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Thaifoods Group Public Company Limited

Annual Report
(Form 56-1 One Report)

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Message from Directors




(Mr. Weerasak Ungkajornkul)
Chairman of the Board of Director

Thaifoods Group Public Company Limited (the “Company”) has continued to positively generate revenue with total revenue for the year 2019 - 2021 were Baht 29,105.51 million, Baht 31,857.38 million and Baht 35,505.71 million, respectively or increasing 9.45% and 11.45%, respectively. The net profit for the year 2021 of Baht 561.70 million decreased of 78.09% from 2020 or net profit margin was 1.58%

The revenues from poultry business for the year 2021 was Baht 16,642.42 million, increased by 2.05% from Baht 16,308.82 million the same period of 2020. Average chicken price for the year 2021 was Baht 40.59/kg, increases by 6.79% from Baht 38.01/kg in the same period of 2020. The sale volume of chicken sold for the year 2021 was 323,065.13 tonnes, decreased by 8.79% from 354,215.63 tonnes in the same period of 2020, mainly due to domestic and export of chicken price increase while sale volume decrease from temporarily closed of the slaughterhouses in Kanchanaburi province according to COVID-19 impact for the third quarter of 2021.

The revenues from the swine business for the year 2021 was Baht 9,517.61 million, increased by 0.17% from Baht 9,501.71 million the same period of 2020. Average swine price for the year 2021 was Baht 73.49/kg, decreased by 2.71% from Baht 75.54/kg in the same

period of 2020. The sales volume of swine for the year 2021 was 102,534.60 tonnes, decreased by 5.63% from 108,651.56 tonnes in the same period of 2020, mainly due to domestic swine price decrease. However if include the sale volume of swine to sale through the retail shops in 2021 was 111,610.30 tonnes, increased 2.72% from 2020.

The revenue from animal feed business for the year 2021 was Baht 6,957.85 million increased by 33.23% from Baht 5,222.37 million in the same period of 2020. Sales tonnage volume for the year 2021 was 543,831.25 tonnes, increased by 21.71% to from 446,820.84 tonnes in the same period 2020.

Other business for the year 2021 was Baht 1,705.37 million increased by 457.75% from Baht 305.76 million in the same period of 2020. Mainly increased due to the Company expand the retail shops. The number of retail shops at the end of 2020 and 2021 was 2 shops and 85 shops respectively. The revenue form retail shops in 2021 was Baht 1,460.28 million.

For the year 2021, the Company has major projects related to social and environmental contributions, such as the construction and installation of a solar power generation system on the solar Rooftop and Solar Car Park in the chicken slaughterhouse and the further factory in Kanchanaburi province, with a capacity of



(Mr. Winai Teawsomboonkij)

Director



3.78 Mwp, and started commercial operation date since December 2021. Moreover the Company has issue the bond that the transaction is the first social bond guaranteed by CGIF and is also the first social bond issuance under ASEAN Social Bond Standards by a non-financial corporate entity amount Baht 1,000 million with the full guarantee by Credit Guarantee and Investment Facility (CGIF) which a multilateral facility established by the Association of Southeast Asian Nations (“ASEAN”) members, China, Japan, Korea (“ASEAN+3”) and Asian Development Bank (“ADB”). TFG use the social bonds proceed for the purchase raw material in domestic to support Thai farmers in situation economics slowdown including hire local employees, etc.

For the year 2022, the Company has set a target for revenue growth of 10% - 15% compared to the previous year. The swine business will expand by increased production and expect the average price should be good level throughout the year. The Company has already started some expansion of breed-level farms in Thailand and Vietnam to support market demand. Moreover the Company is still increased retail shops to reduce price fluctuations and approach closer to customers. The end of year 2021, there are 85 branches and plans to expand about 200 branches in 2022.

In 2021, the Company has achieve corporate governance rated “Very Good” from the Thai Institute of Directors Association and the Company has achieve AGM Checklist assessment of 100.00 scores.

For CSR, the Company operates its business according to the principles of good governance. It’s responsible for all stakeholders that committed to business development, along with the economic, social and environmental balance to sustainable business practices and manufacturer of quality and safe food in accordance with international standards. Moreover, the Company has encouraged innovation and new technologies to improve safety, increase production quality and efficiency while reducing the impact on the community, society and the environment. The Company has also promoted knowledge safety, welfare and continuous growth in the line to make all related person sustainable.

The Company strongly believes that being a Good Corporate Citizen under good corporate governance can generate returns for shareholders and all stakeholders. It is strongly believed that. “Quality Foods Quality Life”.



Board of Directors



Mr. Weerasak Ungkajornkul
Chairman of the Board of Director/
Independent Director



Mr. Winai Teawsomboonkij
Director



Mr. Phet Nantavisai
Director



Ms. Siriluck Tangwiboonpanich
Director



Mr. Prasit Wasupath
Independent Director



Mr. Weidt Nuchcharoen
Chairman of Audit Committee/
Independent Director



Mr. Assanee Subvanich
Audit Committee/ Independent Director



Mr. Udomsak Nitimontree
Audit Committee/ Independent Director

Managements



Mr. Winai Teawsomboonkij
Chief Executive Officer



Mr. Phet Nantavisai
Chief Operating Officer



Ms. Siriluck Tangwiboonpanich
Chief Financial Officer



Mr. Sugun Thampon
Senior Assistant Vice President
Slaughterhouse and Sausage Factory



Mr. Santi Wutisela
Assistant Vice President
Poultry Farm Business



Mr. Patipan Chaipanya
Assistant Vice President
Animal Health Business



Mr. Narongrit Khwankhaisap
Assistant Vice President
Swine Farm Business



Ms. Patrapan Rungcharoen
Assistant Vice President
New Product Development



Pichet Mongkolsiriwatana
Assistant Vice President
Animal Feed Business



Mr. Panya Sakunchot
Assistant Vice President
Further Factory





Fresh

**BASIL
SEED**

DRINK

with

*Pomegranate
Flavor*

Net Content 250 ml

Summary of Financial Highlights

		2019	2020	2021
Financial Position and Operating Results (Million Baht)				
Total Assets		22,786.59	26,090.76	35,567.05
Total Liabilities		12,900.76	14,950.48	23,996.59
Total Equity		9,885.83	11,140.28	11,570.46
Revenue from Sales of Goods and Rendering of Services		28,919.19	31,338.66	34,823.26
Total Revenues		29,105.51	31,857.38	35,505.71
Cost of Sales of Goods and Rendering of Services		25,719.31	26,909.14	31,669.92
Total Expenses		27,160.02	28,223.66	33,853.21
Profit (owners of the parent)		1,440.00	2,563.29	561.70
Current Ratio				
Current Ratio	(Times)	0.81	1.19	0.99
Accounts Receivable Turnover	(Times)	17.27	19.79	17.84
Inventory Turnover	(Times)	8.42	8.70	7.71
Accounts Payable Turnover	(Times)	12.58	14.20	15.04
Profitability Ratio				
Gross Profit Margin	(%)	11.06	14.13	9.06
Operating Margin	(%)	6.68	11.41	4.65
Net profit Margin	(%)	4.95	8.05	1.58
Return on Equity	(%)	16.25	24.41	4.95
Efficiency Ratio				
Return on Total Assets	(%)	6.33	10.49	1.82
Return on Fixed Assets	(%)	22.50	30.61	16.33
Financial Policy Ratio				
Debt to Equity Ratio	(Times)	1.30	1.34	2.07
Interest Bearing Debt to Equity Ratio	(Times)	1.00	0.97	1.73
Interest Coverage Ratio	(Times)	9.05	15.35	8.14





Part 1

Business Operation and Performance

1. Business Overview
2. Risk Management
3. Driving Business towards Sustainability
4. Management Discussion and Analysis
5. General Information

1. Business Operation and Performance

1.1. Business Overview

1.1.1. Vision, Mission, Objective, Long-Term Goals of the Company and Strategy Management

Vision

THAIFOODS is a food manufacturer with a quality and safety standard

Mission

- Transparent and investigable management
- Responsibly interact with societies, environment and stakeholders
- Manufacture product of sufficient quality and safety
- Promote and invent new innovations and technologies
- Develop products and expand distribution channels
- Continuously professionalize human resources development
- Develop internal management to global standards
- Develop information technology system for strategic management

Objective

“Conduct sustainable integrate business under good governance and moral and social responsibility”

Long-Term Goals

“An organization that grows steadily and sustainably in all aspects with balance”

Strategy Management

The Company has established a business strategy for delivering quality, fresh, clean and food safety to consumers. In 2021, the Company has expand the domestic market from starting a retail shops under Thai Foods Fresh Market Company Limited. The retail shops have 85 branches (as of 31 December 2021) which focusing on distribution in the community both in Bangkok and perimeter. In addition, we work with partners who have transportation standards that are world-famous. To ensure that the raw materials that the company will deliver for consumers safely

1.1.2 History and major Milestones

In 1987, Mr. Winai Teawsomboonkij, our founder, CEO and Chairman of the Executive Committee, began operating his first chicken farm, with a capacity of 20,000 chickens, in the Lopburi province of Thailand. We were incorporated in Thailand on 4 July 2001 under the name Thai Food (2001) Co., Ltd. On 2 July 2002, we officially changed our registered name to Thai Foods Poultry International Co., Ltd., and then, we officially changed our registered name to our current name of Thai Foods Group Co., Ltd. On 18 August 2014, we converted to a public company and officially changed our registered name to THAIFOODS GROUP PUBLIC COMPANY LIMITED. Our reorganization was effected through a series of transactions from 2011 to 2014, pursuant to which all of our business operations controlled by Mr. Winai Teawsomboonkij and his related persons were reorganized and restructured to be held by our Company.



The following timeline summarizes key events in our history.

Year	Milestone
2001	The Company were founded under the name Thai Food (2001) Co., Ltd.
2002	The Company changed our registered name to Thai Foods Poultry International Co., Ltd.
2003	The Company began operating our first chicken slaughterhouse in the Kanchanaburi province of Thailand with a capacity of 139,000 chickens per day.
2004	The Company began operating breeder chicken farms by acquiring three breeder chicken farms and one hatchery in the Chonburi province of Thailand, which increased our breeder chicken capacity to 312,000 chickens and our production capacity at our hatcheries to 699,840 eggs per week.
2007	<p>The Company began operating our first grandparent pig farm in the Kanchanaburi province of Thailand with a capacity of 1,900 pigs.</p> <p>The Company began operating our first feed mill facility in the Suphanburi province of Thailand with a capacity of 30,000 tonnes of feed per month.</p>
2010	The Company established our first great-grandparent pig farm in the Kanchanaburi province of Thailand with a capacity of 450 pigs.
2011	The Company began operating our first layer chicken farm in the Kanchanaburi province of Thailand with a capacity of 38,400 layer chickens.
2012	<p>The Company changed our registered name to Thai Foods Group Co., Ltd.</p> <p>The Company began operating our first parent pig farm in the Nakornsawan province of Thailand with a capacity of 1,800 pigs.</p> <p>The Company acquired Thai Foods Research Center and Thai Foods Layer Farm, which were previously owned directly and/or controlled by Mr. Winai Teawsomboonkij and his related persons.</p>
2013	<p>The Company established our Vietnam swine operations and began operating our first grandparent pig farm in Vietnam, through a contract farmer, with a capacity of 700 grandparent pigs and our first parent pig farm in Vietnam with a capacity of 1,400 pigs.</p> <p>The Company began operating a new feed mill facility in the Prachinburi province of Thailand with a capacity 50,000 tonnes per month, increasing our feed capacity to 120,000 tonnes per month.</p> <p>The Company acquired Thai Foods Swine Farm, which was previously owned directly and/or controlled by Mr. Winai Teawsomboonkij and his related persons.</p>
2014	<p>The Company began operating a new slaughterhouse in the Prachinburi province of Thailand with a capacity 150,000 chickens per day, increasing our production capacity to 440,000 chickens per day.</p> <p>The Company began operating a new hatchery in the Kanchanaburi province of Thailand, increasing our hatchery capacity to 4,878,720 eggs per week.</p> <p>The Company converted one of our breeder chicken farms into a farm to raise some of our day-old layer chicks. Prior to this conversion, the raising of all of our day-old layer chicks was outsourced to contract farmers. Around the same time, the Company finished constructing and began operating a replacement breeder chicken farm in the Sa Kaeo province of Thailand. Following this conversion of one breeder chicken farm and construction of one replacement breeder chicken farm, our breeder chicken capacity increased to 1,716,900 breeder chickens as the replacement breeder chicken farm had a higher capacity than the farm it replaced.</p> <p>The Company began operating two new parent pig farms in the Kanchanaburi and Nakhon Ratchasima provinces of Thailand, increasing our total capacity at our parent pig farms (including our Vietnam parent pig farm with a capacity of 1,400 pigs) from 8,950 pigs to 12,000 pigs.</p>

Year	Milestone
2014	<p>The Company began renting and operating a new grandparent pig farm in the Prachinburi province of Thailand, increasing our total capacity at our grandparent pig farms from 5,300 pigs to 8,000 pigs.</p> <p>The Company acquired Ayothaya Agri-Tech, Thai Foods Swine International, and T. Paragon, which were previously owned directly and/or controlled by Mr. Winai Teawsomboonkij and his related persons.</p> <p>On 5 August 2014, EGM No.4/2014, our shareholders approved the decrease in par value of our Shares from Baht 100 per Share to Baht 1 per Share and the total number of issued Shares consequently increased from 37,500,000 Shares to 3,750,000,000 Shares. In addition, our shareholders approved an increase of our Company's registered share capital from Baht 3,750,000,000 to Baht 5,400,000,000, of which up to 250,000,000 Shares will be allocated to existing shareholders and up to 1,400,000,000 Shares will be allocated to the public.</p> <p>On 18 August 2014, the Company converted to a public company and officially changed our registered name to THAIFOODS GROUP PUBLIC COMPANY LIMITED.</p> <p>On 14 November 2014, the Company registered with the MOC our increase in paid-up share capital from Baht 3,750,000,000 to Baht 4,000,000,000 in connection with the allocation of 250,000,000 Shares to existing shareholders.</p>
2015	<p>In the first quarter of 2015, the Company began exporting 504 tonnes and 120 tonnes of meat to customers located in Japan and the European Union respectively.</p> <p>The Company also began selling chicken sausage by entering into an outsourcing arrangement with a third-party food processor which will allow us to sell processed chicken sausage to customers under our own brand.</p> <p>Extraordinary General Meeting of the Company No. 4/2014, held on 5 August 2014, approved the resolution to increase the capital and the initial public offering (IPO). As the period in which the Company will make an initial public offering will exceed one year from the date of the passing of the resolution, Extraordinary General Meeting No. 2/2015, held on 19 June 2015 passed the following resolution:</p> <ul style="list-style-type: none"> - the decrease of the Company's registered capital from Baht 5,400,000,000 to Baht 4,000,000,000 by decreasing the number of shares which have not been sold to 1,400,000,000 shares; and - the increase of the Company's registered capital from Baht 4,000,000,000 to Baht 5,400,000,000 by offering to sell not more than 1,400,000,000 shares to the public. <p>The Company registered the resolution to decrease and increase the Company's registered capital with the Department of Business Development, Ministry of Commerce on 11 August 2015 and 13 August 2015, respectively.</p> <p>The Company listed in Stock Exchange of Thailand on 8 October 2015.</p> <p>On December 2015 T Paragon Holding Co.,Ltd has made the payment for the increase of capital in the amount of JPY 32 million or THB 9.6 million to invests 45.71% shareholding in SEVEN FOODS Company Limited.</p>
2016	<p>On 8 April 2016, the Company began operating a new chicken sausage factor in the Prachinburi province of Thailand.</p> <p>On 7 June 2016, the Warrants No. 1 ("TFG-W1") to offer such Warrants for sale to the existing shareholders of the Company at the allocation ratio of 10 existing ordinary shares per 1 unit of TFG-W1 was traded in Stock Exchange of Thailand. The exercise ratio is that 1 unit of TFG-W1 shall be entitled to purchase 1 ordinary share of the Company. The exercise price under the Warrants is Baht 2.50 per share. Therefore, there was the changing registered capital of Baht 5,100,000,000 to Baht 5,610,000,000.</p>



Year	Milestone
2016	On August 22, 2016, the Company has established of Thaifoods Further Company Limited to operate the cooked product. With initial registered capital of Baht 20,000,000 divided into 200,000 ordinary shares with a par value of Baht 100 each and paid-up capital of Baht 5,000,000, the Company holds 100% of the registered capital.
2017	<p>On January 1, 2017, the Company purchased shares of Big Food Group Company Limited ("Big Food"), which operates broiler chicken business and there is a chicken slaughterhouse by purchasing 100,016 existing shares from the existing shareholders and January 20, 2017, and purchase 200,000 new ordinary shares, totaling 300,016 shares at the price of Baht 200 per share. (At par value of Baht 100 per share) or total value of Baht 60,003,200, representing a proportion of shareholding 75.004 of the capital share (registered capital after the capital increase of Big Food)</p> <p>On January 11, 2017, the Company registered the increase of paid-up capital from Baht 5,100,000,000 to Baht 5,108,664,700 due to the first exercise TFG-W1 no. 1 on December 30, 2016.</p> <p>On January 12, 2017, the Company registered the increase in the share capital of Thaifoods Further Company Limited from its registered capital of Baht 20,000,000, paid-up capital of Baht 5,000,000 to registered capital Baht 100,000,000 Paid up capital 25,000,000 Baht (With a par value of 100 baht).</p> <p>On January 12, 2017, the Company has established of Thai National Logistics Company Limited. With initial registered capital of Baht 60,000,000 divided into 6,000,000 ordinary shares with a par value of Baht 10 each and paid up capital of Baht 15,000,000. The Company holds 100% of the registered capital.</p> <p>On 7 June 2017, the Warrants No. 2 ("TFG-W2") to offer such Warrants for sale to the existing shareholders of the Company at the allocation ratio of 10 existing ordinary shares per 1 unit of TFG-W2 was traded in Stock Exchange of Thailand. The exercise ratio is that 1 unit of TFG-W2 shall be entitled to purchase 1 ordinary share of the Company. The exercise price under the Warrants s Baht 9.50 per share. Therefore, there was the changing reg registered capital of Baht 5,610,000,000 to Baht 6,138,160,412.</p> <p>On July 13, 2017, the Company registered the increase of paid-up capital from Baht 5,108,664,700 to Baht 5,109,396,600 due to the first exercise TFG-W1 no. 2 on June 30, 2017.</p> <p>On July 18, 2017, the Company registered the increase in the share capital of Thaifoods Further Company Limited from its registered capital of Baht 100,000,000, paid-up capital of Baht 25,000,000 to registered capital Baht 500,000,000 Paid up capital Baht 500,000,000 (With a par value of 100 baht).</p> <p>On November 1, 2017, the Company registered the increase in the share capital of Thai Food Swine International Company Limited from its registered capital and paid-up capital of Baht 135,000,000 to Baht 180,000,000</p>
2018	<p>On January 10, 2018, the Company registered the increase of paid-up capital from Baht 5,109,396,600 to Baht 5,112,905,700 due to the first exercise TFG-W1 no. 3 and TFG-W2 no. 1 on December 29, 2017.</p> <p>On March 13, 2018, Thai Foods Layer Farm Co., Ltd. changed the name to Thaifoods Service and Supply Co., Ltd that distribution chicken and pork product.</p> <p>On July 9, 2018, the Company registered the increase of paid-up capital from Baht 5,112,905,700 to Baht 5,113,305,700 due to the first exercise TFG-W1 no. 4 and TFG-W2 no. 2 on June 30, 2018.</p> <p>On December 28, 2018, the Company sells the shares of Big Food amount of 300,016 shares at price 200 baht/share totaling Baht 60 million.</p>

Year	Milestone
2019	<p>On January 9, 2019, the Company registered the increase of paid-up capital from Baht 5,113,305,700 to Baht 5,176,628,660 due to the first exercise TFG-W1 no. 5 and TFG-W2 no. 3 on December 28, 2019.</p> <p>On May 27, 2019 the Company registered the increase of paid-up capital from Baht 5,176,628,660 to Baht 5,607,572,686 due to the last exercise TFG-W1 on May 17, 2019.</p> <p>On June 17, 2019 the Company acquire in Food Blessing (1988) Company Limited (“FBC”) a producer of sauce and seasoning products supplied in domestic and overseas, by acquiring the existing shares from FBC’s existing shareholders in amount of 1,800,000 shares, THB 155.86 per share (at the par value of THB 100 each) or Baht 280.56 million being 100.00 percent of FBC’s registered capital. In additional FBC has 1 subsidiary name FBC Exim company limited (“FBC EXIM”).</p> <p>On September 12, 2019 the Company has establish a new subsidiary as name TF Tech Company Limited (“TF Tech”). The purpose is generated and sells electricity from renewable energy structural engineering and technology (Floating Solar). The Company holds 76% of share capital.</p> <p>On November 7, 2019 the Company subsidiary name Thai National Logistic company Limited (“TNL”) change the name to Thai Foods Green Energy Company Limited (“TFGE”) for holding TF Tech replace and changed hold the share in TF Tech from 76% of share capital to 40% of share capital, as result of TF Tech ceasing to be a subsidiary of the Company.</p>
2020	<p>On March 4, 2020, the Company’s subsidiary name Thai Foods Green Energy Company Limited has establish a new associated as name Genepeutic Bio Company Limited to conduct an examination and treatment of leukemia-related diseases that gene therapy treatment which hold 30% of the registered capital. Then on May 14, 2020 had revise shareholder name from Thai Foods Green Energy Company Limited to T Paragon Holding Company Limited</p> <p>On May 27, 2020 the Company registered the increase of paid-up capital from Baht 5,607,572,686 to Baht 5,607,572,768 due to the last exercise TFG-W2 on May 18, 2020.</p> <p>On August 11, 2020, the Company’s subsidiary name T Paragon Holding Company Limited has establish a new subsidiary as name Thai Foods Fresh Market Company Limited conduct is selling consumer products which hold 100% of the registered capital.</p> <p>On October 21, 2020, the Company’s subsidiary name T Paragon Holding Company Limited has establish a new associated as name Thaifoods Nucleus Genetics Company Limited to operate a great grandparent breeder swine farm which hold 50% of the registered capital.</p> <p>On November 25, 2020, the Company has establish a new subsidiary as name Money Hub Services Company Limited conduct is loan to customers which hold 88.50% of the registered capital.</p> <p>On December 22, 2020, Thai Viet Swine Line Company Limited (“TVSL”) has change the name is Thai Viet Swine Line Joint Stock Company (“TVC”) which operation produce and selling swine products in Vietnam.</p>
2021	<p>On October 27, 2021, the Company acquire in Logis Boy Company Limited (“LGB”) which operated provider information and communication by service system software (except game software) in amount of 9,599 shares, THB 833.42 per share (at the par value of THB 100 each) or THB 8,000,000 being 95.99 percent of LGB’s registered capital.</p> <p>On December 16, 2021, the Company registered the increase of paid-up capital from Baht 5,607,572,768 to Baht 5,643,954,586 due to the allocated for Warrants (TFG-W3) 36,381,818 units exercise to 36,381,818 common shares.</p>



1.1.3 Use of proceeds from debentures offering

The Company has the debenture issuance until December 31, 2021 that the Company has already used all proceeds according to the purpose of each debenture.

