,926	-	7,926

33. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements are authorized for issuance by the Board of Directors on 28 February 2022.



Attachment 1.1: Details of Directors

Name-Surname / Position / Date of Appointment / Age	Education and Directorship Course	Shareholding ¹ (%)	Experience and Position in other companies
Mr.Narit Chia-apar Position: Chairman of the Board of Directors Chief Executive Officer Chairman of Executive Committee Date of Appointment: 29 November 1982 Age: 63 years old	<ul style="list-style-type: none"> College, Malaysia DCP: Director Certification Program 	<ul style="list-style-type: none"> Direct 23.256 Indirect 22.910 	Experience 1982 – Present: Chairman of the Board of Directors and Chief Executive Officer, Seafresh Industry Public Company Limited Position in other companies <ul style="list-style-type: none"> Subsidiary by CFRESH 4 companies Listed Company Nil Non - Listed Company 2 companies
Mrs.Tassanee Youngmeevithya Position: Director Deputy Chief Executive Officer Chairman of Risk Management Committee Chairman of Corporate Governance Committee Member of Nomination and Remuneration Committee Deputy Chairman of Executive Committee Date of Appointment: 29 November 1982 Age: 66 years old	<ul style="list-style-type: none"> B.S. (Economics) Ramkhamhaeng University DCP: Director Certification Program 	<ul style="list-style-type: none"> Direct 22.910 Indirect 23.256 	Experience 1982 – Present: Director and Deputy Chief Executive Officer, Seafresh Industry Public Company Limited Position in other companies <ul style="list-style-type: none"> Subsidiary by CFRESH 4 companies Listed Company Nil Non - Listed Company 2 companies



Name-Surname / Position / Date of Appointment / Age	Education and Directorship Course	Shareholding ¹ (%)	Experience and Position in other companies
<p>Mr. Chintat Chia-apar</p> <p>Position: Director Member of Risk Management Committee Member of Corporate Governance Committee Member of Executive Committee Chief Corporate Development Officer</p> <p>Date of Appointment: 28 April 2015</p> <p>Age: 37 years old</p>	<ul style="list-style-type: none"> • Management MSc Brunel University, UK • Finance & Investment MSc BPP University Business School, UK • Bachelor Degree of Arts in Economics, Srinakarinwirot University • DAP: Director Accreditation Program 	<ul style="list-style-type: none"> • Direct 14.465 • Indirect - Nil - 	<p>Experience</p> <ul style="list-style-type: none"> • 2015 – Present: Director and Chief Corporate Development Officer, Seafresh Industry Public Company Limited • 2011 – 2015: Executive in International Business, Seafresh Industry Public Company Limited <p>Position in other companies</p> <ul style="list-style-type: none"> • Subsidiary by CFRESH 5 companies • Listed Company Nil • Non - Listed Company 1 company
<p>Dr .Kamales Santivejkul</p> <p>Position: Independent Director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee</p> <p>Date of Appointment: 27 July 1993</p> <p>Age: 70 years old</p>	<ul style="list-style-type: none"> • Ph.D. (Business Admin.) Oklahoma State University, USA • DCP: Director Certification Program 	<ul style="list-style-type: none"> • Direct 0.216 • Indirect - Nil - 	<p>Experience</p> <ul style="list-style-type: none"> • 2020 – Present: Chief Executive Officer Nonthavej Hospital Public Company Limited • 2016 – Present: Member of Audit Committee MFEC Public Company Limited • 2015 – Present: Advisor of Computer Center Faculty of Commerce and Accountancy, Chulalongkorn University <p>Position in other companies</p> <ul style="list-style-type: none"> • Subsidiary by CFRESH Nil • Listed Company 2 companies • Non - Listed Company 2 companies