1.1.4 Commitments stipulated in the debenture registration statements

The Company provides representations and warranties including responsibilities as the debenture issuer according to the Term and Conditions indicated the right and duties of the debenture issuer and the debenture holders of each debenture such as maintain Interest Bearing Debt to Equity Ratio.

1.2 Policy and Overview of Business Operation

Thaifoods Group Public Company Limited or (the “Company” or “Thaifoods”), we are a vertically integrated food producer specializing in the production of chicken and swine with operations in Thailand and Vietnam.

Our business focuses primarily on the production of chicken and selling chicken’s products (whole chickens, chicken parts and processed chicken), production of swine and selling swine’s products and live pigs for sale to brokers, retailers, slaughterhouses, industrial and modern trade companies, export/re-export agents and the export market. We also operate several feed mills that produce feed for animals, which is primarily used in the raising of our chickens and pigs, but is also sold to third-party customers. These businesses can be categorized according to the following product lines:

- Our poultry business, involving chicken breeding, chicken meat production and sales and sale of day-old chicks, live chickens and processed chicken;
- Our swine business, involving pig breeding, sale of live pig and pork meat;
- Our feed business, involving the manufacture and sale of feed for animals, mainly chickens and pigs; and
- Other business, involving primarily provision of research facility services, production and sales of animal feed sacks and plastic farming equipment, production and sale sauce and seasoning drink, retail shops and personal loan etc.







As of December 31, 2020, the Company has 19 breeder chicken farms, 7 hatchery farms, and 310 contracted farmer farms, 3 chicken slaughterhouses (2 plants in Kanchanaburi province, 1 plant in Prachinburi province) and 1 chicken sausage factory in Prachinburi. For the swine business in Thailand, the Company has 3 great-grandparent farms, 6 grandparent farms, 5 replacement GGP-GP breeder farms and 14 parent farms, 505 contract farming (in Thailand), 2 own swine slaughterhouses in Khon Kaen and Chon Buri province and a contracted swine slaughterhouse in Nakhon Pathom province. In the swine business in Vietnam, there are 2 grandparent farm, 7 parent farms, 35 contract farms (in Vietnam) with 4 feed factories in Thailand (3 plants in Suphanburi province and 1 plant in Prachinburi province).

As of December 31, 2021, the Company has 19 breeder chicken farms, 7 hatchery farms, and 291 contracted farmer farms, 3 chicken slaughterhouses (2 plants in Kanchanaburi province, 1 plant in Prachinburi province) and 1 chicken sausage factory in Prachinburi. For the swine business in Thailand, the Company has 3 great-grandparent farms, 6 grandparent farms, 7 replacement GGP-GP breeder farms and 14 parent farms, 490 contract farming (in Thailand), 2 own swine slaughterhouses in Khon Kaen and Chon Buri province and a contracted swine slaughterhouse in Nakhon Pathom province. In the swine business in Vietnam, there are 2 grandparent farm, 7 parent farms, 36 contract farms (in Vietnam) with 4 feed factories in Thailand (3 plants in Suphanburi province and 1 plant in Prachinburi province).

1.2.1 Revenue Structure

Total revenue for the year 2019 - 2021 were Baht 29,105.51 million, Baht 31,857.38 million and Baht 35,505.71 million, respectively or increasing 9.45% and 11.45%, respectively. The majority of the Company's revenue was generated from poultry operations, followed by swine operations and feed operations, respectively, which separate by segment for the year 2019 - 2021 as follow.

Business	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Poultry	16,443.34	56.50	16,308.82	51.19	16,642.42	46.87
Swine	7,942.83	27.29	9,501.71	29.83	9,517.61	26.81
Feed and others	4,533.02	15.57	5,528.13	17.35	8,663.22	24.40
Other income	186.32	0.64	518.72	1.63	682.46	1.92
Total	29,105.51	100.00	31,857.38	100.00	35,505.71	100.00

Remark : Other income including interest income and net gain on changes in fair value of biological asstes ect.

The revenues from poultry business for the year 2021 was Baht 16,642.42 million, increased by 2.05% from Baht 16,308.82 million the same period of 2020. Average chicken price for the year 2021 was Baht 40.59/kg, increases by 6.79% from Baht 38.01/kg in the same period of 2020. The sale volume of chicken sold for the year 2021 was 323,065.13 tonnes, decreased by 8.79% from 354,215.63 tonnes in the same period of 2020, mainly due to domestic and export of chicken price increase while sale volume decrease from temporarily closed of the slaughterhouses in Kanchanaburi province according to COVID-19 impact for the third quarter of 2021.

The revenues from the swine business for the year 2021 was Baht 9,517.61 million, increased by 0.17% from Baht 9,501.71 million the same period of 2020. Average swine price for the year 2021 was Baht 73.49/kg, decreased by 2.71% from Baht 75.54/kg in the same period of 2020. The sales volume of swine for the year 2021 was 102,534.60 tonnes, decreased by 5.63% from 108,651.56 tonnes in the same period of 2020, mainly due to domestic swine price decrease. However if include the sale volume of swine to sale through the retail shops in 2021 was 111,610.30 tonnes, increased 2.72% from 2020.



The revenue from animal feed business for the year 2021 was Baht 6,957.85 million increased by 33.23% from Baht 5,222.37 million in the same period of 2020. Sales tonnage volume for the year 2021 was 543,831.25 tonnes, increased by 21.71% to from 446,820.84 tonnes in the same period 2020.

Other business for the year 2021 was Baht 1,705.37 million increased by 457.75% from Baht 305.76 million in the same period of 2020. Mainly increased due to the Company expand the retail shops. The number of retail shops at the end of 2020 and 2021 was 2 shops and 85 shops respectively. The revenue form retail shops in 2021 was Baht 1,460.28 million.

We utilize a highly effective vertically-integrated supply chain in our poultry and swine businesses. Pursuant to our poultry business model, we raise breeder chickens on our breeder chicken farms, hatch eggs in our hatcheries, outsource day-old chicks for raising to contract farmers, which allows us to maximize our return on capital investment, and then collect the chickens for meat production at our slaughterhouses.

We sell whole chickens and chicken parts primarily to our customers located in Thailand, and, beginning in the first quarter of 2015, to customers located in Japan and European Union. In April 2016, chicken sausage factory started operating for domestic sale. Our poultry business represented 46.87% of consolidated revenue from total revenue for the year 2021.

In swine business, we sell live pigs through our operations in Thailand and Vietnam. We purchase three different breeds of pigs, breed them to a triple crossbreed pig, outsource the pigs for raising to our contract farmers and then sell the live pigs to our customers. Our swine business represented 26.81% of our consolidated revenue from total revenue for the year 2021.

We also produce animal feed. In 2021 the volume was 66.21% of the feed by volume produced was used to feed our chickens and pigs with the remainder of the feed sold to third-party customers. Our feed business represented 19.60% of our consolidated revenue from total revenue for the year 2021.

1.2.2 Nature of Products

(1) Product

The Company are a vertically-integrated producer of: (i) poultry - chicken products in whole and in parts and processed chicken, with operations comprising breeding, chicken raising, egg laying, hatching, chicken meat and processed chicken production; (ii) swine - live pigs, with our operations comprising breeding, pig raising, live pig and pork meat sales; and (iii) feed - feed for animals, mainly chicken and pigs, with operations comprising manufacturing and distributing animal feed for both internal use and external sales and (iv) other business - the Company provide research facility services to third parties and develop vaccinations. The Company also produce and sale of animal feed sacks and plastic farming equipment production, sale sauce and seasoning drink, retail shops and personal loan.

Product

1) Poultry business

The Company produce and sell a variety of chicken meat, including whole chickens and chicken parts, such as wings, chests, legs, flippers and gizzards, and processed chicken. Chicken sales are main source of revenue, accounting 56.50%, 51.19% and 46.87% of consolidated revenue in 2019 - 2021, respectively. The Company also sell live chickens to slaughterhouses depending on market circumstances, as well as day-old chicks, breeder chickens after they are no longer able to lay eggs and layer chickens.



Grow-out in Contract Farms

As at 31 December 2021, the Company utilized a network of more than 291 contract farmers to raise day-old chicks. The contracts with the contract farmers are generally three years in length with automatic renewals if neither party terminates the agreement, through network of contract farmers, the Company had the ability to raise 3.2 million chickens at any given time. Outsourcing to contract farmers enables us to maximize return on capital investment as it limits the amount of capital expenditures required to raise our chickens and it allows us to quickly scale up operations.

Breeder Chickens

As at 31 December 2021, the Company raise breeder chickens at our 19 breeder farms, which consist of 234 operational farm houses. The Company purchase breeder chickens from Arbor Acres, a company with a division specializing in the production of breeder chickens. The Company began purchasing breeder chickens from Arbor Acres in 2004 when the Company began operating first three breeder farms and first hatchery. The Company do not enter into long-term contracts with them, but instead enter into contracts on an annual basis, which provides us greater flexibility in estimating our order amounts and pricing of our products.

Sales and Marketing

The Company generally do not experience any significant seasonality patterns in our operations and business, although the Company usually experience an increase in sales volume before major festive seasons such as Chinese New Year and Christmas. The Company generally experience a slowdown in sales volume for a short period of time after these festive seasons. Additionally, during Thailand's Vegetarian Festival, which occurs sometime in September or October depending on the Lunar calendar, the Company experience a decrease in sales volume.

The Company has sales and marketing team who responsible to sell the chicken products which target sales to broker, industrial and modern trade companies, exporter/ re-exporter agents and retailers. The Company began to export chicken products to other countries such as Japan and the European Union in first quarter of 2015.

2) Swine Business

The Company have pig breeding and farming operations in Thailand and Vietnam whereby the Company sell live pigs to brokers, slaughterhouses and retailers. Revenue from swine business growth continuously, the revenue from 2019 - 2021 was 27.29%, 28.83% and 26.81% of total revenue respectively. Our operations in Thailand and Vietnam are substantially similar, with very few differences.

The operations include breeding and raising pigs, and selling live market pigs to our customers. The Company have adopted the "Duroc x Landrace x Yorkshire" crossbreeding technique with "Landrace x Yorkshire" crossbred females mating with Duroc males, giving birth to "Duroc x Landrace x Yorkshire" crossbred piglets, which, when grown at the contract farmers' fattening farms, are sold to the customers.



Fattening Pigs at Contract Farms

As at 31 December 2021, the Company utilized a network of 526 contract farmers (490 in Thailand and 36 in Vietnam) to raise the fattening pigs on fattening farms before selling the live pigs to the customers. The contracts are generally a minimum of five years.

Through the network of contract farmers, as at 31 December 2021, the Company had the capacity to raise over 575,000 fattening pigs at any given time which equaled from 2020 that raise over 575,000 fattening pigs at any given time. In 2021, the Company sold an average of approximately 85,552 fattening pigs per month, which was an increase from an average of approximately 85,864 fattening pigs per month and 74,648 fattening pigs per month in 2020 and 2019 respectively.

Purchase of Great-Grandparent Pigs

Since 2012, the Company have purchased our great-grandparent pigs through a distributor in oversea for that expertise in pigs production for breed and improvement the pig efficiency.

Sales and Marketing

As at 31 December 2021, the Company sell live pigs primarily through the efforts of our sales and marketing team and operate in both Thailand and Vietnam, our sales team is located in both countries.

Simultaneous with our plans to expand our swine business and increase our diversity of swine products in the future, the Company expects to increase our sales team.

3) Feed Business

The Company produce animal feed primarily for chickens and pigs, but also, to a much lesser extent, for ducks. Our feed is primarily used to feed our chickens and pigs at our owned and operated farms and those of the contract farmers. Our feed is also sold to third parties as another source of revenue for our Company. The Company produced 1,609,352 tonnes of animal feed in 2021 which 66.21% of the feed produced in 2021 was used to feed our chickens and pigs. The remaining feed was sold to agents who then resold the feed primarily to chicken and pig farmers. Our total revenue for the sales to third-party customers was Baht 6,957.85 million, constituting 19.60% of our consolidated revenue in 2021.

Purchase of Raw Materials

Our feedstuffs production process begins with our purchase of feed ingredients, such as corn, soybean meal, rice bran fresh, rice bran solvent and various feed additives. Corn is the main raw material. Our raw material purchased was purchased domestically and was imported from outside of Thailand especially soybean meal and feed additives represent the majority of the ingredients the Company import. Our soybean meal is imported from the United States, Brazil, Argentina and Paraguay and a portion of our feed additives are imported from the United States. The Company pay our international suppliers in U.S. dollars. Our feed ingredients are readily available from numerous sources at competitive prices and the Company generally purchase these ingredients as the Company enter into forward purchase contracts base on appropriate period for reduce risk of raw material price. The Company typically have at least one month's supply of raw materials on hand at any one time and the Company perform regular storage checks for quality and quantity.



While feed ingredients have historically been subject to price fluctuation due to factors such as consumption demand, government policies and weather conditions in major farming regions, in the event that the prices increase for our feed ingredients, there are known substitutes that the Company could purchase to include in our animal feed. For example, some part of rice bran oil or palm oil could be a substitute for soybean meal.

As of 31 December 2021, ADM Asia-Pacific Trading Pte. Ltd. and Cargill Siam Ltd. are our soybean suppliers, which accounted for 6.75% and 5.48% our cost of sales of goods and rendering of services for the year ended 31 December 2021. There is no single supplier accounted for more than 10.00% of cost of sales of goods and rendering of services over the past.

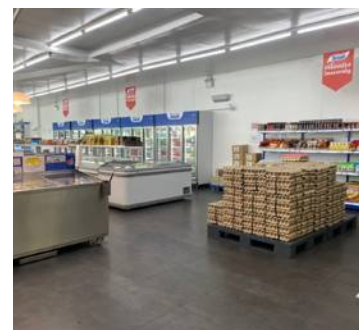
Sales and Marketing

Our animal feed is sold directly to our customers through the efforts of our sales and marketing team.

4) Other Businesses

Retail Shops

The Company has established Thai Foods Fresh Market Co., Ltd. (a subsidiary of the Company) since August 11, 2020 to operate a consumer goods distribution center, selling the Company's products such as pork parts, chicken parts and seasoning sauces, etc., as well as other fresh products and general consumer products such as vegetables, fruits, seasonings, rice and dry food, etc. As of December 31, 2021, the Company has a total of 85 branches.



Personal Loan Service

The Company has established Money Hub Services Company Limited (a subsidiary of the Company) since November 25, 2020 to operate personal loan business. Commenced commercial operations in 2021. As of December 31, 2021, the Company has outstanding loans of 122.16 million baht.

Sales of Animal Feed Sacks and Plastic Farming Equipment

Ayothaya Agri-Tech was established in 2011 and the Company acquired it in 2014. Ayothaya Agri-Tech produces sacks for our internally used animal feed and plastic farming equipment for our chicken operations, including plastic buckets, food pans and egg trays. Ayothaya Agri-Tech's sales were made to our Company or our subsidiaries. The revenue contribution for Ayothaya Agri-Tech to our Company is not material.



Provision of Research Facility Services, Development of Vaccinations and Medical Supplies and Sales of Medical Supplies to Third Parties

The Company provides research facility services to third parties and develop vaccinations and medical supplies in our research and development facility to be used in the raising of our chickens and pigs. The revenue contributions for our third-party research facility services.

Tax Incentives

The prevailing corporate rate of income tax applicable to Thai companies was 20.00% of net profit under BOI law. Our Company and certain subsidiaries incorporated in Thailand have been granted various tax exemptions by the BOI relating to the Company and relevant subsidiaries' operations. The BOI exempts the Company and relevant subsidiaries from paying corporate income tax on the net profit derived from certain of the Company and the relevant subsidiary's activities. Each tax exemption is valid for 5 - 8 years commencing on the date of first income derived from the relevant activity.

The following table represents the current status of the corporate income tax exemptions for each relevant subsidiary.

Company	BOI Certificate No.	Facility Location	Date of First Income Derived From Relevant Activity	Date of Expiration of Corporate Income Tax Exemption	Product Under the Promoted Project
TFFM	61-0764-0-00-1-0	Suphanburi	1 May 2019	8 years after recognize revenue	Animal Feed
	61-0765-0-00-1-0	Prachinburi	-	8 years after recognize revenue	Animal Feed
TFG	2100(2)/2555	Prachinburi	25 April 2014	24 April 2022	Whole chicken and chicken part
TFPF	2763(2)/2556	Sra Kaew	3 January 2014	2 January 2022	Day-old chick
TFSF	63-0544-1-00-1-0	Nakhon Sawan, Lopburi, Chai nat	-	3 years after recognize revenue	Piglet
	64-1255-1-00-1-0	Nakhon Sawan	-	3 years after recognize revenue	Piglet
TFFT	60-0907-1-00-1-0	Kanchanaburi	23 June 2018	22 June 2023	Processing food

In addition, the Company and certain subsidiaries have been granted tax exemptions from payment of import duties on machinery within the specific date of each promotion. In the case where a loss has been incurred during the period of receiving the exemption of juristic person income tax, the Company and certain subsidiaries have been granted permission to deduct such annual loss from the net profits accrued after the expiration of the period of exemption of corporate income tax for a period of not more than five years from the expiration date. The relevant company may choose to deduct such loss from its net profit of any one year or several years. Also, the dividends derived from promoted activities that are granted an exemption of juristic person income tax shall be exempted from computation of taxable income throughout the period our Company receives the exemption of juristic person income tax. However, the aforementioned promotions are subject to the condition that our Company and certain subsidiaries have at least 51.00% of their share capital held by Thai shareholders.



In addition, in Vietnam, TVC has been granted tax incentives pursuant to Investment License No. 331023000026, as amended, dated 22 April 2013 issued by the People's Committee Quang Nam Province for the operation of a 1,400 lean sow farm. The relevant provisions of the license are as follows:

1. Corporate tax rate

Year	Tax rate
Year 1-4	0%
Year 5-15	5%
Year 16-24	10%

In 22 June 2015, Vietnam Governance issued new regulation (Circular 96 - Income tax 2015) determined each farm area would get different corporate tax rate (the Governence separate 3 areas; normal area, urban area and special urban area).

For Nuitan was TVC area which in special urban area and could be operate farming, the rate for 50 years at 0% and TVC's revenue generates from hired other farm with TVC may the different tax rate.

2. Exemption from import tax

TVC is exempted from import tax for the goods that are to be used in the production of fixed assets as prescribed in Article 12 of Decree No. 87/2010/ND-CP, dated 13 August 2010 of the government, detailing regulations to implement the law on Export Tax and Import Tax for a period of 50 years, expiring on 23 June 2064.

3. Exemption from the land rent

TVC is entitled to an exemption from the land rent for the project promoted under the Investment License for a period of 50 years after the project is complete (according to Article 14 of Decree No. 142/2005/ND-CP).

Material Licenses and Permits

In Thailand and Vietnam, our facilities and operations are subject to regulation by various governmental agencies. In Thailand, these include, but are not limited to, the Department of Livestock Development, the National Bureau of Agricultural Commodity and Food Standards, the Ministry of Industry of Thailand and the Subdistrict Administrative Organization.

In Vietnam, the Company were granted Investment License No. 331023000026, as amended, dated 22 April 2013, for the operation of a 1,400 parent farm in the Quang Nam Province of Vietnam. Further, the governmental agencies in Vietnam include, but are not limited to, the Ministry of Agriculture and Rural Development, the Animal Husbandry and Veterinary Department, the Department of Planning and Investment, the Department of Building and Construction, the Ministry of Natural Resources and Environment and the Provincial People's Committee.

Our slaughterhouses in Thailand are subject to continuous on-site inspection by the government. The official inspector from Department of Livestock Development visit our farms at least once a year and the official inspector from Department of Livestock and a Halal representative from the Central Islamic of Thailand are stationed at our slaughterhouses on a daily basis



to ensure our products meet the applicable standards and to monitor the facilities sanitary conditions. Each time the Company transport the chickens and pigs from and to the contract farmers, the Company need a permit from the local veterinarian from the Department of Livestock Development, who is there at the time of transport to check whether the chickens satisfy the food safety standard.

Certificate

Over the past four years to end of 31 December 2021, the Company have received numerous certificates from governmental and regulatory agencies for our quality management and good practices. These certificates include, but are not limited to the following: (1) Good Agricultural Practice (“GAP”) Certificates from the Department of Livestock Development for our various chicken and swine farms and for our hatcheries; (2) Good Manufacturing Practice (“GMP”) Certificate from the Department of Livestock Development for our feed mills in the Suphanburi and Prachinburi provinces of Thailand; (3) Certified Qualified Producer for Hygienic Meat Certificate from the Department of Livestock Development for our chicken products; (4) Beta-Argonist Free Certificate from relevant Livestock Provincial Offices for various pig farms; (5) Quality Management System Certificates (“ISO 9001”) from the Management System Certification Institute (Thailand) for our feed mill in the Suphanburi province of Thailand and our slaughterhouses; (6) a Hazard Analysis and Critical Point System (“HACCP”) certificate from the Department of Livestock for our slaughterhouses; (7) an Environmental Management System Certificate (“ISO 14001”) from the National Quality Assurance for our slaughterhouses; and (8) a certificate issued by the Department of Livestock Development for the resting area (lairage) of animal carcasses for export out of Thailand; (9) Universal Feed Assurance Scheme (“UFAS”); (10) Genesis GAP Certificate; (11) General Requirements for the Competence of Testing and Calibration Laboratories (“ISO 17025”); (12) The British Retail Consortium Certificate (“BRC”) and (13) Certificate for Storage facilities and sales of pharmaceuticals for animals.

The Certificate of TVC’s operation has as follows: (1) Good Operation Agriculture (VietGAP) for swine farm issued by the Vietnam’s Governance (2) Quality Management System Certificates (“ISO 9001”) issued by Vietnam’s Governance.

(2) Industry and Trends

Poultry Business

Manufacturing Figures

In 2021, broiler manufacturing figures was 1,553.25 Million birds, or equivalent to 2.30 Million tonnes, decreased from 2020 which was 1,574.38 Million birds, or 2.33 Million tonnes. The total decrease is measured at 1.34% from 2020, due to the slowdown in consumer demand which is a result of measures to control the epidemic situation of Covid-19. (Source: The Office of Agricultural Economics)

Export Figures

In 2021, Thailand exports a total of 0.93 million tonnes, increased from 2020 which was 0.90 million tonnes, with total volume figures in 2021 increased by 4.17% from 2020. The main export markets for chicken meat and products is Japan (49.92%), United Kingdom (14.26%), China (10.99%), ASEAN (9.90%) and European Union (6.95%).



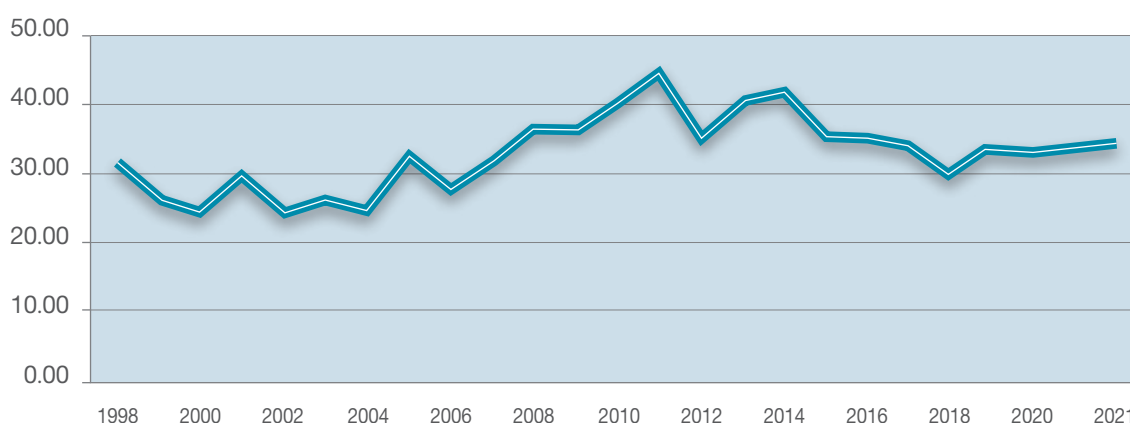
Broiler exports can be divided into two parts, frozen broiler exports and processed chicken. Total frozen broiler export figures in 2021 was 0.39 million tonnes, valued at Baht 29,447 Million, increased from 2020 which was 0.35 million tonnes at Baht 28,332 Million, total volume increase in 2021 was 14.37% from 2020. As for processes chicken in 2021, total export figures 0.54 million tonnes, valued at Baht 71,173 Million, decreased from 2020 which was 0.55 million tonnes, at Baht 75,558 Million, total volume decrease in 2021 was 1.51% from 2020. (Source: The Office of Agricultural Economics)

Broiler Farm Pricing

In 2021, pricing of broilers was 34.22 Bt/Kg, decreased from 2020 which was 35.44 Bt/Kg or decreased by 3.44% due to the epidemic situation of Covid-19, the demand for consumption has stabilized. including the temporary closure of the chicken processing plant causing exports to slow and has produced a large quantity of products to the market.

Annual Figures: Broiler Broiler Pricing 1998 - 2021

Bt/ Kg.



(Source: Thai Feed Mill Association)

Swine Business

Manufacturing Figures

In 2021, swine manufacturing figures was 18.58 Million unit, decreased from 2020 which was 19.91 Million unit. The total decrease is measured at 6.67% from 2020, due to disease conditions in pigs and flooding in many areas causing damage to pig production and farmers rushing to sell their produce. In addition to the measures to close the border checkpoints due to the spread of COVID-19 causing farmers to delay raising to reduce the risk. As a result, the overall amount of pig production decreased. (Source: The Office of Agricultural Economics)

Export Figures

In 2021, Thailand have part pork figures was 16,691 tonnes, valued at Baht 2,048.95 Million decreased from 2020 which was 26,338 tonnes, at Baht 3,274.52 Million volume in 2021 decrease was 36.63 times from 2020 and process pork figures was 5,375 tonnes, valued at Baht 1,146.93 Million decreased from 2020 which was 8,299 tonnes volume increased 35.23% from 2020, but valued at Baht 1,687.57 Million, decrease from 2020.



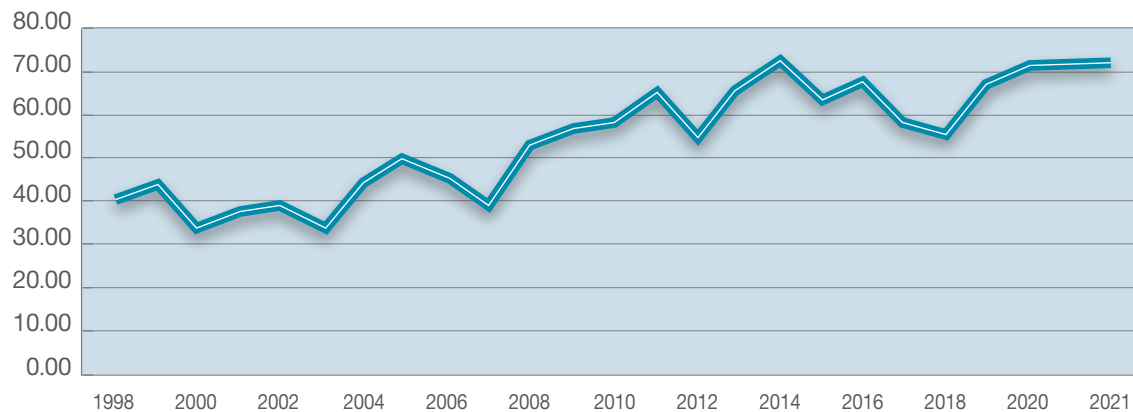
In 2021, exports of breeders and live pigs was 1,351,527 Unit, valued at Baht 9,344.20 Million decreased from 2020 which was 2,424,514 Unit, at Baht 15,862.54 Million or volume decreased 44.26% due the overall export volume decreased as a result of the economic slowdown from the Covid-19 epidemic situation. especially the measures to close the border checkpoints to control the spread of COVID-19 This has a huge impact on the export of live pigs and live pigs. (Source: The Office of Agricultural Economics)

Swine Farm Pricing

In 2021, swine prices at farm was 72.71 Bt/Kg, increased from 2020 which was 71.87 Bt/Kg or 1.17% due to the loss of pig production from the swine epidemic problem and the flooding situation in many areas, coupled with the higher production cost due to the rising feedstock raw material situation. while consumption demand remained stable.

Annual Figures: Swine Farm Pricing 1998 - 2021

Bt/ Kg.



(Source: Thai Feed Mill Association)

Business Trends

Production figure of broiler in 2022 is estimated to 1,569.85 Million broiler, increase by 1.07% from 2021 in accordance with population increase and consumer demands both domestic and export. For poultry export in 2022, figures are estimated to 945,000 tonnes, valued at Baht 103,487 Million, the volume increased by 1.32% and the value increased by 2.85% from 2021. In 2022, It is expected to expand more in line with the demand of the market. especially in Japan, United Kingdoms, China and the European Union that tends to import more chicken meat from Thailand from the economic recovery after the COVID-19 outbreak situation.

Production figures of swine in 2022 is estimated to be 18.46 Million unit, slightly decreased from 18.58 Million unit or decreased by 0.66% from 2021 due to the flood and epidemic situation in 2021 make the pig breeders were damaged so farmers need time to add new breeding pigs to rearing in order to have the production volume to support the consumer demand. As for the swine price in 2022, expected that the pigs sold by farmers will be higher compared to 2021 as the expected decline in production will result in an increase in the price of live pigs. Export prices of pork part and processed pork are expected to be close to 2021. (Source: The Office of Agricultural Economics)



(3) Production and Facilities

Production Capacity

Poultry Business

Facilities

As at 31 December 2021, the Company raises the breeder chickens at 19 breeder farms, which consist of 234 operational farm houses. The breeder farms are strategically located in areas with no history of disease and which are low risk flood zones.

As at 31 December 2021, the Company also own and operate seven hatcheries where eggs are incubated and hatched which have the location detail as follow;

No.	Name	Location/Province
1.	Thung Krabam	19/1 Thung Krabam Subdistrict, Lao Khwan District, Kanchanaburi Province
2.	Nong Pradu	155/3 Moo. 2, Nong Pradu Subdistrict, Lao Kwan District, Kanchanaburi Province
3.	Bor Ploy	11/1 Moo. 5, Bor Ploy Subdistrict, Bor Ploy District, Kanchanaburi Province
4.	Lao Khwan	107 Moo. 7, Lao Khwan Subdistrict, Lao Khwan District, Kanchanaburi Province
5.	Nern Moke	139 Moo. 8, Nong Irun Subdistrict, Ban Bueng District, Chonburi Province
6.	Nong Samsak	45/1 Moo. 1, Nong Samsak Subdistrict, Ban Bueng District, Chonburi Province
7.	Sra Keaw	168 Moo. 12, Saralamdaun, Meung District, Sra Keaw Province

As at 31 December 2021, the Company own 183 automatic hatchery machines across 7 hatcheries that aid in the hatching process, the hatcheries operated at approximately 76% of capacity.

The Company also own and operate three slaughterhouses, two of the slaughterhouses are located in the Kanchanaburi province and one of the slaughterhouses is located in the Prachinburi province. The Company also rent and operates distribution facilities to store and deliver a portion of chicken meat to the customers in all regions. The Company also use these distribution facilities to store and deliver the pork meat, chicken sausage and other products to the customers.

Production Capacity

The following table sets out the historical production capacities for the poultry operations as at the end of year 2017 - 2021

Poultry	2017	2018	2019	2020	2021
Breeder ^{1/} (unit)	1,755,178	1,858,210	1,959,955	1,959,955	1,959,955
Eggs ^{2/} (egg)	5,008,320	6,390,720	6,390,720	6,390,720	6,390,720
Slaughter (Chickens per day)	470,000	500,000	455,000	450,000	452,000
Chicken Sausage (Tonnes per day)	60	60	60	65	65

Notes: ^{1/} This category represents the number of breeder chickens that can be raised and housed at the breeder farms.

^{2/} This category represents the number of eggs that can be hatched at the hatcheries per week.



As at 31 December 2021, the Company operates three slaughterhouses with the total capacity of 452,000 chickens per day. The two slaughterhouses located in the Kanchanaburi province have a capacity of 172,000 chickens per day and 115,000 chickens per day respectively. The utilization was operating at 86.92% of capacity. The slaughterhouse in the Prachinburi province had a total capacity of 165,000 chickens per day and was operating at 100.00% capacity. This slaughterhouse in the Prachinburi province has started operates in 2014. For the chicken sausage factory which located in the Prachinburi province, had have a capacity of 65 tons per day and was operating at 100.00% capacity. This factory has started operates in 2016.

The slaughtering is able to increase the capacities in the future beyond the stated capacities due to the expansion plans, the Company intend to increase the number of operational hours, the number of days per week, the Company operate and/or the number of work shifts at the slaughterhouses to accommodate the intended expansion of the poultry operations.

Swine Business

Facilities

As of December 31, 2021, the Company has 3 great-grandparent swine farms amount of 850 pigs, 6 grandparent swine farms amount of 21,800 pigs. In Vietnam, there is 2 grandparent pig farm with farmers with a capacity of 5,600 pigs

For the replacement GGP-GP breeder, the Company has 7 farms with a total production capacity of 47,200 pigs in Thailand.

The Company has 14 parent farms in Thailand with a total production capacity of 26,900 pigs. However, the Company has swine farm under contract farming system to raise part of the Company breeders pig.

Also in Vietnam, the Company has 6 parent farms, which production capacity of 16,600 pigs and farm under the contract farming system 36 farms to raise breeders pigs in Vietnam.

The Company does not own or operate fattening farms and rely entirely on contract farmers to raise the fattening pigs. In 2021, the Company can raise an average of approximately 85,552 fattening pigs per month. In Vietnam, the Company can raise an average of approximately 14,000 fattening pigs per month.

The two own slaughterhouse in Khon Kaen and Chonburi province. The one contracted swine slaughterhouses in the Nakhon Pathom.

Production Capacity

The following table sets out the historical production capacities for the swine operations as at the end of year 2017 - 2021;

Swine	2017	2018	2019	2020	2021
Farms in Thailand					
Great-grandparent pig ^{1/}	1,150	650	650	850	850
Number of great-grandparent pigs farm	2	2	2	3	3
Grandparent pig ^{1/}	3,600	6,950	9,100	9,700	21,800
Number of Grandparent pigs farms	2	4	5	6	6
Replacement GGP-GP breeder ^{1/}	33,000	42,000	33,000	40,800	47,200
Number of Replacement GGP-GP breeder	3	4	4	5	7
Parent pig ^{1/}	21,700	26,700	27,700	29,400	26,900
Number of parent pigs farms	11	13	13	14	14
Fattening pigs (Pig/Month)	62,618	68,321	74,648	85,864	85,552
Farms in Vietnam					
Grandparent pig	800	800	800	3,600	5,600
Number of Grandparent pigs farms	1	1	1	2	2
Parent pig	4,200	4,200	4,200	13,000	16,600
Number of parent pigs farms	3	3	3	7	6
Fattening pigs (Pig/Month)	6,700	7,500	7,200	7,200	14,000
Number of contract farming	26	28	27	35	36
Slaughterhouses (Pig/Day)					
Khon Kaen province	600	600	700	700	700
Chonburi province	800	800	800	800	800
Nakhon Pathom province	150	150	150	150	150
Prachinburi province	220	220	-	-	-

Notes: ^{1/} This category represents the number of pigs that can be raised at our great-grandparent farm, grandparent farms (not including our contract farm in Vietnam and our replacement gilts), replacement GGP-GP breeder and parent farms (not including our contract farms), respectively.

Feed Business

Facilities

As at 31 December 2021, the Company own and operate four feed mills to produce the feed with total capacity 205,400 tonnes per month, three of which are located in the Suphanburi province of Thailand with total capacity of 155,000 tonnes per month and operating at 59.59% of capacity. The fourth feed mill located in the Prachinburi province of Thailand has a total capacity of 50,400 tonnes per month and, operating at 77.84% of capacity.

Production Capacity

The following table sets out the historical production capacities for the feed business as at the end of year 2017 - 2021;

Feed mills (Tonnes per month)	2017	2018	2019	2020	2021
Capacity	123,000	131,400	131,400	205,400	205,400



Environmental Matters

All hatchery, slaughtering, meat production, butchering facilities, sausage production and feed production in Thailand must be in compliance with the laws and regulations governing the environment under the control of the Bureau of Industrial Environmental Technology of the Department of Industrial Works. In this regard, the aforementioned laws prescribe standards on the environmental conditions inside and surrounding the facilities, such as water, noise, air chemical boiler and facility emissions that are deemed waste, pollution or any other substances that has an impact on the environment.

Although according to the law, the establishment of the company is not in line with the environmental report. However, the company's factory is classified as a factory that must provide environmental personnel at the establishment. Controller of water pollution And environmental manager In addition, both refineries are equipped with a BOD Online) Connect the signal to the factory department. For feed mill, it is a company that has factories that need to have chemical controllers. But no other environmental pollution controllers.

The Company provides environmental and safety audits in accordance with relevant laws. Every year, outsourced companies make a report to measure the environment of the company's feed mill. To check the environment in and around the Company's facilities, both in terms of noise levels and air quality within the establishment. Air quality in general atmosphere outside the establishment. Include the amount of pollutant in the air vented from the chimney of the establishment as a result of such transaction. Compliance with (1) The Notification of the Ministry of Industry Re: Safety Measures for Factory Operation in Working Environment (2) The Ministerial Regulations prescribe standards for management and management of occupational safety, health and working environment. (2006) and (3) Notification of the Ministry of Industry Re: Determination of noise levels, noise levels and noise levels caused by factory operation. End of discharge shaft (2005) (4) Annoucement of the Misistry of Industry Re: Characteristics of air release from pipe (2006) (5) Notification of the Ministry of Industry (No. 2) Concerning the characteristics of wastewater discharged from factory in 1996 (6) On Disposal 2005 and (7) Public Health Act No. 2, 2008 for the disposal of solid waste.

We also engaged other private companies to prepare an internal report on the environmental conditions inside and outside our slaughterhouses in 2016. The report focused on the heat, light, noise, chemicals and mineral dust in the atmosphere and concluded that our slaughterhouses meet the following standards: (1) the Notification of the Ministry of Interior B.E. 2520 Re: The occupational safety in respect to the working environment (Chemical); (2) the Ministerial Regulation on the Prescribing of Standards for Administration and Management of Occupational Safety, Health and the Environment in Relation to Heat, Light and Noise B.E. 2549 (2006); (3) the Notification of the Ministry of Industry No.2 Re: Industrial effluent standard B.E. 2539 (1996); and (4) the Notification of the Ministry of Industry Re: Emission standard of soot from boiler B.E. 2549 (2006).

In addition, we are focused on minimizing the environmental impact of our production processes. In an effort to determine as environment policy for factory and farm's operation, reduce our environmental impact, we endeavor to reduce our energy and resource consumption and recycle

where possible. We additionally adhere to the guidelines of the Ministry of Natural Resources and Environment, which conducts inspections of our farms' waste control from time to time. In the past, we have not received complaints from the relevant authorities in connection with environmental matters.