Name-Surname / Position / Date of Appointment / Age	Education and Directorship Course	Shareholding ¹ (%)	Experience and Position in other companies
<p>Dr.Sorachai Bhisalbutra</p> <p>Position: Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee</p> <p>Date of Appointment: 27 July 1993</p> <p>Age: 80 years old</p>	<ul style="list-style-type: none"> • Ph.D. (Statistics) Oklahoma State University, USA • DAP: Director Accreditation Program 	<ul style="list-style-type: none"> • Direct 0.205 • Indirect - Nil - 	<p>Experience</p> <ul style="list-style-type: none"> • 2005 – 2016: Advisor to President for Research and Academic Service, Dhurakij Pundit University • 1999 – 2005: Deputy Dean-Research & Development Department, Dhurakij Pundit University <p>Position in other companies</p> <ul style="list-style-type: none"> • Subsidiary by CFRESH Nil • Listed Company Nil • Non - Listed Company Nil
<p>Dr.Worapong Leewattanakit</p> <p>Position: Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee</p> <p>Date of Appointment: 28 July 2005</p> <p>Age: 51 years old</p>	<ul style="list-style-type: none"> • Ph.D. (Computer Science) Vienna University of Technology, Austria • DAP: Director Accreditation Program 	<ul style="list-style-type: none"> • Direct 0.119 • Indirect - Nil - 	<p>Experience</p> <ul style="list-style-type: none"> • 1996 – Present: Instructor, Faculty of Commerce and Accountancy Chulalongkorn University • 2005 - 2008: Director of Office of Information Technology Chulalongkorn University <p>Position in other companies</p> <ul style="list-style-type: none"> • Subsidiary by CFRESH Nil • Listed Company Nil • Non - Listed Company Nil



Name-Surname / Position / Date of Appointment / Age	Education and Directorship Course	Shareholding ¹ (%)	Experience and Position in other companies
Mr.Narongrit Chiarawongvanit Position: Director Date of Appointment: 27 July 1993 Age: 68 years old	<ul style="list-style-type: none"> College, Malaysia DAP: Director Accreditation Program 	<ul style="list-style-type: none"> Direct 0.108 Indirect 0.017 	Experience <ul style="list-style-type: none"> 1993 – Present: Director Seafresh Industry Public Company Limited 1982 – 2014: Chief Purchasing Officer Seafresh Industry Public Company Limited Position in other companies <ul style="list-style-type: none"> Subsidiary by CFRESH Nil Listed Company Nil Non - Listed Company Nil
Mrs.Supanee Punnasri Position: Independent Director Date of Appointment: 28 April 2006 Age: 62 years old	<ul style="list-style-type: none"> Bachelor of Medical Science (Certificate of Medical), Chulalongkorn University DAP: Director Accreditation Program 	<ul style="list-style-type: none"> Direct 0.058 Indirect 0.032 	Experience <ul style="list-style-type: none"> 1999 – 2012: Director E.B. International Company Limited 1984 – 1992: Medical Doctor Samui, Chaingrai, Chulalongkorn Hospital Position in other companies <ul style="list-style-type: none"> Subsidiary by CFRESH Nil Listed Company Nil Non - Listed Company Nil



Name-Surname / Position / Date of Appointment / Age	Education and Directorship Course	Shareholding ¹ (%)	Experience and Position in other companies
Miss Chankate Chia-apar Position: Director Date of Appointment: 16 April 2021 Age: 34 years old	<ul style="list-style-type: none"> • Bachelor Degree in Communication Arts, Assumption University • Master Degree in Transnational Media and Globalization, City University, UK • DAP: Director Accreditation Program 	<ul style="list-style-type: none"> • Direct 5.494 • Indirect - Nil - 	Experience <ul style="list-style-type: none"> • 2015 – Present: Director Chartered Square Holdings Company Limited Position in other companies <ul style="list-style-type: none"> • Subsidiary by CFRESH Nil • Listed Company Nil • Non - Listed Company 1 company