(4) Assets used in business undertaking as of December 31, 2021

Type of assets	Book value (Baht Million)	Proprietary Nature	Obligation
1. Land	2,329.27 ^{1/}	Most have ownership and/or ownership rights and part of it is leasehold	as collateral for loans by mortgage with financial institutions for the amount of 15,854.97 million baht
2. Building, building-improvement and utilities system	5,629.90 ^{2/}	Most have ownership and/or ownership rights. and part of it is leasing assets	
3. Machinery	4,048.71 ^{3/}		
4. Decoration and office equipment, vehicles and assets under construction	1,950.98 ^{4/}		
Total	13,958.86		

Note: Some parts of the property, plant and equipment have been moved to use rights assets. Because it is a financial lease of 522.02 million baht

^{1/} The value of the non-encumbrance in the amount 1,028.07 million baht

^{2/} The value of the non-encumbrance in the amount 3,865.81 million baht

^{3/} The value of the non-encumbrance in the amount 2,409.21 million baht

^{4/} The value of the non-encumbrance in the amount 1,945.86 million baht

(5) Investment policy in subsidiaries and associated companies

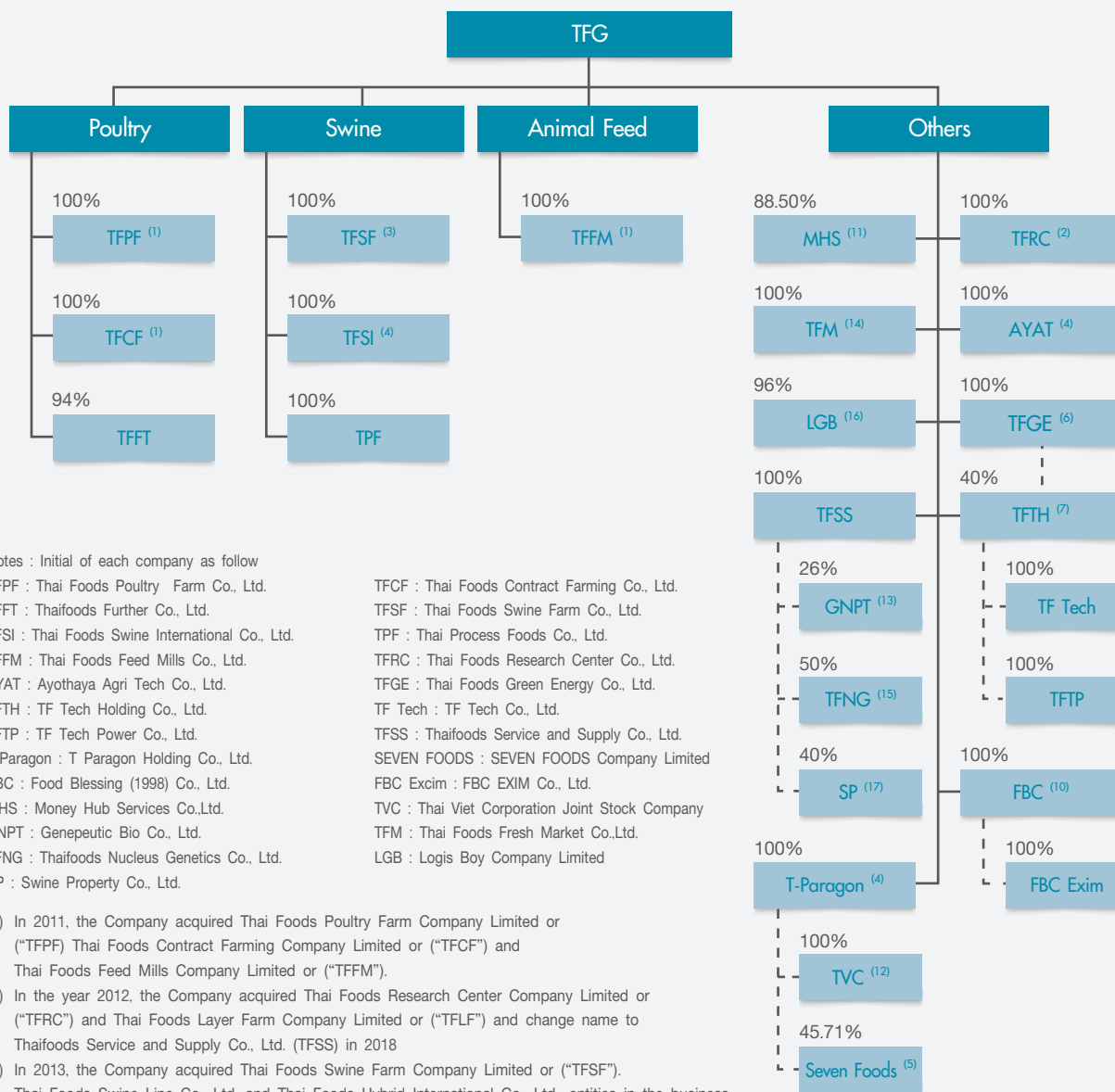
The Company has set an investment policy in accordance with the goals, vision and strategies of the Group's business expansion to create better operation and more sustainable performance by focusing on investments in core businesses and related businesses. However, the Company and its subsidiaries may consider participating in investments in other businesses beside of the Company's core business for beneficial to the business of the Group and the Company has a policy to appoint a representative to be a director in the investment company

For investment consideration, the Company has an investment analysis procedure by the size of the investment and must conduct a feasibility analysis of the project and the risks that will occur which must be approved by the Capital Expenditure Committee (Executive Management), Executive Committee, Board of Directors or the shareholders' meeting (depend on case). Such investment approval must be in accordance with the Notification of the Capital Market Supervisory Board and the relevant SEC notifications.



1.3 Shareholding Structure of the Company

1.3.1 Shareholding Structure of the Company as of 31 December 2021



- (1) In 2011, the Company acquired Thai Foods Poultry Farm Company Limited or ("TFPF") Thai Foods Contract Farming Company Limited or ("TFCF") and Thai Foods Feed Mills Company Limited or ("TFFM").
- (2) In the year 2012, the Company acquired Thai Foods Research Center Company Limited or ("TFRC") and Thai Foods Layer Farm Company Limited or ("TFLF") and change name to Thaifoods Service and Supply Co., Ltd. (TFSS) in 2018
- (3) In 2013, the Company acquired Thai Foods Swine Farm Company Limited or ("TFSF"). Thai Foods Swine Line Co., Ltd. and Thai Foods Hybrid International Co., Ltd., entities in the business of pig breeding on 26 December 2012 and wholly owned by Mr. Winai Teawsomboonkij and his related persons, were amalgamated into Thai Foods Swine Farm prior to our acquisition of Thai Foods Swine Farm
- (4) In 2014, the Company acquired the following additional subsidiaries: T Paragon Holdings Company Limited or ("T Paragon") which owns Thai Viet Swine Line Joint Stock Company Limited or ("TVSL"), Ayothaya Agri-Tech Company Limited or ("AYAT") and Thai Foods Swine International Company Limited or ("TFSI") which started swine operations in 2015 Thailand by the year 2015.
- (5) In 2015, T-Paragon invests 45.71% shareholding in SEVEN FOODS Company Limited or ("SEVEN FOODS")
- (6) TNL change name to TFGE
- (7) The Company establish TFTH for renewable energy and technology
- (8) The Company establish TF Tech for renewable and technology business
- (9) The Company establish TFTP for renewable energy and technology
- (10) The Company acquire FBC shares on 100% and FBC has 1 subsidiary name FBC Exim
- (11) The Company establish MHS for loan to customer
- (12) TVSL change name to TVC
- (13) The Company establish GNPT for diagnosis and treatment related to the use of stem cell
- (14) The Company establish TFM for selling consumer products.
- (15) The Company establish TFNG for production and distribution of swine
- (16) The Company acquire LGB shares on 95.99% which operated provider information and communication by service system software (except game software)



The Company's Subsidiaries and Affiliate

The following table sets out certain information about the Company's Subsidiaries and Affiliate

Company name	Register Capital (THB)	% Shareholding	Number of shares Ordinary investment (shares)	Principal Business Activities
The Company's Subsidiaries				
Poultry Business				
1. Thai Foods Poultry Farm Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	1,200,000,000	100	12,000,000	Production and distribution of broiler chick
2. Thai Foods Contract Farming Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	125,000,000	100	1,250,000	Production and distribution of broiler chicken
3. Thaifoods Further Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	500,000,000	94	4,700,000	Production and distribution of processed chicken
Swine Business				
4. Thai Foods Swine Farm Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	1,000,000,000	100	10,000,000	Production and distribution of swine
5. Thai Foods Swine International Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	180,000,000	100	1,800,000	Production and distribution of swine
6. Thai Viet Swine Corporation Stock Company^{1/} Trung Luong village, Tam My Tay commune, Nui Thanh district, Quang Nam province Telephone 02363895777	8,700,000 ^{2/}	100	80,000,000	Production and distribution of swine



Company name	Register Capital (THB)	% Shareholding	Number of shares Ordinary investment (shares)	Principal Business Activities
The Company's Subsidiaries				
Swine Business				
7. Thai Process Foods Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	50,000,000	100	500,000	Production and distribution of process pork
Feed Business				
8. Thai Foods Feed Mills Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	2,000,000,000	100	20,000,000	Production and distribution of feed
Other Business				
9. Thai Foods Research Center Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	50,000,000	100	500,000	Research of cattle disease and manufacturing of vaccine
10. Ayothaya Agri Tech Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	80,000,000	100	800,000	Production of sack and plastic sack
11. T Paragon Holding Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	900,000,000	100	9,000,000	Holding company
12. Thai Foods Green Energy Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	100,000,000	100	1,000,000	Holding company

Company name	Register Capital (THB)	% Shareholding	Number of shares Ordinary investment (shares)	Principal Business Activities
The Company's Subsidiaries				
Other Business				
13. Thaifoods Service and Supply Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	180,000,000	100	5,000,000	Holding company
14. Food Blessing (1988) Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	180,000,000	100	1,800,000	Production Sauce & Seasoning Drink
15. FBC EXIM Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	1,000,000	100	10,000	Distributor of Sauce & Seasoning Drink
16. Thai Foods Fresh Market Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	20,000,000	100	200,000	Distribution center of consumer goods
17. Money Hub Services Co.,Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	50,000,000	88.50	442,500	Personal loan
18. Logis Boy Company Limited 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	1,000,000	96.00	9,600	Provider information and communication by service system software (except game software) Associated Company



Company name	Register Capital (THB)	% Shareholding	Number of shares Ordinary investment (shares)	Principal Business Activities
Affiliate Company				
19. SEVEN FOODS Company Limited Chou-ku, Tokyo, Japan	21,300,000 ^{3/}	45.71	640	Trading business in Japan
20. TF Tech Holding Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	200,000,000	40	800,000	Holding company
21. TF Tech Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	200,000,000	40 ^{4/}	800,000	Operation of renewable energy and technology
22. TF Tech Power Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	50,000,000	40 ^{4/}	800,000	Operation of renewable energy and technology
23. Thaifoods Nucleus Genetics Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	235,000,000	50	2,293,750	Production and distribution of breeder swine
24. Genepeutic Bio Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	180,000,000	30	520,000	Examination and treatment of leukemia-related diseases that gene therapy treatment
25. Swine Property Co., Ltd. 1010 Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District Bangkok Telephone 0-2513-8989 Fax 0-2513-9060	1,000,000	40	4,000	Rental Farm

Notes: ^{1/} Change the name from Thai Viet Swine Line Joint Stock Co., Ltd to Thai Viet Corporation Joint Stock Company ("TVC") which established in Vietnam

^{2/} Register capital in U.S dollars

^{3/} Register capital in Yen

^{4/} Indirect shareholding



1.3.2 Persons who may have conflicts of interest in subsidiaries or associates of more than 10 percent of the number of shares with voting rights of that company

- None -

1.3.3 Relationship with the business group of the major shareholder

- None -

1.3.4 Shareholding Structure

List of major shareholders listed in the share register of shareholders as of 31 December 2021 are summarized below:

No.	Name	No. of Shares	%
1.	Mr. Winai Teawsomboonkij Group	4,310,981,391	76.38
	Mr. Winai Teawsomboonkij	1,006,224,717	17.83
	Ms. Pritsana Teawsomboonkij	1	0.00
	Newstar Victor Company Limited ^{1/}	1,761,374,855	31.21
	BNP PARIBAS HONG KONG BRANCH ^{2/}	1,103,381,818	19.55
	BNP PARIBAS HONG KONG BRANCH ^{2/}	440,000,000	7.80
2.	Mr. Nattawut Teawsomboonkij	304,022,471	5.39
3.	Ms. Vichita Teawsomboonkij	195,054,300	3.46
4.	UOB KAY HIAN PRIVATE LIMITED	192,496,300	3.41
5.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	51,169,211	0.91
6.	Thai NVDR Company Limited	19,793,340	0.35
7.	RAFFLES NOMINEES (PTE) LIMITED	18,264,800	0.32
8.	Mr. Anan Sirimongkolkasem	18,100,000	0.32
9.	Mr. Suchai Charoenpongsuk	14,955,000	0.26
10.	Mr. Nattipong Thepmanotaisakul	14,564,930	0.26
	Top Ten Shareholders	5,139,401,743	91.06
	Other Shareholders	504,552,843	8.94
	Total	5,643,954,586	100.00

Note: ^{1/} Newstar Victor Company Limited was incorporated in Thailand on 17 June 2014 as a company engaged in investment business. It has a registered capital of Baht 1 million, fully paid-up. The major shareholder is Mr. Winai Teawsomboonkij, holding 99.97% of shares in the Company.

^{2/} BNP PARIBAS HONG KONG BRANCH was custodian as Mr. Winai Teawsomboonkij appoint service for deposit and manage share.

Agreements between major shareholders in matters affecting the issuance and offering of securities or the management of the company where the agreement is signed by the Company

- None -



1.4 Registered Capital and Paid Up Capital

As of December 31, 2021, the Company has registered capital 6,168,330,045 baht and paid-up capital amount 5,643,954,586 Baht divided into ordinary shares 5,643,954,586 shares with a par value of Baht 1 each with one share one vote.

Transfer of Shares Limit

The Company's shares can be transferred without restriction unless such transfer of shares would cause the "non-Thai" shareholders to hold shares in the Company in excess of 49% of the total issued outstanding shares.

1.5 Other Securities

Bill of Exchange (B/E)

The Company has issued Bill of Exchange (B/E) specifying the name of the payee with term is not more than 270 days sale to institutional investors under the Medium Term Note program (MTN). The outstanding B/E under MTN program is not more than Baht 3,500 million at any time (Revolving Basis), which the filing effective on April 24, 2020 with the offering period from April 24, 2020 to April 22, 2022. As of December 31, 2021, the Company has Bill of Exchange outstanding is Baht 1,340.00 million with an average interest rate of 3.95 - 4.10 percent per annum.

Debentures

As of 31 December 2021, the Company has 4 outstanding debentures totaling principal of Baht 4,568.60 million. The issuer rating at BBB with stable outlook by Tris Rating Company Limited on October 19, 2021. The detail are as follows;

Debentures 1/2020

The Guaranteed Bonds of Thaifoods Group Public Company Limited No.1/2563 (2020) Due B.E. 2568 (2025) (TFG251A)

On 8 January 2020 the Company issued Baht 2,000 million unsubordinated, secured debentures in registered name from, which offering for specific investors. Maturity date at 8 January 2025 with bearing interest at the fixed rate of 2.48% per annum. The debentures are fully guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("CGIF"), rated at "AAA" by Tris Rating Company Limited.

Debentures 2/2020

The Debentures of Thaifoods Group Public Company Limited No.2/2563 (2020) Due B.E. 2566 (2023) (TFG234A)

On 30 April 2020 the Company issued Baht 569 million unsubordinated, unsecured debentures in registered name from, which offering for specific investors. Maturity date at 30 April 2023 with bearing interest at the fixed rate of 4.50% per annum.



Debentures 3/2020**The Debentures of Thaifoods Group Public Company Limited No.3/2563 (2020) Due B.E. 2566 (2023) (TFG23NA)**

On 26 November 2020 the Company issued Baht 1,000 million unsubordinated, unsecured debentures in registered name from, which offering for specific investors. Maturity date at 26 November 2023 with bearing interest at the fixed rate of 4.50% per annum.

Debentures 1/2021**The Guaranteed Social Bonds of Thaifoods Group Public Company Limited No.1/2564 (2021) Due B.E. 2569 (2026) (TFG26NA)**

On November 11, 2021, the Company issued unsubordinated, secured and named debentures totaling 1,000 million baht for sale to institutional investors. The bond matures on November 11, 2026 with a fixed interest rate of 2.15% per annum. The debentures are fully guaranteed by CGIF, rated at “AAA” by TRIS Rating Company Limited.

However, the Company must comply with certain conditions, for example, the issuer of the debentures must maintain the ratio of total interest-bearing debt to equity in the consolidated financial statements for the year throughout the term of the debentures, etc.

1.6 DIVIDEND PAYMENT POLICY

Our Board of Directors may consider making an annual dividend payment upon the approval of the shareholders at a shareholders’ meeting. An interim dividend payment can be approved by the Board of Directors from time to time, provided that we have adequate profits and liquidity. The Board of Directors will inform shareholders of any interim dividend payment at the next shareholders’ meeting.

Our current dividend policy is to pay a total dividend of not less than 50% of net profits after deductions for tax and the legal reserve fund as required by applicable law and our Articles of Association and setting aside amounts required for working capital, capital expenditure and business expansion requirements. The Board of Directors will take shareholders’ interests into account when considering the dividend payment, ensuring that such a payment will not materially and adversely affect our ordinary course of business. Dividend payments are subject to change based on our performance, financial condition, liquidity, business expansion plans, and future needs as our Board of Directors and/or shareholders deem appropriate.

No minimum dividend payment has been set for our subsidiaries. Nonetheless, the Board of Directors and/or the shareholders of our subsidiaries may consider dividend payments out of annual net profit after deductions for tax and the legal reserve fund, and will take into consideration business conditions, including, but not limited to, the investment plans for business expansion, performance, the financial condition, the liquidity and future needs of each subsidiary.



2. Risk Management

2.1 Risk Management Policy and Plan

Risk Management Structure

The Company has agreed on a risk management structure in which the Board of Directors is in charge of risk management overall. The Risk Management Committee, which the Board of Directors selects to define policies and frameworks, evaluate a risk management strategy, monitor, and offer views or ideas on risk management, is responsible for this. The Executive Committee and the Management Department are in charge of ensuring that the risk management policy is followed at all times. The Risk Management Department is in charge of confirming the risk management strategy as well as evaluating, accessing, measuring, and monitoring the risk management process in order to deliver it on a regular basis as defined.

Risk Management Culture

By completing the following, the Company promotes risk management as a component of its culture to generate knowledge, understanding, and awareness among workers at all levels:

1. Define risk policies and communicate with staff on a regular basis.
2. Create a risk management handbook to incorporate risk management ideas into the work process until they become second nature.
3. Promote risk management as a strategy that all departments should adopt as a foundation, giving it a priority and applying it in operational decision-making.
4. Employees should get risk knowledge training so that they can comprehend and use it in their everyday job.
5. Coordinate risk management meetings with other departments and the Risk Management Department, as well as frequent risk management progress monitoring.
6. Determine whether or not large investments necessitate a risk assessment procedure, which will be presented to the executive for approval.

Risk Management Policy

To adapt to the organizational situation, Thaifoods Group Public Company Limited has created a risk management policy based on the COSO - Enterprise Risk Management - Integrated Framework (COSO - ERM) risk management principles. It employs a self-assessment process to analyze and prioritize risks, as well as define critical risk indicators. Operations with potential hazards are considered, as well as the consequences of such risks. Define the components of the risk management process as follows to determine techniques for responding to or controlling risks as needed: 1. Culture and Governance 2. Strategy & Objective Setting 3. Performance 4. Review & Revision 5. Information, Communication, and Reporting will be utilized as a risk management framework to develop the Company's risk management strategy and principles, ensuring that the Company's risks are manageable and that it has confidence in accomplishing the intended objectives in accordance with the stated goals. It is based on the risk management concepts listed below:

1. To develop and preserve corporate value; to support the Company's achievement of its objectives, and to enhance operations continually via process and system review.
2. It's a crucial component of both operational and strategic firm governance, planning, and reporting.
3. It is a component of decision-making and the ability to prioritize activities in order to achieve maximum efficiency and effectiveness.
4. It's utilized to deal with uncertainty in order to enhance the likelihood of getting a payoff and identify possible hazards to reduce the risk of loss.
5. It follows a logical pattern and is up-to-date in order to produce efficient outcomes. It is constant, comparable, and trustworthy.
6. To function in line with the internal and external surroundings of the Company, as well as the risk position.
7. The ability to engage in relevant and timely circumstances is obvious.
8. It monitors and reviews new risk activities as well as changing or unknown risks, repeating and responding to changes in both internal and external events as well as changes in the environment.
9. To promote continuous improvement by creating and executing risk management methods in all areas.

Risk Management Process

The following methods apply to all risks influencing the Company's objectives, as well as risks from significant action plans:

1. Thoroughly and quickly identify the risks.
2. Evaluate the risk's likelihood and potential effects if it occurs.
3. Considering the expenses and benefits expected from risk management, choose a risk response strategy and risk management that is consistent with the Company's acceptable level of risk or does not diverge more than the Company's acceptable level.
4. Monitor and report threats on a regular basis. Organizational risks must be evaluated at least once a year or whenever there is a change, with quarterly reporting to the Risk Management Committee and the Board of Directors. Furthermore, each department's risk must be reviewed and controlled at the management level inside the business, and the results must be submitted to the Executive Committee every month.

2.2 A summary of the risk factors that are critical to the Company's operations

Structural Risk

Risk from the from single breeder supplier and few great grandparents swine supplier

The Company purchase breeder chickens from Arbor Acres Co., Ltd., the sole well-known supplier of breeder chickens in the market, in yearly purchase deal for each subsequent year. As for great grandparent swine, the Company exclusively purchase from the representative of Dan Breed International Co., Ltd., Pig Improvement Co., Ltd. and Cooperl's Group in yearly purchases deal from each company. Supplies of breeder chicken and great grandparent breeders swine are essential for the Company's business, shortage may affects the Company's supply and demand or the products manufactured by the Company.



Risk Management

The Company has extensive experience and knowledge in the field of poultry and pork production and has long maintained a good relationship with our suppliers. However, if such supplier could not meet our demands for, the Company inevitably resorts to other suppliers who could provide the same level of quality and supply. The market currently features a large pool of supplier and sales representative selling breeder chickens and great grandfather swine. The Company can also develop our own swine breed to compensate for great grandfather swine breeds. In addition, the Company is currently a partner with an international standard breeder of Cooperl and plans to jointly invest in a grand breed farm in Thailand that to be certain and reduce the said risk. In the previous, the Company has not encountered any problems from purchasing chicken and pig breeder.

Contract Farming dependence risk

The Company utilizes contract farming system to raise poultry and swine. As of December 31, 2021 the Company have 291 poultry farmers contracted and 490 swine farmers contracted (in Thailand). In the contract farming system, farmers will be responsible for the raising of poultry and swine until they have matured. The Company will then collect and transport the poultry to the slaughterhouse for processing and distribution as meat to buyers. Swine follows the same process, however, some are sold live rather than slaughter for meat. The risk factor in contract farming includes instability in the interest of the farmers which may sometimes shift agricultural interest based on potential market profit or if more preferable contract rate were provided by our competitor and the issues in quality control which affect demand and may incur opportunity loss to the Company.

Risk Management

In mitigating the aforementioned risks, the Company will preferably engage in contract of at least 3 years, where farmers selected must pass the farming capabilities assessment of the Company and if needed upgrades may be performed on the contracted farm to meet the specification of the Company. The Company also stipulates maximum transportation distance to mitigate risk for transportation death. Development and assistance program are also provided, where veterinarian and veterinary nurse advise farmers in an effort to bolster farming standards and ensure profit for the farmers. In the previous, there are some farmers have changed to other entrepreneurs but it doesn't have any significant numbers. And never affect the results of the implementation of the Company's plan and the Company has a method that can be managed, such as increasing the number of chickens to raise in existing farmers, search for new farmers and operating in the form of a rental farm instead, etc.