Remark: ¹ Shareholding as of 16 March 2022

Attachment 1.2: Details of Executives and Company Secretary

Name-Surname / Position / Date of Appointment / Age	Education and Training Course	Shareholding ¹ (%)	Experience
<p>Miss Yaowalax Tangsanguannuch</p> <p>Position: Chief Financial Officer Member of Risk Management Committee Member of Corporate Governance Committee Company Secretary Accounting Manager</p> <p>Date of Appointment as Company Secretary: 16 January 2020</p> <p>Age: 52 years old</p>	<ul style="list-style-type: none"> • M.B.A – Major in Business Law Ramkhamhaeng University • Bachelor in Business Administration, Accounting Ramkhamhaeng University • Mini MBA, Modern Managers Program Chulalongkorn University • The Association of Chartered Certified Accountants, UK <p>Training Course in 2021:</p> <ul style="list-style-type: none"> • Certificate Program in PDPA for Officers and Business Organizations • Certificate Program in TFRS for PAEs and the Changes in 2021 • Corporate Income Tax Course • Preparation of Cash Flow Statement Course • Calculation and Accounting of Vehicle Hire Purchase Contracts Course • The Role of Company Secretary in Anti-Corruption • Seminar: Prompt One Report • Seminar: ESG Direction 	<ul style="list-style-type: none"> • Direct - Nil - • Indirect - Nil - 	<ul style="list-style-type: none"> • 2016 - 2019: Chief Internal Audit Officer Seafresh Industry Public Company Limited • 2015 - 2016: Head of Internal Audit Seafresh Industry Public Company Limited • 2010 - 2015: General Manager Chartered Square Holdings Limited



Name-Surname / Position / Date of Appointment / Age	Education and Training Course	Shareholding ¹ (%)	Experience
Mr.Boonlert Foongvannaluck Position: Chief Commercial Officer Member of Risk Management Committee Date of Appointment: 1 January 2015 Age: 50 years old	<ul style="list-style-type: none"> Bachelor of Business Administration Training Course in 2021: <ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Direct 0.05 Indirect - Nil - 	<ul style="list-style-type: none"> 1996 - 2015: Executive in Marketing Seafresh Industry Public Company Limited
Mr.Pairoj Yangthong Position: Chief Operating Officer Member of Corporate Governance Committee Date of Appointment: 1 January 2015 Age: 51 years old	<ul style="list-style-type: none"> M.B.A, Sukhothai Thammathirat University Bachelor in Business Administration, Marketing Sukhothai Thammathirat University Bachelor in Science, Agro-Industry Prince of Songkla University, Hatyai Campus Training Course in 2021: <ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Direct 0.011 Indirect 0.005 	<ul style="list-style-type: none"> 1994 - 2015: Executive in Production Seafresh Industry Public Company Limited

Remark: ¹Shareholding as of 16 March 2022



Attachment 1.3: Directors, Executive and Controlling persons hold positions as directors or executives in many subsidiaries, associated companies or related companies, shown in the following table:

Name of Directors	Subsidiary Companies									Related Companies	
	Manufacturing System Implementation Co., Limited	Seafresh Group (Holdings) Limited	Seafresh IHQ Co., Limited	Seafresh Farms Co., Limited	Sea Farms Limited	Blue Earth Foods Limited	Sea Farm, Inc.	Sea Farms Nutrition Limited	Sea Farms Nutrition, Inc.	Thai K. Boiler Limited	Chartered Square Holdings Limited
1. Mr.Narit Chia-apar	x	x	x	x						/	/
2. Mrs.Tassanee Youngmeevithya	//	/	//	//	/	/	/	/	/	/	/
3. Mr.Chintat Chia-apar					/	/	/	/	/		/
4. Miss. Chankate Chia-apar											/

Remark: x = Chairman // = Executive Director / = Director



Attachment 2: Details of the Directors of the Subsidiaries

Name of Director	Subsidiary Companies											
	Manufacturing System Implementation Co., Limited	Seafresh Group (Holdings) Limited	Seafresh IHQ Co., Limited	Seafresh Farms Co., Limited	Sea Farms Limited	Blue Earth Foods Limited	Sea Farm, Inc.	Sea Farms Nutrition Limited	Sea Farms Nutrition, Inc.	Prochaete Innovations Limited	Mudwalls Farm Limited	44 Food Limited
1. Mr.Narit Chia-apar	x	x	x	x								
2. Mrs.Tassanee Youngmeevithya	//	/	//	//	/	/	/	/	/			
3. Mr.Lasse Bo Hansen		//			x	x	x	x	x	x	x	x
4. Mr.Phillip Albert Kent						//						
5. Mr.Chintat Chia-apar					/	/	/	/	/			
6. Mr.Michael H Girton							//					
7. Mr.David Leroy Broberg							//					
8. Mr.Odd Geir Oddsen								//	//	//		
9. Mr.David Stuart Mathers								//	//			
10. Mr.Pablo Vinent									/			
11. Mr.George Richard Beach											//	
12. Mrs.Tracy Lee Plimmer											//	

Remark: x = Chairman // = Executive Director / = Director

Attachment 3: Details of Head of Internal Audit

Name / Position	Education and Training Course	Experience
<p>Miss Yaowalax Tangsanguannuch</p> <p>Position: Head of Internal Audit (Acting)</p>	<ul style="list-style-type: none"> • M.B.A – Major in Business Law, Ramkhamhaeng University • Bachelor in Business Administration, Accounting Ramkhamhaeng University • Mini MBA, Modern Managers Program, Chulalongkorn University • The Association of Chartered Certified Accountants, UK <p>Training Course in 2021:</p> <ul style="list-style-type: none"> • Seminar: Audit Committee and Auditor, the Important Mechanism for Improving the Quality of Financial Reports • Seminar: The Importance and Role of Forensic Accountants in AML/CFT Strategy and Related Laws by Federation of Accounting Professions • Seminar: Road to Certify: <ul style="list-style-type: none"> - 3/2021 - 4/2021 • สัมมนา Road to Certify: <ul style="list-style-type: none"> - 3/2564 “Preparation on the Assessment with CAC” - 4/2564 “Anti-corruption principles to reduce costs and create business opportunities” • IA Clinic by Institute of Internal Auditors Thailand: <ul style="list-style-type: none"> - Business Process and Integrated Monitoring - Fraud Investigation in the Digital Era - Top Risks & IT Audit Roles - Competence in the Functions of the Internal Audit Framework 	<ul style="list-style-type: none"> • 2020 - Present: Chief Financial Officer and Company Secretary Seafresh Industry Public Company Limited • 2016 - 2019: Chief Internal Audit Officer Seafresh Industry Public Company Limited • 2015 - 2016: Head of Internal Audit Seafresh Industry Public Company Limited • 2010 - 2015: General Manager Chartered Square Holdings Limited

Attachment 4: Assets used in the business operation

Non-Current Assets

Property, Plant and Equipment in 2021

The non-current assets that be used in the business of the company are owned by the company. This includes assets under finance lease as of December 31, 2021.

Type	Consolidate	CFRESH		Subsidiaries	
	Net Value (Million Baht)	Net Value (Million Baht)	Obligation	Net Value (Million Baht)	Obligation
1. Land	385.62	105.28	Nil	280.34	Some guarantees with financial institutions
2. Buildings	708.48	125.40	Nil	583.08	Some guarantees with financial institutions
3. Equipment	333.76	89.17	Nil	244.59	Some guarantees with financial institutions
4. Other fixed assets	144.11	12.25	Nil	131.86	Nil

The Company and subsidiaries have commitments regarding lease of office space of Chartered Square Holdings Co., Ltd. for use as a sales office, contact with customers documenting used as a treasury center, procurement of supplies, used in business operations, etc. The latest lease agreement is from 1 July 2019 – 30 June 2022 and can be renewed under the terms of each contract.

Important Intangible Assets

Computer Software amounted 7.35 million baht.