Risk factors from the labor required for slaughterhouse operation

As of December 31, 2021, the Company has 8,918 employees working in slaughterhouses 5,670 in the Kanchanaburi and 3,248 in Prachinburi (most are employed at daily rates). In the operation of slaughterhouses, large amount of labor is required to handpick and modify raw materials. Shortage in the number of employees would impact the production the plant reducing production numbers. This particular risk factor also includes the requirement in employee skills, which may adversely affect the quality of the product.



Risk Management

The Company employs local worker as well as recruitment agencies to fulfill the production demands. When employees procured by recruitment agencies resign, the agency will promptly find replacement for the position. The Company also offers competitive remuneration rates as incentive. To ensure quality from product produced by new employees, the Company regularly provides training programs, employ Quality Assurance officers throughout the whole production line and invest in machinery which reduce labor requirement while ensuring stable production numbers. In the previous, the Company has continuously used a variety of recruiting companies to import labor and labor recruiting companies have standard company, legitimate, reliable and able to undertake the recruitment of daily employees sufficiently to meet the needs of the Company which can find labor both in case of supporting work expansion and receiving replacement labor within the specified period. In addition, the wage rate of the Company is appropriate and able to compete in the market including the Company also has welfare according to factory standards. So this gives the Company an opportunity to face labor shortage problems at a low risk level

Risk factor from consumer confidence in the product safety

Consumers prefers products which are clean and safe, if the produce were to be contaminated or of unsatisfactory quality due to the production, transportation or storage, adverse effects may be felt to the reputation, image, business opportunity and performance of the Company.

Risk Management

The Company prioritizes product quality and safety above all. For this purpose the Company utilizes; quality control, sanitization measures, product temperature control and product samplings in order to meet manufacturing standard and assure quality of products. The Company also received the following standards certificate from both local agencies and abroad; GMP (Good Manufacturing Practice), HACCP (Hazard Analysis Critical Control Point), HALAL, ISO 9001 (Quality Management System) and ISO14001 (Environmental Management System).

Risk factors from single shareholder group holding more than 75 percent of tradable shares

The Company has one major shareholder group which is Mr. Winai Teawsomboonkij's Group holding 4,310,981,391 shares as of December 31, 2021, accounting for 76.38% of all tradable shares, in the ratio of 3/4 of all shares, enabling this particular group to affect the decision making of the Company in agenda requiring special resolution in the meeting of shareholders. Other shareholders may be at risk in their ability to vote against the agenda proposed by this major shareholder group. In addition, shareholding in this magnitude prevents takeover from other parties without the consent of this major shareholder, whereby some shareholders may view such event as an opportunity to generate profit.

Risk Management

As of 31 December 2021, the Company has 5 independent directors into the board of director from the total position of 8 persons available, i.e. 62.50 percent of all directors and appoints another 3 independent surveyor in to the Surveyor Committee. The committee will operate to investigate and correct transaction which may be regarded as conflict of interest and to ensure that any such transaction benefits the Company. As well as maintaining transparency in the system.



External Risk Factors

Risk factor from price fluctuation

The Company revenue are mostly generated from the sales of live chicks, poultry meat, live swine and pork meat, price are dependent on demands at the time, which fluctuates under the influence of many factors including; consumer behavior, purchasing power and seasonal demands. In terms of product supply, factors affecting includes; disease, domestic sales and sales abroad. Where demand may exceed supplying capacity, the Company will be unable to reap the full profit potential at that time, however, this particular scenario could also serve to increase price and provide for greater profit yield if managed appropriately. If supply exceeds demand, prices will fall along with the sales figures.

Risk Management

The Company has expanded sales channels to areas which provides better profit and is at lesser risk from price fluctuation. These new area includes; export, vendor agreements with large restaurant chains and poultry sausage production using raw material produce by the Company under the brand TFG which help enhance product value. To compensate for price fluctuation in the swine sector, the Company has increase production capacity to maintain stable pricing. The Company swine sales channel in Vietnam also helps mitigates risk from domestic price fluctuation. In the previous, the Company was exposed to risk factor from price fluctuation in the selling price of chicken and swine products which is the price that will fluctuate according to the market. However the Company had still able to manage according to the above risk management. The revenue structure is categorized by the Company's business to represent the affected segments that are primarily in the chicken and swine business with the following proportions;

Business	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Poultry	16,443.34	56.50	16,308.82	51.19	16,642.42	46.87
Swine	7,942.83	27.29	9,501.71	29.83	9,517.61	26.81
Feed and others	4,533.02	15.57	5,528.13	17.35	8,663.22	24.40
Other income	186.32	0.64	518.72	1.63	682.46	1.92
Total	29,105.51	100.00	31,857.38	100.00	35,505.71	100.00

Risk factors from uncertainties in raw material cost

The Company's main raw material cost are animal feeds material cost including; corn, soybean meal, tapioca pellet, in which market prices fluctuates in accordance with demand and supply at the time and other factors such as; trade embargo, weather condition, biofuel demands, state intervention, agriculture promotion policies and the future trades market mechanism. Any changes in prices will affect the principle cost of the Company.

Risk Management

The Company's material resource planning put into consideration; pricing, storage cost, purchasing period and exchange rates. Where price may rise above acceptable levels, the Company can shift to alternative raw material. The Company also hires teams of pricing expert to closely monitor raw material price as well as a research and development department ready to adapt and develop new recipe to accommodate alternative raw materials.



Risk factor from disease

Animal borne disease directly affects consumer confidence and the livestock industry as a whole. Disease which has recently plague Thailand includes; Swine Flu, Porcine Epidemic Diarrhea, Foot and Mouth Disease: FMD. Outbreak of any such serious animal disease may require the culling of potential host animal or exportation may be restricted, all of which adversely affects the Company.

Risk Management

The Company utilizes a number of prevention methods to ensure sanitization including; Evaporative Cooling System: EVAP to adjust to temperature to a suitable level and prevent disease carrying microbes from entering the plant, animal vaccination and Genesis farm development system are used in both the Company's farm and of contractors. The Company has invested in the development of lab testing system which can swiftly analyze and detect disease causing microorganism in order to resolve any emergency situation. The Company has also received certification from the Department of Livestock Development, Ministry of Agriculture and Cooperatives for the standard of safety practiced by the Company. However, animal borne disease generally affects the livestock industry as a whole. Major outbreaks in Thailand are beyond the control of the Company and will unavoidably affect the Company, regardless of the measure taken.

Risk factors from fluctuation in exchange rate

The Company import raw material and machinery from overseas, while also exporting products to foreign markets. Fluctuation in the exchange rates will affect the principle cost of the Company.

Risk Management

The Company has teams which monitor daily exchange rates in order to mitigate risk and trade currencies at acceptable pricing with the assistance from financial instrument from numerous banks. The Company also mainly settles debts in US dollars to purchase raw material and machinery from abroad, while also accepting the same for sales made in foreign market, effectively mitigating some of the risk in exchange rates. The proportion of imports and exports in US dollars will be close proportion more continuously since the Company started export operations. In addition, financial instruments could reduce the risk of volatility to the level that the Company can take risks.

Environmental, Social, and Governance (ESG) Risk

To avoid possible repercussions, the Company monitors sustainability risks, or environmental, social, and governance (ESG) hazards, such as climate change, water sufficiency, human rights in the supply chain, occupational health and safety, corruption, and disputes with the community.

Risk Management

1. Climate change: Establish targets to decrease greenhouse gas emissions, including monitoring climate change information and reporting to the executive on a regular basis to build a business backup plan.
2. Water sufficiency: Assist with water usage management by reducing the amount of water used in the Company's operations, setting targets for water consumption per unit of production, developing a backup water supply plan, and monitoring the water situation in the area in collaboration with the community.



3. Human rights in the supply chain: Promote human rights principles in the Company's supply chain, such as procurement, supplier, and labor policies, including supplier assessment to ensure that no human rights violations occur; organize training to educate employees; and establish complaint channels.
4. Occupational health and safety: Occupational health and safety norms exist. Set targets to lower the rate of serious injury or death and conduct training for incident prevention on a regular basis.
5. Corruption: Create explicit anti-corruption policies and work laws, such as gift acceptance rules, the concept of approval for entertainment and contribution payments, and communicate to promote awareness and best practices.
6. Disputes with the community: Listen to the community's ideas before constructing a new business establishment, make a strategy to survey the community's needs on a regular basis to implement suggestions and find common solutions, and build strong connections with the community.

Emerging Risk

The Company has kept track of and evaluated elements that might impact it in the future, both short and long term. Some habits, such as consumers' preference for environmentally friendly things, can be traced back to their origins due to the ever-changing nature of society and the present circumstances. Companies that incorporate sustainable practices into their business are supported by consumers. Online shopping habits, plant protein intake, alternative protein consumption, and the behavior of an aging society are all factors that might influence a company's business operations.

Risk Management

The Company performs frequent research and analysis of consumer behavior and demands in order to produce goods and services that fulfill those needs, such as plant-based protein and cell meat-based protein research and development. The Company investigated how to build sales channels in a number of methods, such as online platforms, to make it simpler for consumers to access products and to encourage the creation of low-impact things, as well as to support investments in environmentally friendly businesses.



3. Driving Business for Sustainability

3.1 Sustainable Management Policies and Goals

Policy for Development and Management of Sustainability

The Company places a high value on sustainable governance; as a result, it has established sustainable direction as the primary goal of its operations, which must be based on good corporate governance, transparency, and traceability and bring long-term stability to the Company's stakeholders in terms of the economy, society, and the environment.

Sustainability Strategy

The Company has established a sustainability strategy (TFG's Sustainability Strategy) based on the principles of "Trust - Future - Growth", including principles of corporate governance as well as respect for rules, regulations, and international practices. The Company has integrated a sustainability strategy into its business operations.

Trust: Thaifoods is accountable to society, business partners, customers, and shareholders for each manufacturing process, promoting customer trust in product quality and valuing the environment through transparent, accountable management and driving the organization that follows principles of good corporate governance.

Future: To drive the organization with hope for the future, to enhance innovation, and to incorporate modern technology into our business style, as well as product development and efficient distribution channels.

Growth: Growing with Thaifoods. We never stop continuing our professional development since we have potential employees. We share our professional experience with partners so that we can all grow together. This includes developing internal management systems that meet international standards and pursuing the development of information systems for sustainable strategic management.

Under the "Trust - Future - Growth" strategy, the Company has adopted global sustainability principles and practices, such as the Global Reporting Initiatives (GRI), as a framework for sustainability management to ensure that its operations are comprehensive and complete with the participation of stakeholders. In addition, the Company takes into account the Sustainable Development Goals (SDGs).

3.2 Business Chain Sustainability

Business Chain

Procurement of Raw Materials: The Company picks high-quality raw ingredients for the manufacturing of animal feed. It demands an evaluation of raw material sources to verify that they are supplied in a socially and ecologically responsible manner. Before they are employed in the food production process, raw materials are also verified for quality.



Manufacturing Processes: The Company has developed products to meet the needs of its customers and consumers. With a traceability system, they ensure that the manufacturing process is verified in compliance with the Company's standards, instilling trust in customers and consumers. Quality and safety are paramount from the source of raw materials to the final customer. In addition, the phase or manufacturing process must be responsible to society, community, and the environment.

Distribution Channels: The Company provides items to be supplied both locally and globally by utilizing standard distribution techniques to ensure that customers and consumers receive quality and timely products.

Sales and Service: The Company sells products under the Company's name and its customers' trademarks, including the establishment of reasonable product prices for customers and consumers to have access to food. Furthermore, additional distribution channels have been created for the convenience of customers and consumers.

Analysis of Stakeholders in Business Chain

Using the Global Reporting Initiatives: GRI as guidelines for analysis and selection of Material Aspects, Stakeholder Analysis Issues, and disclosure information based on specific performance indicators, the Company considers direct and indirect impacts on business operations that may affect individuals, communities, society, and the environment (Core).

In the Analysis of Stakeholders in the Business Chain procedure, the organization identified stakeholder groups and the key effects of each category. Issues, requirements, expectations, and the direct and indirect effects of company activities were then gathered. Following that, the Company processes, researches, and analyzes all of the data in order to create a guideline for responding to each stakeholder group's demands. To address the demands of the stakeholder group, the guideline should be integrated into the Company's work processes and has no influence on the Company's operations. To accomplish so, the organization needs data to be gathered, examined, and updated according to the operation rules.

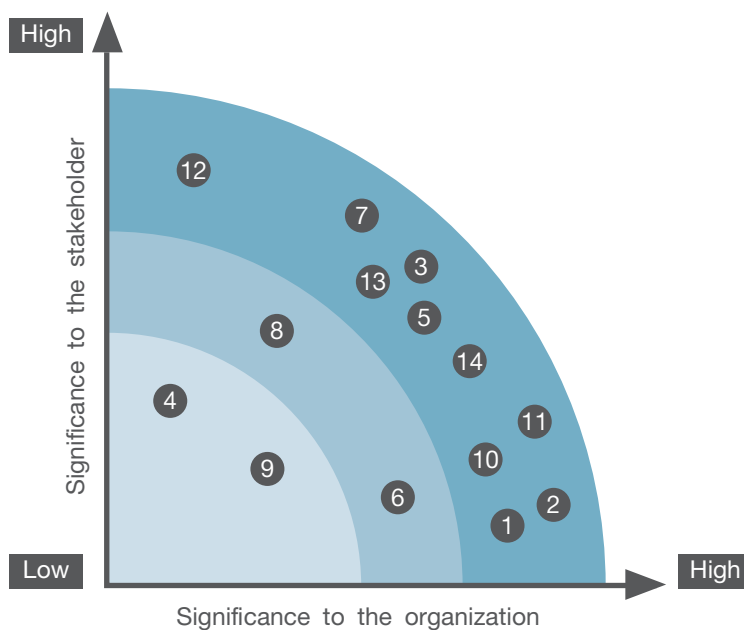
Table of Organizational Stakeholder Correlations

Stakeholder	Operation of the Organization	Goal
Shareholder	<ul style="list-style-type: none"> • Annual Report/ One Report • Sustainable Report • Shareholder's Meeting • Channels for receiving complaints • Investor Relations Activities 	<ul style="list-style-type: none"> • Good turnover and payoff • Management in accordance with the principles of corporate governance
Employee	<ul style="list-style-type: none"> • Organizing a training session to foster the development of knowledge, skills, and talents • Welfare committee • Communication of news and information via email • Intranet system • Receiving comments and complaints • Survey of organizational commitment among employees 	<ul style="list-style-type: none"> • Payoff, benefits and welfare • Job security and advancement • Workplace safety



Stakeholder	Operation of the Organization	Goal
Customer, Consumer, Supplier	<ul style="list-style-type: none"> Meeting with customers and suppliers Supplier evaluation Survey of satisfaction Channels for receiving complaints Procurement that is impartial and transparent 	<ul style="list-style-type: none"> Quality, standard, and safety are all features of the products and services Compliance with the framework of fairness and transparency in trade competition by adhering to the trade terms and contracts provided
Creditor, Debtor	<ul style="list-style-type: none"> Attendance in meetings according to the agenda Annual Report/ One Report Sustainable Report Receiving suggestions and complaints 	<ul style="list-style-type: none"> Compliance with the contract's terms and conditions strictly Providing a timely payoff at a reasonable rate
Community, Environment	<ul style="list-style-type: none"> Activities involving community relations Survey of satisfaction Environmental management that complies with the law Take care of the environment in the immediate vicinity Receiving complaints 	<ul style="list-style-type: none"> The operation has had no effect Improving one's quality of life and generating income
Farmer, Government agency	<ul style="list-style-type: none"> As required by law, accurate, adequate, and transparent disclosure of information Compliance with all applicable legal provisions, restrictions, and regulations On a frequent basis, listen to others and exchange opinions Participation in the implementation of projects aimed at assisting and developing various fields 	<ul style="list-style-type: none"> Compliance with relevant rules and laws Transparency and accurate information disclosure Making no impact on public society

Analysis of a Stakeholder's Significant Aspects



Economic aspect	Environmental aspect	Social aspect
1. Company's turnover	3. Environmental management	9. Fair labor practices and respect for human rights
2. Business innovation	4. Effective utilization of resources	10. Human Resource Management
	5. Climate management	11. Health and safety in a working environment
	6. Responsible sourcing of raw materials	12. Participation in the development of the community and society
	7. Water-related risk	13. Food quality and safety
	8. Animal welfare	14. Compliance with the law

3.3 Food Sustainability

Safe Food

According to the Company's goals, we have always adhered to the concept of "Quality Food, Quality Life" to provide consumers with high-quality, safe food that meets international standards. The Company focuses on making high-quality food and delivering it safely to clients, whether they are dining out or buying chicken and pork to cook at home. By establishing a safe food culture among all production staff, the Company prioritizes conformity with international standards in all manufacturing operations. Apart from this principle and the Company's food safety culture, employees are trained until they are proficient before they begin manufacturing. The factory's products must be traceable in a systematic manner, beginning with the farm where the animals are raised, the factory's transportation route, and the path taken to deliver items to consumers.

Food Accessibility

Since 2021, the Company has increased its sales channels. Directly promote product access to customers so that they have total access to the Company's products through the Company's sales channels, which take the shape of a retail business called "THAI FOODS FRESH MARKET." The Company focuses on consumer goods distribution and direct community distribution so that consumers can get better-quality, cleaner, faster, more affordable, and more adequate items at a better price. The Company set a goal of giving consumers access to food through sales channels or stores at 70 branches by 2021. It has already surpassed that goal by opening 85 branches in 15 provinces.

Innovation

Through innovation, the Company intends to continuously develop both operational processes and product development. This includes research and development in the fields of alternative raw materials, meat analogues, and clean meat, as well as improvements to and modernization of the manufacturing process to keep up with the rest of the world. It enhances the Company's ability to fulfill the needs of stakeholders along the value chain, as well as regularly address the needs of consumers with a variety of products and expanding volume to keep up with future population growth. This year, the Company and its subsidiaries signed an academic memorandum of understanding (MOU) with the Department of Animal Husbandry, Faculty of Agriculture at Kamphaeng Saen, Kasetsart University, Kamphaeng Saen Campus. This is a memorandum of understanding for academic collaboration and research in the area of "Developing new alternative raw materials for the animal feed industry," which includes the transfer and exchange of manufacturing technology knowledge with a focus on the



development of new domestically sourced alternative raw materials for animal feed. A small feed mill with the same production system as an industrial feed mill will be built to test new alternative raw materials. Engineering knowledge could be shared, which would lead to the development of new raw materials for use in industrial feed production systems. This collaboration will benefit the development of professional skills and capacities in the field of animal feed in both institutions and the private sector. Through the Kaizen activity contest and process improvement activities, which allow employees to present their knowledge gained from work experiences to share with other departments and help the organization build on its knowledge base for the future, the Company continues to foster innovation while always fostering and stimulating the thinking processes of employees within the organization.

Animal Welfare

The Company performs business operations, which begin with animal husbandry. As a result, we recognize and prioritize animal health as the top priority. The Company and its subsidiaries, personnel, partners, and suppliers all adhere to the same practices for animal welfare. During any stage of their care, we do not torture animals, and we make sure that no animal under our care is harmed in any way. In a healthy environment, they are raised and fed according to international animal welfare standards, taking into account each animal's nutritional needs. The Company has set standards for both chicken and pig farms to ensure that such practices are followed. Expert veterinarians keep a close eye on the health and treatment of the animals on the Company's animal farms to meet all of the standards and regulatory requirements. An animal husbandman is also a part of the staff, responsible for the farm's care and sharing animal husbandry knowledge with the contract farming group's members.

3.4 Social Sustainability

Policy and Social Practices

The Company performs business operations under the rules of the Corporate Governance Code, which are transparent and accountable. We want to grow our business while keeping the economy, society, and the environment in good shape. For long-term business conduct, the Company insisted on being a Good Corporate Citizen, and it managed to grow steadily while being accepted in society on the basis of ethics, Corporate Governance Code, and the ability to generate effective returns for shareholders, taking into account the impact of business activities on all parties involved in the organization. As a result of the Company's social responsibility awareness, both internal (CSR-In-Process) and corporate social and community responsibility (CSR-After-Process), the Company has taken a variety of social responsibility actions, including developing the Code of Conduct document, which contains guidelines for stakeholder care with due regard to the Company's obligations to stakeholders, taking into account the Company's responsibilities to shareholders, employees, customers, suppliers, contract parties, communities, society, and the environment. It also promotes free-market competition, avoids activities that could lead to conflicts of interest or intellectual property infringements, anti-corruption measures in all their forms, and social responsibility promotion to society in every Business Chain, which is covered in the Company's policies on anti-corruption, human rights respect, and employee's fair treatment and responsibility to consumers and environmental protection, as well as community and social development, including transparent and accountable reporting on the Company's operational outcomes in all areas.



Social Performance

Personnel Development

Personnel with knowledge and abilities, in addition to the correct management plan and strategy, are the key to the Company's growth. This is a powerful force that helps the Company move forward so that it can keep up with the world. As a result, under the TFG Development Roadmap 2021, the Company has defined personnel development guidelines for each target group, which are based on an analysis of the Company's recent performance and future plans. Thaifoods Group Public Company Limited and its subsidiaries have set a clear goal of expanding and growing the business. The Company has been well-prepared in many areas, such as technology, machinery, innovation, and other factors. However, one thing that can't be overlooked is personnel development so that they can grow with the Company in the same way that the Company grows. The Company has made a plan for the development of its personnel, which includes both the development of skills, knowledge, abilities, and knowledge of quality systems in processes. This is because our personnel are competent, determined, and capable of further development in order to reach their full potential in many different fields. Additionally, it expects that all personnel, as the driving force behind society's and the nation's growth, will accomplish their goals. By 2021, the Company has set a goal of completing at least 12 hours of employee training each year, or two courses each year.