Attachment 5: Corporate Governance Policy and Code of Conduct

Seafresh Industry Public Company Limited has published business ethics related policies and practices in corporate governance, including the Board of Directors Charter and the sub-committees' charter on website. For more detail:

Link: <http://www.seafresh.com/investor/corp.asp>

Attachment 6: Reports of Sub-Committees

6.1 Audit Committee Report

To: The Shareholders of Seafresh Industry Public Company Limited

The Audit Committee of Seafresh Industry Public Company Limited (SFI) comprises three independent directors, having the suitable qualifications accordance with the regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), with Dr. Kamales Santivejkul serving as the Chairman of the Audit Committee; Dr. Sorachai Bhisalbutra and Dr. Worapong Leewattanakit serving as Members of the Audit Committee; and Ms. Yaowalax Tangsanguannuch, Internal Audit Department Manager (Acting), serving as the Secretary to the Audit Committee.

The Audit Committee has independently fulfilled its duties as prescribed by SFI's Board of Directors and specified in the Audit Committee Charter, in compliance with all the rules stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). In 2021, the Audit Committee convened a total of 11 meetings. The summary of its operations in 2021 are provided below.

1. Review of financial statements

The Audit Committee reviewed the quarterly and annual financial statement of SFI and its subsidiaries in 2021, with the management and the external auditor present at the review meetings to offer clarifications and answer questions that the Audit Committee may have had regarding the accuracy, completeness of the financial statements, key audit matters and the adequacy of information disclosure. The Audit Committee agreed with the external auditors that the financial statements present fairly in accordance with Thai Financial Reporting Standards.

In addition, the Audit Committee convened meetings specifically with the external auditors, without the management present, to discuss information of materiality and internal control systems of the company related to accountancy and financial reporting and other relevant matters, including obstacles to their operation. The Audit Committee found that the auditors were given full cooperation from the management and provided with operational independence. In addition, the external auditors were knowledgeable and possessed experience and expertise commensurate with their duties as auditors.

2. Review the operation information, internal control system and risk management system

The Audit Committee reviewed the internal control systems and the results reported by the Internal Audit Department according to the approved internal audit plan that covered important working system of the company to evaluate the sufficiency, appropriateness and effectiveness of the internal control system and risk management system to reach the specified objective. In addition, the Audit Committee had opinion that

the Company had internal control system that was adequate, appropriate and no issue or flaw that could significant, appropriate safeguarding assets, accuracy, complete and reliable information disclosure.

3. Review of legal compliance

The Audit Committee reviewed the operation and compliance of the company to ensure consistency with laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as other laws relevant to the operation of the company. In 2021, the Company's operations were in compliance with the relevant laws and regulations and no significant issues.

4. Consider the selection, nomination, and remuneration of external auditors for the year 2022

Following thorough consideration of external auditor candidates based on their performance, independence, qualifications, and the appropriate remuneration. The Audit Committee submitted auditors from Grant Thornton Company Limited to the Board of Directors to be proposed at the 2022 Annual General Meeting of Shareholders, to be appointed as SFI's 2022 external auditors, namely Mr. Somckid Tiatragul, CPA Registered No. 2785, Ms. Kanyanat Sriratchatchaval, CPA Registered No. 6549, Ms. Kesanee Srathongphool, CPA Registered No. 9262, Ms. Luxsamee Deetrakulwattanapol, CPA Registered No. 9056, Ms. Amornjid Baolorpet, CPA Registered No. 10853 and Ms. Saranya Akharamahaphanit, CPA Registered No. 9919 and as the auditors of the Company and subsidiaries for the year 2022.

In addition, the Audit Committee has the opinions regarding the external auditors as follows:

- The external auditors performed their duties with knowledge, professional competency and also had independency in performing their duties.
- The proposed remuneration of the Company external auditors was appropriate, for the year 2022 is not exceeding to Baht 2,835,000.- per year.
- There was compliance with Regulation of the Office of the Securities and Exchange Commission (SEC).
- The external auditors had no relation with the Company and subsidiaries.

5. Review of connected transactions or transactions that may result in possible conflicts of interest

The Audit Committee reviewed connected transactions and those potentially creating conflicts of interest that were considered connected transactions under Regulation of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC). In external auditors' opinion, the significant trading transactions with the connected persons were disclosed and also presented in the financial statements and notes to financial statements. The Audit Committee agreed with them and regarded that such

transactions were reasonable, optimal beneficial to the business of the Company and disclosed accurately and completely.

6. Review the corporate governance report

The Audit Committee reviewed the good corporate governance report for the listed company as in accordance with the guidelines of the Stock Exchange of Thailand (SET). In 2021, the Company complied with this guideline appropriately and also disclosed in this annual report.

7. Audit Committee Charter

The Audit Committee reviews and revises charter of the Audit Committee every year to ensure that the charter of the Audit Committee aligns with principles of good corporate governance of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In summary, in 2021, the Audit Committee sufficiently maintained its independence and fulfilled its duties in monitoring the Company's operation with proficiency in accordance with the roles and responsibilities prescribed in the Audit Committee Charter. The Audit Committee was of the opinion that the Company's financial statements were prepared in accordance with generally accepted accounting principles and adequate disclosure of connected transactions or those that may result in possible conflicts of interest, good corporate governance, sufficient internal control systems, appropriate risk management, and full compliance with all the laws, rules, and regulations relevant to the Company's operation.

On behalf of the Audit Committee
Seafresh Industry PCL



(Dr.Kamales Santivejkul)
Chairman of the Audit Committee

6.2 Nomination and Remuneration Committee Report

To: The Shareholders of Seafresh Industry Public Company Limited

The Nomination and Remuneration Committee of Seafresh Industry PCL. (“the company”) has 4 members comprises 1 executive director and 3 independent directors or 75% of the committee. Furthermore, the Chairman of the committee is an independent director. The Committee performs according to the scope of duties and responsibilities as assigned by the Board of Directors.

The members of the Nomination and Remuneration Committee are as follows:

1. Dr. Kamales Santivejkul
Chairman of the Nomination and Remuneration Committee
2. Dr. Sorachai Bhisalbutra
Member of Nomination and Remuneration Committee
3. Dr. Worapong Leewattanakit
Member of Nomination and Remuneration Committee
4. Mrs. Tassanee Youngmeevithya
Member of Nomination and Remuneration Committee

The Committee has performed its tasks with due regard to duty of care under the policy and charter of the Nomination and Remuneration Committee which has been considered and approved by the Board of Directors.

For the year of 2021, there was a meeting, all of whom attended the meeting as scheduled. In this regard, the significant duties of the Committee can be summarized as follows:

- The Nomination and Remuneration Committee proposed a suitably qualified person to get the professional and diversified (Board Diversity) director by considering the structure, size and composition of the Board in various fields, i.e. technical, expertise and gender. The amount offer is equal to the amount of the full term director and offer recommendations to the Board of Directors for seek the approval from the board. After that, a suitably qualified person will be presented to the general meeting of shareholders for appoint following guidelines.
- Considered Remuneration of Directors and Sub Directors before proposed to Board of Directors and Shareholders in Annual General Meeting for approval.
- Consider a performance appraisal form of Nomination and Remuneration Committee in the year of 2021 both group and individual self-assessment for the further improvement and development of their performance to be effective.



- Consider and review the appropriateness of the charter of the Nomination and Remuneration Committee in accordance with the good corporate governance principles.

On behalf of the Nomination and
Remuneration Committee
Seafresh Industry PCL

A handwritten signature in blue ink, reading "Kamales Santivejkul".