The Company has created courses and operational models to achieve the organization's goals. The following are the course divisions depending on their competency in each area:

- **Leadership Competency**

Focus on developing management skills, attitudes, methods, and personalities that foster leadership in the management group, manager, or supervisor personnel so that they are ready to lead the team to achieve the specified goals.

- **Functional Competency**

Focus on developing employees' skills and knowledge in accordance with their professional lines, emphasizing behavioral formation and attitudes suitable for individual duties, as well as improving the skills required to work efficiently and effectively.

- **Core Competency**

Focus on developing core competencies, or employee behaviors that benefit the operation or business of the Company, through emphasizing appropriate value and conduct in work and cultivating an organizational culture in all employees.

- **Quality & Law Requirement**

To achieve the Company's vision, "We will be a quality and safe food manufacturer, following worldwide standards." We aim to educate people about the quality system, production standards, and proper operation methods that follow quality standards.

- **TFG Orientation Program**

This is the first step to becoming a member of Thaifoods family. Learn about the Company's history, business overview, organizational culture (TFG DNA), rules, regulations, and working rules to ensure that all employees are ready to join Thaifoods family.



Employee Motivation and Work Commitment

In addition to business planning strategies that will help the organization grow gradually, employees are another important driving force that helps the Company steadily grow as well. As a result, the Company prioritizes the requirements of employees at all levels. The aim for employee involvement in 2021 was set at 85%, while the actual outcome was 80.16%. It also comprises fundamental and additional welfare benefits for employees, such as provident funds, employees' compensation funds, and social security. Employee scholarships (as appropriate), scholarships for employee's children, lunch/special menu on the day they are on duty, special price products, uniform, patient visiting activity, maternity visiting, religious special holiday for factory employees, diligent allowance bonus, annual wage increase, statutory leave, annual health check, financial aid in case of death, employee loans: collaborate with financial firms to provide employee housing loans. TFG LONG SERVICE YEAR AWARD, Employee Joint Investment Program: EJIP.

The Company has supplied alternate immunizations to employees and their families because of the COVID-19 virus outbreak. Supporting various COVID-19 virus-related expenses, such as regular employee screening, particularly for those on the production line, the purchase of protective equipment, and the purchase of a self-testing kit, which is regarded as one of the measures to care for employees, including employees' families, that the Company will be able to fully support.

Employment Policy and Labor Management

The Company recognizes the importance of employees, who are our valued human resources. As a result, in order to comply with the principles of good corporate governance, the Company has developed a labor policy as well as labor practices to serve as a framework for the practice and management of labor for employees. It covers both the legal practice of labor and the prohibition on child labor, involuntary labor (forced labor), pregnant women's labor protection, non-sexual harassment, no action regarded as violence, equitable and fair treatment of employees, human rights respected, gender equality, physical equality, non-discrimination on gender diversity, encouraging participation and the exchange of ideas, and providing assistance to employees in need. In addition, in 2021, the Company received the Outstanding Formation Award for Labor Relations and Labor Welfare, as well as the award for the establishment of a business that follows good labor standards.

Diversity and Inclusion Policy

The Company has expanded its business to a number of countries, including Vietnam. Employees at Thai foods are varied in terms of gender, race, religion, and culture in each department. The Company appreciates and assigns obligations equally to all employees, whether they are local or foreign-born, with the objectives acting as a framework for all employees to comprehend and strive to attain together. As a consequence, the Company takes every effort to adapt to and understand the lifestyles of all stakeholders, including employees, suppliers, and consumers, as well as members of the community society. Within the industrial group, a prayer area has been constructed for Muslim employees to partake in religious activities. Employees in each location have annual vacation plans in place to take advantage of the local culture and way of life as suitable. The Company does not discriminate on the basis of gender, age, race, or religion when it comes to performance. They would be judged entirely on the basis of their knowledge, abilities, and devotion. In order to communicate distinctions between Thai and international employees, the Company offers documentation in Thai, English, Vietnamese, Cambodian, and Burmese for employees in each location, as we recognize the importance of all employees having equal access to news and information.



Discrimination and Harassment Policy

Our organization's workforce is growing in terms of function, job performance, membership size, diversity of race, religion, gender, age, and education as a result of continued company expansion. To build an atmosphere in which everyone respects one another and can live on the basis of diversity, the Company has set non-discrimination and harassment guidelines as a norm of coexistence for all employees. There will be no discrimination, nor will there be any harassment or bullying of any kind. This will ensure that the job is finished in a timely manner.

Occupational Health and Safety

Internally and publicly, encompassing all stakeholders and the community, the Company manages its business with an awareness of obligations for safety, occupational health, and the environment. As a consequence, the Company has developed guidelines for implementing quality management, safety, occupational health, and environmental management policies in order to comply with applicable safety, occupational health, and environmental legislation, as well as international standards. We strictly adhere to the organization's requirements, as well as all relevant laws, rules, and regulations, as well as industry standards. As a result, the organization has created a risk management plan and methods to avoid possible insecurity in a range of sectors, including a health and safety risk assessment and an annual evaluation of the various activities, in order to minimize operational hazards and risks.

The Company is dedicated to fostering a safety culture that will act as a driving force throughout the Company. Process Safety Management will be included to ensure the safety of all employees and to control, prevent, and mitigate environmental impacts by establishing a concrete resource management strategy, promoting stakeholder participation by communicating operations to stakeholders both inside and outside organizations, and listening to opinions, needs, and expectations to be used in reviewing and improving operations sustainability in the future. The Company has set targets for 2021, including a decrease in accidents, where an employee's absence from work owing to three days of work overload will not exceed three persons per year, and the occupational case-fatality rate ratio will be zero.

Due to the COVID-19 virus outbreak, the Company has increased the rigor of its safety measures to the highest level, starting with employee screening, entry-exit of employees or visitors, detection and COVID-19 infectious screening in the workplace, herd immunity building, vaccine distribution to employees in both the factory and the office, and treatment of employees' family members who have been affected by the virus.

Human Rights Respects

Human rights are extremely important to the Company, and it adheres to international standards regardless of the fundamental principle that, "All Human Beings Are Respected And Equal In Dignity And Freedom." It is the Company's and its affiliates' intention to treat all of its employees and stakeholders equally and without discrimination. Thaifoods understands the importance of conducting business in a moral and humane manner. We have always adhered to and treated it as a guideline for our practice in business operations, particularly when it comes to human rights principles in all of their performances to avoid all types of human rights violations, including fostering accountability and transparency. The Company operates under a set of principles that make no discrimination and treat all employees equally, regardless of physical differences or legal status. Corporate governance policies, Business Ethics and Code of Conduct, Corporate Social Responsibility Policy, Receiving Complaints and



Protecting Complainants policy, Regulations for the Investigation Subcommittee, Labor Fair Treatment Guidelines, Encourage communication, knowledge dissemination, comprehension, guidelines, and any other principles are some of the policies they advocate for. Engage the Company's stakeholders in human rights-compliant business activities and the dissemination of the Company's human rights policy through the Company's communication channels. Human rights violations are routinely overseen, monitored, and audited. The human resource department is in charge of monitoring, supervising, and auditing the Company's human rights practices, which includes allowing employees and stakeholders to express their opinions, report problems, provide information, and file complaints in the event of incidents or actions that violate the Company's human rights policy. Furthermore, the Company's fraud investigation procedure is governed by it. According to business policies, complainants are protected and sanctioned.

Right of the Child and Woman

The Company is committed to upholding the human rights of all groups of people participating in the value chain, especially children and women. The Company gives equal rights to male and female employees without regard to gender discrimination, whether it's a group of female employees who contribute significantly to the Company's success. This comprises a policy that covers and protects women, as well as community and employee children, in accordance with regulatory standards. The Company has clearly adhered to international practice norms as well as Thai labor standards in terms of fair treatment. Child labor under the age of 18 is prohibited from entering the business grounds, according to the Company. Every year, the Company provides scholarships to the children of its employees. Thaifoods is also concerned with women's health during pregnancy and delivery. Expectant moms were polled to present baby baskets to all Thaifoods employees' mothers. There is a lactation room in the working area where moms who are Thaifoods employees who have given birth and returned to work can pump milk during the day. In 2021, a "Care Mom, Care Child" activity will be offered to mothers of Thaifoods employees who are breastfeeding their children that are under the age of one, with a gift set for storing breast milk when returning to work or being away from home, in order to promote breastfeeding, relieve mothers' discomfort, preserve the quality of milk in order to retain its value and keep the milk clean and safe until the baby is fed.

Anti-Corruption

The Company operates in line with sound corporate governance standards and is ready to focus on anti-corruption initiatives at the same time. As a result, a policy against corruption has been formed, which must adhere to anti-corruption norms, regulations, and laws. All directors, executives, and employees are subject to this policy. It applies to both domestic and international businesses, as well as all relevant agencies, to ensure that all stakeholders have faith in the Company's and its affiliates' ability to conduct business with integrity, transparency, and traceability, as well as to support anti-corruption activities on a yearly basis. There are still activities to raise anti-corruption awareness among employees, such as the "Anti-Corruption Slogan Contest for the Year 2021," which is the second year of a campaign advocating for No Gift Policy activities in all areas of the Company's operation and its affiliates during the festive season, to encourage employees to be alert and understand anti-corruption practices in order to be consistent with the Company's direction. Thaifoods has engaged in the Collective Action Coalition Against Corruption (CAC) program for the sixth year in a row. The Company has joined the CAC and has always agreed with the project's fundamental objectives, thanks to the private sector's implementation of a clear anti-corruption policy.

Complaints Receiving

Thaifoods conducts business with transparency and accountability, and any misconduct in any form, including activities that damage stakeholders, society, and the environment as a result of the Company's operations, is taken very seriously. Guidelines with an adequate structure have been produced, and they conform with legal requirements for corporate governance and commercial ethics, as well as different organization regulations that influence all stakeholders. Specifics on how complaints will be received will be included. On the Company's website, www.tfg.co.th, the Company's rules, and procedures are clearly described, and these concrete practices are grouped into two areas.

1. Receiving complaints from people in the factory's immediate vicinity. 1-2 times a month, the Company assigns employees to monitor the community area and react to queries, well-being, and effects caused by the Company's operations, whether environmental or otherwise. If a complaint is received, the supervisor will begin the process of correcting and improving the situation.
2. The Company has established a complaint channel for all stakeholders and third parties to report any potential operational problems, violations of the Company's code of conduct, or other issues for the Company to acknowledge through the Company's numerous notification channels. As a result of reasonable and timely complaints, the complainant's identity will be preserved and they will not be harassed.

A complainant may submit a complaint using the "Complaint Channels" in the following ways:

Corporate Website : www.tfg.co.th

E-Mail : whistleblow@tfg.co.th

Mail : Compliance Department

Thaifoods Group Public Company Limited

1010 Shinawatra Tower 3, Floor 12 Vibhavadi Rangsit Rd,

Chatuchak Sub-district, Chatuchak District Bangkok 10900

Corporate Governance Practices

The Company has established a corporate governance practices policy based on criteria for performing obligations and building trust that the Company conducts business appropriately and strictly by applicable law, regulations, rules, orders, and internal and external announcements. It can be used as a guideline for operating based on the Business Code of Conduct as well as demonstrating concrete, standardized, and free of illegal activities or operations and raising awareness of the impact or damage caused by violation of such laws, rules, orders, and regulations to the Committee, directors, employees, and workers of Thaifoods Group to be aware of the importance of strictly complying with all applicable laws, rules, orders, and regulations to ensure the business's sustainability.

Growing Together with the Community and Society

The Company has always conducted business in a manner that is harmonious with the community. Thai Foods is committed to the philosophy that "The Community Can Survive, Thaifoods Can Survive." Through professional assistance and the provision of opportunities for local residents to establish a trading channel parallel to ThaiFoods' business operations, Thaifoods is attempting to establish a foundation for people in the communities where it operates to care for themselves and their families. By aiding employees who live in Thaifoods business areas in getting jobs close to home, we may help minimize immigration, reduce travel time, and avoid increased living costs and other expenses



associated with housing relocation. This includes fostering strong ties with families to encourage employees to spend more time with their families. It helps to reduce the separation and distance associated with working away from home. It also enhances employees' physical health by allowing them to fully rest. They are unconcerned about traveling. They make time for themselves without disrupting their daily routine.

The Company has always conducted business committed to social responsibility and its suppliers, consumers, and shareholders. We instill consumer confidence in the expectation that they will obtain high-quality items that conform to standards. The Company evaluates the impact and places a premium on community and social responsibility. As a result, the Company has developed a strategy for operational sustainability based on good corporate governance, transparency, and traceability and is committed to providing the Company's economic stability and that of all stakeholders under the scope of the "Trust - Future - Growth" philosophy to guarantee that the Company's operations are comprehensive and include stakeholder participation because the Company is committed to the community that has coexisted with it for a long time. As a result, the Company emphasizes the critical importance of aiding the community's quality of life as we develop plans to assist the community in both the short and long term, depending on the needs of each location. This work plan will be reviewed and amended annually or as new problems, concerns, or impacts arise during the year. The Company is prepared to respond promptly to emergencies and to make operational improvements, including the establishment of a social responsibility working committee to supervise and attend meetings with local government personnel regularly to find solutions. In addition, the Company has set up a place for disabled people and members of the community to apply to open a shop selling consumer goods. This allows disabled people and members of the local community to generate income for themselves and their families.

In 2021, a survey was conducted to assess neighboring community satisfaction, with a score of 78.54%. The following plaques of honor and certificates entitled "CSR-DIW Continuous Award 2021" were presented to the Company and its subsidiaries for meeting the standards of the Industrial Factory Promotion Project for Sustainable Social and Community Responsibility (CSR-DIW Continuous) for the year 2021 via electronic systems:

1. Thaifoods Group Public Company Limited. Kanchanaburi Chicken Slaughterhouse received CSR-DIW Award.
2. Thaifoods Feed Mills Co., Ltd. Suphanburi Province received CSR-DIW Award.
3. Thaifoods Feed Mills Co., Ltd. Prachinburi Province received CSR-DIW Award Continuous.

It reflects our dedication and seriousness in upholding the standards of corporate social responsibility participation.

Community Aid During a Hardship Time

Even in times of crisis, such as natural catastrophes or pandemics, the Company loves every life that dwells with us. Thaifoods has always shown its commitment to the community and society. Workforce as much as the Company can accommodate, whether by subsidies, supplies, meals, or labor aid. In an emergency, providing vital products such as medical supplies, disinfection equipment, comfort bags, consumable items, and medicine, as well as providing essential items in the field of epidemic prevention. As a result, the Company has consistently provided chicken component goods,

sausage, cooked chicken, and processed products to hospitals, government agencies, schools, towns, and villages in both crisis and non-crisis situations.

Promote Outdoor Education through Highly Experienced Person

The Company conducts events by enabling its security specialists to instruct pupils at schools on its premises. They offer safety training, road safety, COVID-19 prevention, life safety, fire safety, and instruction on how to use various types of fire extinguishers to help youngsters learn how to act in order to preserve their lives and property. Before the COVID-19 outbreak got serious, the event took place between January and April 2021.

Occupational Training Progress Promoting

Education has long been a priority for the Company, with scholarships available for educational institutions to tour the Company's operations. However, the Company is interested in chances for students to participate in hands-on learning internships or cooperative training. Students with competencies that correspond with the Company's business and the student's course of study are chosen for internships. They come in for a real practice test given by the knowledgeable and experienced staff who will assist in guiding and assigning students to internships that will allow them to engage meaningfully with the organization and develop their own potential, including the ability to serve as important assistants to the organization.

Contribute Quality Nutritious Food to The Community

Thaifoods' business concept is upon manufacturing high-quality food and ensuring that it is delivered safely to its customers. As it is our customary approach in both crisis and routine conditions, we have donated the Company's products to help the community. As a result, the Company has offered government agencies, towns, volunteers, and communities chicken part goods, sausage, and processed items. Through the "meal supplying initiative," we continue to assist food supplies for students in the neighborhood so that their growth is proper for their age.

Community Sharing Opportunities

When rice prices are low, the Company assists Thai farmers, who represent the country's agricultural backbone. We tweaked the feed formula and bought paddy from nearby farms. Over the last year, the world's worst epidemic of African Swine Fever (ASF) in pigs has occurred. Thailand's pork output will be impacted in 2022. The country's swine breeding supply is poor, affecting piglet porker and fresh pork products, which do not fulfill local market demands. The price of pork has been progressively rising due to a lack of pigs in the country. The Company is highly concerned, we've increased the efficiency and security of our controls to ensure customer confidence in our products. In addition, the Company encourages smallholder pig breeding in order to help farmers work together to solve this problem. Thaifoods Group, through its subsidiaries, affiliates, and partners, donates consumer supplies, COVID-19 prevention equipment, disinfectants, and cleaning products, processed company products, such as chicken products and sausages for meal preparation in order to prevent and assist in the control and prevention of the COVID-19 pandemic project and to provide medical support to medical personnel and other relevant people who devote physical and mental resources to controlling and preventing the spread of the COVID-19 pandemic.



Suppliers

Thaifoods business strategy revolves around supply chain management for long-term sustainability. The value of the Company's suppliers, who are our business alliance, is always a top priority. The Company has created standards for collaborative operations in its Supplier Code of Conduct, which applies to both the Company and its subsidiaries, to ensure that business operations operate smoothly and in accordance with applicable legal and ethical criteria. General law, terms, and conditions compliance content, human rights, and labor protection, occupational health and safety, environmental compliance, anti-bribery and corruption, conflict management, declining financial support or other benefits, unfair trade competition, cyber security, intellectual property rights, information disclosure and confidentiality, the Supplier Code of Conduct and the Company's guidelines are clearly communicated on the website www.tfg.co.th.

The Company has sent its suppliers a code of conduct and guidelines, which are evaluated annually to ensure that all suppliers are on the same page, including inviting the Company's business partners and affiliates to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC).

In 2021, the Company stepped up and increased its transportation partnerships, engaging with world-class logistics service providers to assist manage the transportation system in support of the Company's ever-growing production capacity. This includes transporting pork, chicken, and processed products from Thaifoods Group locations in Kanchanaburi, Khon Kaen, Chonburi, and Prachinburi provinces, as well as the Company's distribution center, to distribution centers, shops, fast food restaurants, the foodservice industry, and export operators.

3.5 Environment Sustainability

Environmental Compliance Policy

Thaifoods is a food manufacturing company that prioritizes environmental safety throughout the manufacturing process, from initial surveys through stringent environmental effect reporting. There is a system in place, as well as operational laws, to ensure that the ecosystem in and around the region is not harmed. As a result, it encourages all personnel to participate in knowledge-based environmental stewardship training, as well as a focus on resource efficiency for maximum profit, all while considering the environmental effects and putting in place steps to prevent and mitigate any consequences.

In order to accomplish the objectives of the environmental policy, the Company must follow the following regulations and guidelines: The Company is devoted to efficient resource and energy management, and it raises awareness and understanding among employees, contractors, and suppliers, especially those directly involved in their tasks and obligations for environmental impact prevention. It also encourages employee participation in pollution prevention activities such as wastewater management, air quality monitoring, waste management, and its conscious improvement, as well as the effective use of energy and waste created by work operations, as well as natural resource conservation.

Biodiversity

The impact of the Company's operations has always been examined across the whole corporate value chain. We are always aware that our economic activities may have both positive and negative environmental implications, including ecosystem biodiversity. As a result, the corporation has established



guidelines to ensure that no unforeseen repercussions, particularly during the production process, affect natural resources or the environment.

At the same time, it does not block the development of commercial operations aimed at maintaining biodiversity balance so that it may be used in a cost-effective and fair way based on ecologically responsible and eco-friendly economic growth. It promotes natural resources and environmental sustainability so it's balanced and has proper management of natural resources for the environment, environmental conservation, protection, prevention, and restoration, and environmental conservation, protection, prevention, and restoration. As well as to lessen the consequences of climate change and natural catastrophes.

Environmental Performance

Energy Management

The Company has strategies to manage energy resources in the short and long term, with a focus on energy adoption that is sustainable. Electricity is one of the renewable energy sources that will be employed in the manufacturing process. Savings Planning for fuel consumption reduction involves organizing campaigns to teach employees about environmental preservation and energy conservation, modifying raw materials to make them usable as a fuel source, and using ecologically friendly and energy-saving goods. Under the topic of “Reuse, Reduce, Reduction,” there is an activity to improve environmental consciousness by asking employees to propose their own solutions for minimizing energy use. It also acts as a blueprint for future uses of the concept for the Company's advantage. There is a public relations campaign advocating energy conservation, energy-saving measures, and the use of environmentally friendly items. Carpooling reduces fuel usage in the form of oil as well as greenhouse gas emissions from diverse activities. The Company used the Stock Exchange of Thailand's criteria for the “Care The Bear” project as a framework for implementation in order to make it more tangible. By using palm shells as fuel, we have improved the quality of raw materials utilized in the manufacturing process while lowering production costs, minimizing the environmental effect from burning, and boosting environmental responsibility. For example, we employ ecologically friendly products and equipment that aid in energy saving, such as LED light bulbs in place of fluorescent light bulbs. They are more energy-efficient and have a lifespan of 40 to 50 percent longer than incandescent bulbs, resulting in even lower maintenance costs.

Solar Power Plant of Thaifoods Group Public Company Limited

The Company has been working on a solar power plant project since 2020. The project area has now been increased, and renewable energy generation has begun in earnest. It is divided into two phases: the first phase involves the installation of solar PV floating panels in four enterprises.