(Dr.Kamales Santivejkul)
Chairman of the Nomination and
Remuneration Committee

6.3 Risk Management Committee Report

To: Board of Directors and Shareholders

The Risk Management Committee has been established since 2011 to be responsible for defining guidelines for risk management operations in accordance with international principles, supervise and monitor the risk management in accordance with the policies and guidelines that are set efficiently. Moreover, the Risk Management Committee has reviewed the appropriateness of risk management and continual improvement in accordance with the mission, goals and environment of the company.

Currently, the Risk Management Committee consists of two directors and 2 senior executives, totaling 4 persons, all of whom have good knowledge, ability, ethics and experience in the Company's business, with the following names:

1. Mrs. Tassanee Youngmeevithya
Chairman of the Risk Management Committee
2. Mr. Chintat Chia-apar
Member of the Risk Management Committee
3. Mr. Boonlert Foongvannaluck
Member of the Risk Management Committee
4. Miss Yaowalax Tangsanguannuch
Member of the Risk Management Committee

The performance of the roles and duties of the Risk Management Committee in 2021 can be summarized as follows;

- There were the meetings of the Risk Management Committee 4 times, with a quorum of directors attending every meeting.
- Change the person in charge of the Risk Management Committee and Secretary of the Board.
- Oversee a risk management system and implemented at both the operational and corporate levels by synchronizing risk management with corporate strategy. The scope of coverage includes risks in strategy, operations, finance, reporting, regulatory compliance, corruption, business disruption, and also factors related to environment, society and corporate governance. Such risks, once happen, may affect the achievement of desired goals and long-term sustainability of the organization.
- Ensure that risk management is carried out in accordance with anti-corruption measures in accordance with Thailand's Private Sector Collective Action Coalition against Corruption initiative and to be renewed for the second consecutive year in 2021.
- Report risk management results to the Audit Committee.

- Supervise the implementation of the corporate risk management process, in terms of risk assessment, risk response and following up. There also provides the linkage between objectives, SWOTs, organizational risks, risk response methods, KPIs, and key risk indicators (KRI).
- Monitor, control and manage the corporate risk to an acceptable level. In 2021, there would be able to mitigate the corporate risk from a very high level down to an acceptable level of risk for all items.

On behalf of Risk Management Committee
Seafresh Industry PCL



(Mrs. Tassanee Youngmeevithya)
Chairman of the Risk Management Committee

6.4 Corporate Governance Committee Report

To: The Shareholders of Seafresh Industry Public Company Limited

The Corporate Governance Committee of Seafresh Industry Public Company Limited (CFRESH) consist of 4 directors which are appointed by the Board of Directors, in order to get a good results, accuracy, transparency and fair, speculating of long-term impact, lawfulness, morality, responsibility against shareholders, stakeholders and be beneficial to society. The members of the Corporate Governance Committee are as follows:

1. Mrs. Tassanee Youngmeevithya
Chairman of Corporate Governance Committee
2. Mr. Chintat Chia-apar
Member of Corporate Governance Committee
3. Mr. Pairoj Yangthong
Member of Corporate Governance Committee
4. Miss Yaowalax Tangsanguannuch
Member of Corporate Governance Committee

In the year 2021, there were two meetings held, with all members of the Corporate Governance Committee attending every meeting and then the performance was reported to the Board of Directors for acknowledgment. The operations of the Corporate Governance Committee are as follows:

- Review and update the company's policy totaling six policies in order to be consistent with various standards, which the company certified.
- Review and update the Company's anti-corruption policy in order to be consistent with the self-assessment questionnaire, 71 items in requesting the renewal of membership certification of the Thai Private Sector Collective Action against Corruption (CAC).
- Considering violations of employee ethics that in the past year did not receive a whistleblower or found a serious violation of the code of conduct.
- Consider a performance appraisal form of the Corporate Governance Committee in the year of 2021 both group and individual self-assessment for the further improvement and development of their performance to be effective.