1. Solar Floating Raw water storage pond, Thaifoods Group Public Company Limited Factory Kanchanaburi Branch
2. Solar Floating Raw water storage pond, Thaifoods Group Public Company Limited Factory Prachinburi Branch
3. Solar Floating Raw water storage pond, Thaifoods Feed Mills Company Limited Factory Suphanburi Branch
4. Solar Floating Raw water storage pond, Thaifoods Feed Mills Company Limited Factory Prachinburi Branch



The second phase consists of a project to establish a solar power generation system on the factory and parking lot roofs, which is divided into three areas:

1. Solar Roof Factory roof of Thaifoods Group Public Company Limited Kanchanaburi Branch
2. Solar Car Park Car Park Roof of Thaifoods Group Public Company Limited Kanchanaburi Branch
3. Solar Roof Factory roof of Thaifoods Further Company Limited

In this regard, the Thaifoods Group Public Company Limited's solar energy project has opted to participate in the Thailand Voluntary Emission Reduction Program (T-VER). The goal is to encourage all sectors, notably producers and renewable energy users, to contribute to the country's efforts to reduce greenhouse gas emissions. The major target group with the highest potential for greenhouse gas emission reductions will be the industry sector that is involved in energy efficiency improvement initiatives, waste management. Phayao University's Greenhouse Gas Management Certification Unit has recognized Thai Foods Group Public Company Limited's solar energy generating project as a project that would reduce greenhouse gas emissions/storage by 12,327 tons of carbon dioxide equivalent per year (tCO₂eq/year).

The project has set goals to reduce the number of greenhouse gases in the short and long term as follows:

3 Years Goal, 2024	5 Years Long Term Goal, 2026
Reduce greenhouse gas emissions/ storage 36,981 tCO ₂ eq	Reduce greenhouse gas emissions/ storage 61,635 tCO ₂ eq

Further information related to this project is available at:

Greenhouse Gas Mitigation Mechanism <http://ghgreduction.tgo.or.th/>

Water Management

The Company is cognizant of the challenge of worldwide water shortage. As a consequence, the Company wants to contribute to the alleviation of the current water scarcity. The Company has designed a thorough roadmap for water resource management in order to achieve its environmental stewardship goals and objectives in the most advantageous way feasible. This involves increasing employee understanding of the importance of water and ensuring that everyone in the business treats and regulates water used in the manufacturing process on a regular basis. In the year 2021, a project was launched to control the amount of water used in the organization, which included a survey of water usage behavior in each department's work activities, surveying for leaks and inspecting raw water pipelines under pump pressure, installing a sensor faucet to encourage employees to conserve water, control and management of wastewater that must be treated according to standards before being disposed into public sewers, and improvement of sanitation. The average quantity of water utilized by the Company in a year has been identified, and all parameters have been improved and are better than the stipulated norm.

Waste Management

When it comes to waste management as a result of the Company's activities, the Company has a well-defined plan for removing each form of trash, including hazardous and non-hazardous waste. We operate in accordance with an effectively established management plan and preventative measures that meet international requirements for preventing waste chemical leakage. Only those having a

license to manage garbage in that region should be chosen to operate, and the contractor must be handled in compliance with existing environmental regulations, including the necessity to dispose of waste in a range of methods compatible with international standards. We have built separation sites in appropriate places for non-hazardous waste that the Company can manage totally on its own, whether it is sludge from the wastewater treatment system. The concerned caregiver will utilize it to produce fertilizer, recycle paper boxes, packing, plastic bags, plastic packaging, etc.

Air Pollution Management

Due to the industrial nature of practically all of the Company's operations, pollution is difficult to avoid. The Company is not overlooked. We aspire to coexist sustainably with the community and have implemented a thorough pollution control management plan that impacts the environment and ensures that pollution does not adversely affect the lives of stakeholders both directly and indirectly in the factory's immediate vicinity. We visit the region weekly or bimonthly to inquire about the environmental impact and make prompt improvements. If a group of stakeholders notices an issue on their own, they can file a complaint with the Company's coordinator, who will take corrective action and collaborate with them to find a solution. Furthermore, the Company has a solid odor management system in place, as well as environmental experts who monitor environmental standards to ensure that the Company is complying with all applicable laws and regulations.

Climate Change

With the current global business trend driving, it must be acknowledged that the bulk of attention has been focused on the subject of climate change, which is having a global impact. Many countries have taken steps and set targets to cut back on greenhouse gas emissions in both the short and long term. These include asking for help from the government, the private sector, the general public, and industrial businesses, as well as changing lifestyles and reducing energy consumption and resource scarcity. Thailand joined "The 26th Conference of the Parties to the Convention (COP) in 2021 and announced a goal of Carbon Neutrality by 2050 and Net Zero Emissions by 2065. The Company plans to adapt its innovation development strategy to the Company's short- and long-term business models to perform the business operations in an environmentally friendly manner and minimize greenhouse gas emissions. Whether it's reversing course to support the use of clean energy, we can replace the government's direct energy consumption in the form of Solar Floating, Solar Roof, and Solar Car Park by converting solar energy to electrical energy and recycling it. The Company constructed a Solar System in the factory's operation area and a Biogas System in the pig farm to generate Biogas, a type of renewable energy generated from waste from livestock farms such as manure and sewage. It goes through a fermentation process during which various bacteria break down organic materials in anaerobic conditions. It helps with the removal of offensive odors created by garbage, sludge used to make fertilizer, and the reuse of treated water. Furthermore, it is thought to be a good way to lessen the effects of global warming as well as to cut down on greenhouse gas emissions, which are the main cause of global warming.





4. Management Discussion and Analysis: MD&A

4.1 Key Financial Information

1) Summary of Financial Statement

The table shows statement of financial position and statement of income in 2019 - 2021 are as follows:

Statement of Financial Position	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current assets						
Cash and cash equivalents	398.77	1.75	783.77	3.00	415.84	1.17
Trade accounts receivable	1,581.50	6.94	1,585.99	6.08	2,318.44	6.52
Other current receivable	279.17	1.23	377.88	1.45	510.24	1.43
Loans to customers	-	-	-	-	122.16	0.34
Short-term loans to joint venture	17.30	0.08	4.10	0.02	87.30	0.25
Inventories	2,836.26	12.45	3,350.36	12.84	4,862.67	13.67
Current biological assets	3,109.08	13.64	3,646.16	13.97	5,266.37	14.81
Advance payments to farmers	218.73	0.96	186.22	0.71	140.25	0.39
Marketable financial assets	-	-	20.00	0.08	1,343.18	3.78
Other current financial assets	-	-	1.08	0.00	42.18	0.12
Total current assets	8,440.80	37.04	9,955.57	38.16	15,108.61	42.48
Non-current assets						
Other non-current financial assets	-	-	0.20	0.00	0.20	0.00
Advance payments to farmers	229.34	1.01	192.60	0.74	246.41	0.69
Investment in joint ventures	27.83	0.12	79.22	0.30	328.20	0.92
Other long-term investments	0.20	0.00	-	-	-	-
Trade account receivable	130.80	0.57	171.18	0.66	87.24	0.25
Other non-current receivables	10.66	0.05	11.53	0.04	41.61	0.12
Non-current biological assets	1,060.23	4.65	1,607.92	6.16	2,107.94	5.93
Investment properties	35.13	0.15	34.88	0.13	34.63	0.10
Property, plant and equipment	11,617.95	50.99	11,135.06	42.68	13,436.84	37.78
Right-of-use assets	-	-	1,694.00	6.49	2,928.93	8.23
Goodwill	67.30	0.30	60.77	0.23	66.99	0.19
Other intangible assets	107.73	0.47	101.31	0.39	111.92	0.31
Restricted deposits at financial institutions	103.55	0.45	99.95	0.38	100.10	0.28
Deferred tax assets	933.14	4.10	845.90	3.24	722.52	2.03
Other non-current assets	21.92	0.10	100.67	0.39	244.92	0.69
Total non-current assets	14,345.79	62.96	16,135.20	61.84	20,458.43	57.52
Total assets	22,786.59	100.00	26,090.76	100.00	35,567.05	100.00



Statement of Financial Position	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Liabilities and equity						
Current liabilities						
Short-term borrowings from financial institutions	5,713.76	25.08	3,580.71	13.72	10,550.33	29.66
Trade accounts payable	1,598.77	7.02	2,190.46	8.40	2,020.05	5.68
Other current payables	1,038.14	4.56	1,210.98	4.64	1,413.89	3.98
Current portion of long-term borrowings from financial institutions	667.22	2.93	650.70	2.49	715.68	2.01
Current portion of lease liabilities	240.46	1.06	419.26	1.61	468.02	1.32
Current portion of debentures	1,148.50	5.04	-	-	-	-
Current income tax payable	48.26	0.21	257.28	0.99	125.76	0.35
Other current financial liabilities	-	-	75.25	0.29	32.75	0.09
Total current liabilities	10,455.11	45.88	8,384.62	32.14	15,326.48	43.09
Non-current liabilities						
Long-term borrowings from financial institutions	1,465.70	6.43	1,470.38	5.64	1,203.90	3.38
Lease liabilities	631.89	2.77	1,156.96	4.43	2,456.02	6.91
Debentures	-	-	3,568.60	13.68	4,568.60	12.85
Provisions for employee benefit	36.34	0.16	41.34	0.16	46.06	0.13
Retentions	3.67	0.02	3.87	0.01	7.65	0.02
Deferred tax liabilities	308.06	1.35	324.71	1.24	385.82	1.08
Other non-current liabilities	-	-	-	-	2.05	0.01
Total non-current liabilities	2,445.66	10.73	6,565.85	25.17	8,670.11	24.38
Total liabilities	12,900.77	56.62	14,950.48	57.30	23,996.59	67.47
Equity						
Authorised share capital	6,138.16	-	6,138.16	-	6,168.33	-
Issued and paid-up share capital	5,607.57	24.61	5,607.57	21.49	5,643.96	15.87
Advance received from exercise of warrants	-	-	-	-	-	-
Premium on ordinary shares	1,742.60	7.65	1,742.60	6.68	1,906.32	5.36
Deficits on common control transactions	(231.27)	(1.01)	(231.27)	(0.89)	(231.27)	(0.65)
Retained earnings - Legal reserve	249.53	1.10	330.51	1.27	381.68	1.07
Retained earnings - Unappropriated	2,067.63	9.07	3,207.24	12.29	3,128.98	8.80
Other components of equity	449.75	1.97	459.83	1.76	726.69	2.04
Equity attributable to owners of the parent	9,885.80	43.38	11,116.47	42.61	11,556.34	32.49
Non-controlling interests	0.02	0.00	23.81	0.09	14.12	0.04
Total equity	9,885.82	43.38	11,140.28	42.70	11,570.46	32.53
Total liabilities and equity	22,786.59	100.00	26,090.76	100.00	35,567.05	100.00

Statement of Income	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from sale of goods and rendering of services	28,919.19	99.36	31,338.66	98.37	34,823.26	98.08
Net gain on changes in fair value of biological assets	-	-	164.01	0.51	423.25	1.19
Reversal of loss on land revaluation	18.79	0.06	-	-	8.22	0.02
Net foreign exchange gain	-	-	155.30	0.49	-	-
Interest income	70.46	0.24	80.75	0.25	78.99	0.22
Gain on loss of control in subsidiary	-	-	-	-	47.22	0.13
Other income	97.08	0.33	118.66	0.37	124.79	0.35
Total revenues	29,105.51	100.00	31,857.38	100.00	35,505.71	100.00
Expenses						
Cost of sales of goods and rendering of services	25,719.31	88.37	26,909.14	84.47	31,669.92	89.20
Net loss on changes in fair value of biological assets	39.32	0.14	-	-	-	-
Distribution costs	698.04	2.40	717.93	2.25	1,178.23	3.32
Administrative expenses	683.01	2.35	572.90	1.80	749.00	2.11
Loss on change in fair value of marketable financial assets	-	-	-	-	151.65	0.43
Loss on land revaluation of land	1.92	0.01	23.70	0.07	2.33	0.01
Net foreign exchange loss	18.41	0.06	-	-	102.07	0.29
Total expenses	27,160.02	93.32	28,223.66	88.59	33,853.21	95.35
Profit from operating activities	1,945.49	6.68	3,633.72	11.41	1,652.51	4.65
Finance costs	403.96	1.39	369.52	1.16	493.49	1.39
Impairment loss determined in accordance with TFRS 9	-	-	63.94	0.20	61.70	0.17
Share of profit of joint venture accounted for using equity method	(4.18)	(0.01)	(0.36)	(0.00)	(0.25)	(0.00)
Profit before income tax expense	1,545.71	5.31	3,200.62	10.05	1,097.56	3.09
Income tax expense	105.72	0.36	649.29	2.04	545.62	1.54
Profit for the year	1,440.00	4.95	2,551.33	8.01	551.94	1.55
Profit attributable to:						
Owners of the parent	1,440.00	4.95	2,563.29	8.05	561.70	1.76
Non-controlling interests	-	-	(11.96)	(0.04)	(9.76)	(0.03)
Other comprehensive income for the year	(7.05)	(0.02)	10.08	0.03	266.86	0.75
Total comprehensive income for the year	1,432.94	4.92	2,561.41	8.04	818.80	2.30

Source : Consolidated financial statements of Thaifoods Group Public Company Limited for the Year 2019 - 2021 audited by certified public accountant.



2) Financial Ratio

	Year ended 31 December		
	2019	2020	2021
Current Ratio			
Current Ratio (Times)	0.81	1.19	0.99
Accounts Receivable Turnover (Times)	17.27	19.79	17.84
Inventory Turnover (Times)	8.42	8.70	7.71
Accounts Payable Turnover (Times)	12.58	14.20	15.04
Profitability Ratio			
Gross Profit (Loss) Margin (%)	11.06	14.13	9.06
Operating (Loss) Margin (%)	6.68	11.41	4.65
Net Profit (Loss) Margin (%)	4.95	8.05	1.58
Return on Equity (%)	16.25	24.41	4.95
Efficiency Ratio			
Return on Total Assets (%)	6.33	10.49	1.82
Return on Fixed Assets (%)	22.50	30.61	16.33
Financial Policy Ratio			
Debt to Equity Ratio (Times)	1.30	1.34	2.07
Interest Bearing Debt to Equity Ratio (Times)	1.00	0.97	1.73
Interest Coverage Ratio (Times)	9.05	15.35	8.14

- Notes :
- ⁽¹⁾ Current ratio = Total current assets/ Total current liabilities
 - ⁽²⁾ Accounts receivable turnover = Revenue from sale of goods and rendering of services/ Average trade account receivable
 - ⁽³⁾ Inventory turnover = Cost of sales of goods and rendering of services/ Average inventories
 - ⁽⁴⁾ Accounts payable turnover = Cost of sales of goods and rendering of services/ Average trade payables
 - ⁽⁵⁾ Gross profit margin = Gross profit (loss)/ Revenue from sale of goods and rendering of services x 100
 - ⁽⁶⁾ Operating margin = Profit (loss) from operating activities/ Total revenue x 100
 - ⁽⁷⁾ Net profit margin = Profit (loss) for the year/ Total revenue x 100
 - ⁽⁸⁾ Return on equity = Profit (loss) for the year/ Average total shareholders' equity x 100
 - ⁽⁹⁾ Return on total assets = Profit (loss) for the year/ Average total assets x 100
 - ⁽¹⁰⁾ Return on fixed assets = (Profit (loss) for the year + Depreciation)/ (Average fixed asset) x 100
 - ⁽¹¹⁾ Debt to equity = Total liabilities/ Total shareholders' equity
 - ⁽¹²⁾ Interest Bearing Debt to Equity Ratio = Interest Bearing Debt/ Total shareholders' equity
 - ⁽¹³⁾ Interest coverage ratio = EBITDA/ Interest expense

4.2 Management's Discussion and Analysis

1) Results of Operations

Revenue

Total revenue for the year 2019 - 2021 were Baht 29,105.51 million, Baht 31,857.38 million and Baht 35,505.71 million, respectively. The majority of the Company's revenue was generated from poultry operations, followed by swine operations and feed operations, respectively, which separate by segment as follow.

Business	2019	2020	2021	Increase/(Decrease)	
	Million Baht	Million Baht	Million Baht	Amount	%
Poultry	16,443.34	16,308.82	16,642.42	333.60	2.05
Swine	7,942.83	9,501.71	9,517.61	15.90	0.17
Feed and others	4,533.02	5,528.13	8,663.22	3,135.09	56.71
Other income	186.32	518.72	682.46	163.74	31.57
Total	29,105.51	31,857.38	35,505.71	3,648.33	11.45

The Company and its subsidiaries had total sales revenue in 2021 of Baht 35,505.71 million, increased by Baht 3,648.33 million or increased by 11.45% from 2020. The details were as follows;

Revenue from poultry business

The revenues from poultry business for the year 2021 was Baht 16,642.42 million, increased by 2.05% from Baht 16,308.82 million the same period of 2020. Average chicken price for the year 2021 was Baht 40.59/kg, increases by 6.79% from Baht 38.01/kg in the same period of 2020. The sale volume of chicken sold for the year 2021 was 323,065.13 tonnes, decreased by 8.79% from 354,215.63 tonnes in the same period of 2020, mainly due to domestic and export of chicken price increase while sale volume decrease from temporarily closed of the slaughterhouses in Kanchanaburi province according to COVID-19 impact for the third quarter of 2021.

Revenue from swine business

The revenues from the swine business for the year 2021 was Baht 9,517.61 million, increased by 0.17% from Baht 9,501.71 million the same period of 2020. Average swine price for the year 2021 was Baht 73.49/kg, decreased by 2.71% from Baht 75.54/kg in the same period of 2020. The sales volume of swine for the year 2021 was 102,534.60 tonnes, decreased by 5.63% from 108,651.56 tonnes in the same period of 2020, mainly due to domestic swine price decrease. However if include the sale volume of swine to sale through the retail shops in 2021 was 111,610.30 tonnes, increased 2.72% from 2020.

Revenue from feed and others business

The revenue from animal feed business for the year 2021 was Baht 6,957.85 million increased by 33.23% from Baht 5,222.37 million in the same period of 2020. Sales tonnage volume for the year 2021 was 543,831.25 tonnes, increased by 21.71% to from 446,820.84 tonnes in the same period 2020.



Other business for the year 2021 was Baht 1,705.37 million increased by 457.75% from Baht 305.76 million in the same period of 2020. Mainly increased due to the Company expand the retail shops. The number of retail shops at the end of 2020 and 2021 was 2 shops and 85 shops respectively. The revenue from retail shops in 2021 was Baht 1,460.28 million.

Cost of sales of goods and rendering of services

The Company and its subsidiaries had cost of sales of goods and rendering of services for the year 2021 were Baht 31,669.92 million, increased by Baht 4,760.77 million, or increased by 17.69% from Baht 26,909 million compared with 2020, in according to increase in revenue and higher raw material price.

Selling and Administrative expenses

The Company and its subsidiaries had distribution costs for the year 2021 were Baht 1,178.23 million, increased by Baht 460.31 million, or increased by 64.11% from Baht 717.93 million compared with 2020, due to an increased of transportation cost from the shortage containers according to Covid-19 situation and expansion of the retail shops.

Administrative expenses for the year 2021 were Baht 749.00 million, increased by Baht 176.10 million, or increased by 30.74% from Baht 572.90 million compared with 2020, due to Covid-19 expense ex. vaccine and quarantine temporarily.

Finance cost

The Company and its subsidiaries had Finance cost for the year 2021 were Baht 493.49 million, increased by Baht 123.97 million, or increased by 33.55% from Baht 369.52 million compared with 2020, due to an increase of purchase raw material and expansion capacity to support the increased production capacity.

Profit attributable to owners of the parent

The Company and its subsidiaries had profit attributable to owners of the parent for the year 2021 were Baht 561.70 million, decreased by Baht 2,001.59 million, or decreased by 78.09% from Baht 2,563.29 million compared with 2020. Net profit margin for the year 2020 - 2021 were 8.05% and 1.58% respectively.

2) Analysis of Financial Position

An analysis of the financial position of the Company and its subsidiary as of December 31, 2019 - 2021, was as follows;

Unit : Million Baht	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Increase / (Decrease)	
				Amount	%
Assets					
Current Assets	8,440.80	9,955.57	15,108.61	5,153.04	51.76
Non-Current Assets	14,345.79	16,135.20	20,458.43	4,323.23	26.79
Total Assets	22,786.59	26,090.76	35,567.05	9,476.29	36.32
Liabilities					
Current Liabilities	10,455.11	8,384.62	15,326.48	6,941.86	82.79
Non-Current Liabilities	2,445.66	6,565.85	8,670.11	2,104.26	32.05
Total Liabilities	12,900.77	14,950.48	23,996.59	9,046.11	60.51

Unit : Million Baht	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Increase / (Decrease)	
				Amount	%
Shareholders' Equity					
Equity attributable to owner of the Parent	9,885.80	11,116.47	11,556.34	439.87	3.96
Non-Controlling Interest	0.02	23.81	14.12	(9.69)	(40.70)
Total Shareholders' Equity	9,885.83	11,140.28	11,570.46	430.18	3.86
Total Liabilities and Shareholders' Equity	22,786.59	26,090.76	35,567.05	9,476.29	36.32

Assets

As of December 31, 2021, the Company and its subsidiaries had total assets at Baht 35,567.05 million, increased by Baht 9,476.29 million, or increased by 36.32%, from Baht 26,090.76 million compared with 2020. The major reasons for this increase were current assets increased by Baht 5,153.04 million or increased by 51.76% compared with 2020, mainly due to the increase in marketable financial assets of Baht 1,323.18 million and the increase in the net inventories of raw material of Baht 1,512.31 million since raw materials imported increased to support the increased production capacity.