On behalf of the Corporate Governance Committee
Seafresh Industry PCL



(Mrs. Tassanee Youngmeevithya)
Chairman of the Corporate Governance Committee

6.5 Executive Committee Report

To: The Shareholders of Seafresh Industry Public Company Limited

The Executive Committee of Seafresh Industry PCL. (“the company”) has 3 members and all of them are executive director or 100% of the committee. The Committee performs according to the scope of duties and responsibilities as assigned by the Board of Directors.

The members of the Executive Committee are as follows;

1. Mr. Narit Chia-apar
Chairman of the Executive Committee
2. Mrs. Tassanee Youngmeevithya
Deputy Chairman of the Executive Committee
3. Mr. Chintat Chia-apar
Member of the Executive Committee

In 2021, there were 13 meetings held. The significant performance of the Executive Committee can be summarized as follows:

- Consider strategies and business plan focusing in sustainability prior to approval of the Board of Directors.
- Review and monitor overview operation including risk management of the company and its subsidiaries.
- Consider operation and investment budget in 2022 prior to approval of the Board of Directors.
- Control and monitor operation and investment budget usage.

On behalf of the Executive Committee
Seafresh Industry PCL



(Mr. Narit Chia-apar)
Chairman of the Executive Committee

Awards and Prestigious Prizes

Thailand Labour Management Excellence Award 2021



CFRESH selected by the Department of Labor Protection and Welfare, Ministry of Labour, received a royal trophy from Her Royal Highness Princess Maha Chakri Sirindhorn for the large sized enterprise that have been recognized as organizations that are committed to managing their workforce in 2021. There is only one award on September 16, 2021 at the Field Marshal Por Pibulsongkram Conference Room, Ministry of Labor. This is an award given to an enterprise that has a continuous standard of labor management in 3 areas, consisting of Thai Labour Standards, Labour Relations and Welfare, and Occupational Safety, Health, and Working Environment.

Moreover, this award of honor and pride reflects the company's commitment in order to care and treat employees in accordance with international ethical principles continuously and sustainably.

Model Enterprises for the Good Labour Project Following the Sufficiency

CFRESH is 1 of 9 enterprises that received a plaque of honor for the a prototype project "Good Labour following to the Sufficiency Economy" from the Department of Labor Protection and Welfare Ministry of Labor on September 20, 2021 at the meeting room of Field Marshal Por Phibulsongkram, Ministry of Labor.



"CFRESH focuses on and supports employees to have a good quality of life in accordance with the Sufficiency Economy Principle."

Outstanding Establishment in Safety, Occupational Health and Work Environment Award for the year 2021 at the national level (Platinum level)

Outstanding Establishment in Labor Relations and Labor Welfare 2021, National Level

From the Department of Labor Protection and Welfare Ministry of Labor on October 21, 2021



Awards and Prestigious Prizes

Thailand Sustainability Investment 2021

CFRESH has been selected as Thai listed companies in the **Thailand Sustainability Investment (THSI)** since 2015, showing the Company's sustainable business operations under the framework of ESG on the environment, social responsibility, and management in accordance with the principles of good governance.



Sustainability Disclosure Recognition 2021



CFRESH has received a certificate "Sustainability Disclosure Recognition 2021" from Thaipat Institution.

The company realizes and attaches great importance to the dissemination of operational information. This covers ESG issues in addition to financial disclosures. This will benefit all stakeholders of the business, including the development of the organization for long-term sustainability.



CFRESH has been rated as a 5-star with "Excellent" CG Scoring for the 5th consecutive year since 2017 from the Thai Institute of Directors Association (IOD), supporting by the Stock Exchange of Thailand.

Certified as a member of CAC in Q3/2021



CFRESH was certified for the 2nd membership renewal by the Thai Private Sector Collective Action Against Corruption (CAC) in the 3rd quarter of 2021 from the Thai Institute of Directors Association (IOD) for the year 2021, for the 3rd consecutive period since 2016. This is a strong reinforcement to show that the company has a sustainable business practice; adhere to the principles of good corporate governance. This includes complying with the law and against all forms of corruption.



Seafresh Industry Public Company Limited

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