Non-current assets increased by Baht 4,323.23 million or increased by 26.79%, mainly due to the increase in the value of land, building, equipment and right-of-use assets of Baht 3,536.71 million.

Liabilities

As of December 31, 2021, the Company and its subsidiaries has total liabilities at Baht 23,996.59 million, increased by Baht 9,046.11 million, or increased by 60.51%, from Baht 14,950.48 million compared with 2020. The mainly reasons for this were current liabilities increased by Baht 6,941.86 million, or increased by 82.79%, mostly due to increase in short- term borrowings form financial institutions of Baht 6,969.62 million.

Non-current liabilities increased by Baht 2,104.26 million, or increased by 32.05%, mostly due to increase in debentures and lease liabilities according to TFRS16 of Baht 2,299.06 million.

Shareholder Equity

As of December 31, 2021, the Company and its subsidiaries has totaled equity Baht 11,570.46 million, increased by Baht 430.18 million, or increased by 3.86%, from Baht 11,140.28 million compared with 2020 according to the operating of the Company.

Liquidity

Liquidity for the Company and its subsidiaries for the years ending December 31, 2019 - 2021 was as follows;

Unit : Million Baht	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Increase / (Decrease)	
				Amount	%
Net cash provided by (used in) operating activities	2,329.64	3,619.91	(1,895.99)	(5,515.90)	(152.38)
Net cash flows used in investing activities	(1,291.89)	(1,446.63)	(4,947.37)	3,500.74	241.99
Net cash provided by (used in) financing activities	(849.67)	(1,788.28)	6,397.70	8,185.98	457.76
Net increase (decrease) in cash and cash equivalents	188.07	385.00	(445.66)	(830.66)	(215.76)
Effect of exchange rate changes on cash and cash equivalents	0.62	-	77.73	77.73	0.00
Cash and cash equivalents at the beginning of year	210.08	398.77	783.77	385.00	96.55
Cash and cash equivalents at the end of year	398.77	783.77	415.84	(367.93)	(46.94)



In 2021, the Company and its subsidiaries had cash and cash equivalents at the end of the year totaling Baht 415.84 million, which compared to the year 2020, there were changes as follows;

Net cash provided by (used in) operating activities totaled Baht 1,895.99 million, decreased by Baht 5,515.90 million, or decreased by 152.38% from Baht 3,619.91 million compared with 2020 due to adjustment of depreciation for property, plant and equipment, depreciation of biological assets, finance costs and changes in operating assets and liabilities which mostly were current and non-current biological assets, inventories, etc.

Net cash used in investing activities for the year 2021 were Baht 4,947.37 million, increased by Baht 3,500.74 million, or increased by 241.99%, mainly due to cash payments for property, plant and equipment of Baht 3,190.45 million.

Net cash provided by (used in) financing activities for the year 2021 were Baht 6,397.70 million, increased by Baht 8,185.98 million, or increased by 457.76% was mainly proceeds from increasing due to short-term borrowings from financial institutions and issuance of debenture.

3) Financial Ratios

Liquidity Ratio

As of December 31, 2021 Liquidity Ratio in the Company and its subsidiaries totaled for the year 2021 were 0.99 times, decreased by 0.20 from 1.19 times compared with 2020 mostly due to the increase in short-term borrowings from financial institutions.

Profitability Ratio

In 2021, the profitability ratio consisted of the gross profit margin, net profit margin, and return on equity, were 9.06%, 1.58%, and 4.95%, respectively. All of these items decreased when compared with 2020. For the profitability ratio consisted decreases mostly due to domestic swine price decrease and from temporarily closed of the slaughterhouses in Kanchanaburi according to COVID-19 impact for the third quarter of 2021 and impact from higher raw material price.

Operating Efficiency Ratio

In 2021, the return on assets and return on fixed assets stood at 1.82% and 16.33%, respectively which decreased from 2020 due to net profits margins of the Company and its subsidiaries decreased.

Financial Policy

As of December 31, 2021, the Company and its subsidiaries had a total liabilities of Baht 23,996.59 million and total shareholder's equity of Baht 11,570.46 million, represented a debt to equity ratio was 2.07 times, For interest bearing debt to equity was 1.73 times, increased when compared with 2020 mostly due to expansion swine business and adopt accounting standard TFRS16.



5. General Information

5.1 Company Information

Name	:	THAIFOODS GROUP PUBLIC COMPANY LIMITED
Symbol	:	TFG
Type of Business	:	The principal business operations of the Company are producing and distributing frozen and chilled chicken products, producing and distributing swine and producing and distributing feed mill.
Head Office address	:	1010, Shinawatra Tower 3, 12 th Fl., Vibhavadi-Rangsit Road, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900
Registration number	:	0107557000292
Type of Stock	:	Common Stock
Registered Capital	:	6,168,330,045 baht
Paid up Capital	:	5,643,954,586 baht
Website	:	www.tfg.co.th
Tel	:	(66) 2 513 8989
Fax	:	(66) 2 513 9060
Email	:	Investorrelations@tfg.co.th (Investor Relations Department)

Information of other references

Auditor	KPMG Phoomchai Audit Co., Ltd. 50 th Floor, Empire Tower, 1 South Sathorn Road Yannawa Subdistrict, Sathorn District, Bangkok 10120 Tel (66) 2 677 2000 Fax (66) 2 677 2222
Securities registrar	Thailand Securities Depository Co., Ltd. 93, 14 th Floor, Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400 Tel (66) 2 009 9000 Fax (66) 2 009 9991



Debenture registrar and bondholder representative

Debentures 1/2020

The Guaranteed Bonds of Thaifoods Group Public Company Limited No.1/2563 (2020) Due B.E. 2568 (2025) (TFG251A)

Debenture registrar and bondholder representative	Bangkok Bank Public Company Limited 333 Silom Road, Bangrak, Bangkok 10500 Tel 02-230-1478 (Debenture registrar) Tel 02-230-1894 (Bondholder representative) Fax 02-626-4545-6
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Debentures 2/2020

The Debentures of Thaifoods Group Public Company Limited No.2/2563 (2020) Due B.E. 2566 (2023) (TFG234A)

Debenture registrar	Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Yannawa, Bangkok 10120 Tel 02-296-3582 Fax 02-683-1298
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Bondholder representative	Globlex Securities Company Limited 87/2 CRC Building, 8 th and 12 th Floor, All Season Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330 Tel 02-672-5999 Fax 02-687-5888
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Debentures 3/2020

The Debentures of Thaifoods Group Public Company Limited No.3/2563 (2020) Due B.E. 2566 (2023) (TFG23NA)

Debenture registrar	Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Yannawa, Bangkok 10120 Tel 02-296-3582 Fax 02-683-1298
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Bondholder representative	Asia Plus Securities Company Limited 175 Sathorn City Tower, 3/1 Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel 02-680-1362 Fax 02-285-1905
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Debentures 1/2021

The Guaranteed Social Bonds of Thaifoods Group Public Company Limited No.1/2564 (2021) Due B.E. 2569 (2026) (TFG26NA)

Debenture registrar and bondholder representative	Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Yannawa, Bangkok 10120 Tel 02-296-3582 Fax 02-683-1298
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5.2 Other Important Information

-None-

5.3 Legal Disputes

As of December 31, 2021, the Company had just legal disputes arising from normal business operations without a lawsuit in which the Company is a disputant or a litigant in the nature of lawsuit filed as a defendant with capital more than 5 percent of the shareholders' equity and there are no lawsuit that have a significant impact on the Company's business operations but cannot be calculate the amount of money or lawsuit that are not caused by the normal business operations of the Company.

5.4 Contact Information for Financial Institutions

(1) Krung Thai Bank Public Company Limited

35 Sukhumvit Road, Khlong Toei Nuea Subdistrict, Watthana District, Bangkok 10110
Tel 02-255-2222 Fax 02-256-8800

(2) Kasikorn Bank Public Company Limited

400/22 Phahonyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Tel 02-470-3099 Fax 02-544-7969

(3) TMBThanachart Bank Public Company Limited

3000 Phahonyothin Road, Chomphon Subdistrict, Chatuchak District, Bangkok
Tel 02-299-1111 Fax 02-299-2568

(4) Bank of Ayudhya Public Company Limited

1222 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120
Tel 02-296-4776 Fax 02-296-4866

(5) United Overseas Bank Public Company Limited

191 South Sathorn Road, Bangkok 10120
Tel 02-343-3000 Fax 02-287-2973-4

(6) Siam Commercial Bank Public Company Limited

9 Ratchadaphisek Road, Chatuchak District, Bangkok 10900
Tel 02-544-5740 Fax 02-544-7969







Part 2

Corporate Governance

6. Corporate Governance Policy
7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others
8. Major Implementations of Corporate Governance
9. Internal Control System and Related Party Transactions

6. Corporate Governance Policy

6.1 Overview of Corporate Governance and Guidelines for the Corporate Governance Practices

Thai Foods Group Public Company Limited is aware of and pays attention to the efficient, transparent and auditable management system in order to ensure to all relevant parties and to lead the business to sustainable grow under the ethical operation and in accordance with related laws. Thus, the Company has formulated the corporate governance policy for empowering the existing operation to have clear standard distributing the practice to all levels of the Company's employees. This can generate the really good governance culture to the business operation. The Company has applied the principles, guidelines or approaches for corporate governance issued by various regulatory agencies both in Thailand and abroad as a framework for proper corporate governance of the Company for the sake of sustainability of the Company's business operations. The Code of Conduct, policies and guidelines for practices are required to be reviewed at least annually for ensuring the consistency and suitability for the circumstances or changes in business operation.

The Board of Directors has directed the Company to perform the business operation under the principles of good corporate governance. The guidelines of the Stock Exchange of Thailand are applied to be used as the principles of corporate governance of the Company in the business operation for directors, executives and employees as follows:

- 1) Management with honesty, credibility and adherence to correctness
- 2) Fair treatment to stakeholders of the organization
- 3) Operation with transparently disclosed information to relevant parties and all can be audited.
- 4) Fulfillment of the roles and duties under one's responsibilities with full intelligence and ability committed to success and improvement.
- 5) Responsibility and accountability for the results of actions that occur from the actions, orders, assignments and decisions making based on the roles and duties. Such decision can be clarified and explained.

The Board of Directors also orders to apply the Good Corporate Governance Guidelines for Listed Companies 2017 issued by the Office of the Securities and Exchange Commission as the guidelines for the Company's corporate governance with the following codes of practices.

- | | |
|--------------------|---|
| Code of practice 1 | Establish Clear Leadership Role and Responsibilities of the Board |
| Code of practice 2 | Define Objectives that Promote Sustainable Value Creation |
| Code of practice 3 | Strengthen Board Effectiveness |
| Code of practice 4 | Ensure Effective CEO and People Management |
| Code of practice 5 | Nurture Innovation and Responsible Business |
| Code of practice 6 | Strengthen Effective Risk Management and Internal Control |
| Code of practice 7 | Ensure Disclosure and Financial Integrity |
| Code of practice 8 | Ensure Engagement and Communication with Shareholders |

The Board of Directors directs the Company to perform the corporate governance activities covering 4 chapters of operation in order to reassure the stakeholders and create the real effectiveness.

Chapter 1 Rights of Shareholder and Equitable Treatment of Shareholders

The Board of Directors is aware of the importance in taking care of and considering all groups of stakeholders whether they are the internal stakeholders such as shareholders, executives and the Company's employees or external stakeholders such as customers, creditors, business partners, competitors, government sector, society, communities, etc. We give importance to the support and opinion from all groups of stakeholders which will be beneficial to the Company's operation and business development. The Company will conform to relevant laws and regulations in order that the rights of such stakeholders can be well taken care of. We will not do anything that violates the rights of stakeholders. The directors, executives and employees are required to perform their duties with honesty. The decision to take any action must be made based on the professional principles with care, prudence and fairness to both major and minor shareholders for the best interests of the shareholders entirely. The report on the Company's status, turnover, financial status, accounting and other reports must be presented on a regular basis, completely, and truthfully. It is prohibited to seek benefits for themselves and others by using any information of the Company which has not yet been disclosed to the public or performing any action in a manner possibly causing conflict of interest with the Company.

The Board of Directors respects the rights of shareholders and give importance to the equal treatment of shareholders which are not limited to the rights stipulated by law. We will not perform any action which infringes or deprives the shareholders' rights. We encourage the shareholders to exercise their rights. The basic rights of shareholders are, for example, trading or transferring shares, sharing Company's profits, obtaining sufficient and equal information of the Company, attending the meeting to exercise the voting rights at the shareholders' meeting to appoint or remove directors, appoint an auditor, and matters that affect the Company such as the allocation of dividends, determination, or amendment of the Company's Articles of Association and the Memorandum of Association, capital reduction, capital increase, or approval of special matters including the right of minority shareholders to propose additional agenda before the meeting date and allow the minority shareholders to nominate qualified and suitable persons to serve as directors of the Company. This includes submitting the questions in advance prior to the Annual General Meeting of Shareholders annually. The information is disseminated to shareholders via the Company's website as set by the Board of Directors in the policy to facilitate and promote the attendance of the shareholders' meeting which is the basic right. In addition, the Board of Directors has established guidelines for various matters which promote and facilitate the exercise of shareholders' rights more equitably than the basic rights as prescribed by law.

Apart from the aforementioned basic rights, the Company has stipulated the codes of practices in various matters to promote and facilitate the exercise of shareholders' rights as follows:

- 1) Reveal the policy in supporting or encouraging all groups of shareholders to attend the shareholders' meeting.
- 2) Provide the information of time, place and agenda with the explanation and reasons supporting each agenda or resolutions as specified in the invitation letter for the general and extraordinary meetings of shareholders or in the attachment to the meeting agenda as well as not performing any action which limits the opportunity of shareholders in studying the Company's information.



- 3) Facilitate the shareholders to fully exercise their rights to attend the meeting and vote as well as refraining from any action that restricts the opportunity to attend the shareholders' meeting. For example, attending the meeting to vote should not be difficult and the meeting venue of shareholders should be convenient for traveling.
- 4) The Chairman of the meeting allocates time appropriately and encourages the shareholders to have the opportunity to express their opinion and ask questions to the meeting on the matters related to the Company. We also grant the opportunity for shareholders to submit questions prior to the meeting date. The rules for submitting questions in advance are specified clearly and the shareholders are informed. The invitation letter for the shareholders' meeting are sent and the rules for submitting questions in advance are disseminated.
- 5) Encourage shareholders to use a proxy form in which shareholders can determine the direction of voting. The Company nominates at least one independent director as an alternative for the proxy of shareholders.
- 6) Encourage the Company's directors and all executives to attend the shareholders' meeting for answering the questions of shareholders.
- 7) Arrange for the resolution of the shareholders' meeting for each matter in the event that there are multiple matters such as the agenda for the appointment of directors.
- 8) Implement the adoption of technology in the shareholders' meeting whether in the shareholder registration, vote counting, and presentation of result so that the meeting can be processed quickly, correctly and accurately.
- 9) Promote the presence of independent persons to count or check the votes in the general and extraordinary meetings of shareholders. The results must be disclosed to the meeting and recorded in the minutes of the meeting.
- 10) Arrange for the minutes of the shareholders' meeting to be recorded with the explanation on the voting procedures, method of presenting the vote result to the meeting before proceeding to the meeting as well as giving shareholders an opportunity to raise issues or ask questions. The questions, answers, results of voting in each agenda are recorded in order to know how the shareholders agree, object, or abstain from voting in each agenda. The names of the directors who attend the meeting and the directors who are absent from the meeting are recorded.
- 11) Publicly disclose the voting results of each agenda of the general and extraordinary meeting of shareholders on the next business day on the Company's website and the website of the Stock Exchange of Thailand.

The Board of Directors stipulates management for all shareholders whether executive and non-executive shareholders, major and minor shareholders, Thai and foreign shareholders, to be treated equally and fairly as follows:

- 1) Send the invitation letter to the shareholders' meeting with the agenda and opinion of the Board of Directors published on the Company's website and the website of the Stock Exchange of Thailand at least 28 days prior to the date of the shareholders' meeting, both in Thai and English versions.
- 2) Inform shareholders of the rules and regulations used in the meeting, voting process including voting rights for each type of shares.
- 3) Determine the rules for the minority shareholders to clearly propose additional agenda in advance prior to the meeting date. This is to show fairness and transparency in considering whether to add agendas proposed by minority shareholders or not. In addition, the executive shareholders

- should not add agendas that have not been notified in advance unnecessarily, especially important agenda which shareholders need time to study the information before making the decision.
- 4) Determine the method for the minority shareholders to nominate a qualified person for the position of director. The nominations can be made through the Nomination and Remuneration Committee prior to the date of the shareholders' meeting along with the information for considering the nominee's eligibility consideration and the consent giving of the nominee.
 - 5) Grant the opportunity for shareholders to exercise their rights in appointing the individual directors.
 - 6) All directors and executives who are responsible for reporting their securities holdings under the law are required to submit such reports to the Board of Directors on a regular basis as well as being disclosed in the annual report.
 - 7) Establish written guidelines for preserving and preventing misuse of inside information and notify such guidelines for everyone in the Company to follow. The persons involved in the inside information are prohibited from trading in the Company's securities within 1 month prior to the disclosure of the quarterly and annual financial statements and for 24 hours after the disclosure of significant information.
 - 8) Directors are required to report their interests at least before considering that agenda and record them in the minutes of the Board of Directors' meetings. This includes overseeing the directors who have significant interests in a manner that may prevent such directors from expressing their opinion independently and refrain from participating in the meeting to consider such agendas.

Annual General Meeting of Shareholders 2021

The Board of Directors has granted the opportunity to shareholders to propose additional agenda prior to the meeting date. Besides, the opportunity is also granted for minority shareholders to nominate qualified and suitable persons to be the Company's directors and to submit questions in advance before the general meeting of shareholders. This includes sending proxy forms to the shareholders who are able to vote.

- From 5 January, 2021, to 15 February, 2021, the opportunity was granted for the shareholders to propose an agenda to nominate a person and submit questions in advance of the meeting by the end of the period of time to allow shareholders to propose agenda, nominate a person, and submit the questions in advance of the meeting. It appeared that no shareholder proposed any agenda, nominate a person, and submit questions in advance of the meeting.
- On 24 February, 2021 the resolutions of the Board of Directors were disseminated on the Company's website and the website of the Stock Exchange of Thailand.
- On 11 March, 2021, the names of shareholders who were entitled to attend the shareholders' meeting, vote, and had the right to receive dividends (Record Date) were determined.
- On 19 March, 2021, the invitation letter and meeting documents were publicized through the Company's website and the website of the Stock Exchange of Thailand.
- On 31 March, 2021, the meeting invitation letter and other supplementary documents for the meeting were sent to shareholders via registered mail. The Company assigned Thailand Securities Depository Co., Ltd., which was the securities registrar, to send it 21 days before the meeting date.
- On 22 April 2021, scheduled the Annual General Meeting of Shareholders for the year 2021 and submitted the resolutions of the 2021 Annual General Meeting of Shareholders were notified via the Company's website and Stock Exchange of Thailand.
- On 5 May, 2021, the minutes of the meeting were submitted to the Stock Exchange of Thailand.
- On 12 May, 2021, the dividend payment was scheduled.



The 2021 Annual General Meeting of Shareholders was held on 22 April, 2021, at 10AM via electronic media according to the Royal Decree on Meetings via Electronic Media B.E.2563. The Board of Directors provided measures and guidelines for meetings in accordance with the guidelines of the order of Center for COVID-19 Situation Administration (CCSA) to reduce the risk of the COVID-19 spread. The technology systems were adopted in the meetings in order to facilitate the shareholders. In the meeting, the meeting rules, the voting method, the resolution process in each agenda were clarified. The ballots for voting were required to be used in the resolution. In addition, a legal advisor is provided for checking the vote counting and overseeing the shareholders' meeting in accordance with the Company's Articles of Association and related laws.

In conducting such general meeting of shareholders, the President of the Board of Directors participating in the meeting gave the shareholders an opportunity to express opinion and ask questions on matters related to the consideration of each agenda. In addition, shareholders were allowed to elect the directors individually in the agenda of appointing the directors to replace those who retired by rotation. During the meeting, the moderator provided information and reasons for decision making and notifying the votes in each agenda.

In 2021, the Company did not receive any complaint related to the lack of respect for the basic rights of shareholders and equal treatment of shareholders.

Roles of Stakeholders and Sustainable Business Development

The Board of Directors is aware of the importance of all groups of stakeholders whether they are the internal stakeholders such as shareholders, employees or external stakeholders such as customers, business partners, creditors, competitors, community, and society. The Board encourages and listens to opinion from all groups of stakeholders for the benefits of the Company's operation and business development. The Company has therefore complied with relevant laws and regulations so that the rights of stakeholders are well taken care of and to ensure that no action will be taken to violate the rights of stakeholders. We also take into account the rights and roles of all stakeholders in accordance with the Company's policies and codes of practices.

Policy and Guidelines of Practices to Shareholders

The Company respects the rights of shareholders and treats all shareholders equally in order to create the highest satisfaction for shareholders. Thus, the policies and guidelines have been established for shareholders such as attending the shareholders' meeting, right to propose agenda, nomination of persons as directors, voting, business visit, listening to opinion and proposal through the Company's communication channels, meeting with analysts, regular disclosure of Company's status, operating results, financial information of the Company or appropriate payment of dividends to shareholders. Apart from performing the duties with honesty, caution, and prudence, the Company also prohibits seeking benefits for oneself and shareholders using the Company's information that has not yet been released to the public or performing any action with the nature possibly causing conflicts of interest as well.

Policy and Guidelines of Practices to employees

As the Company is aware that the employees are the most valuable factor in the success of a Company's goals, we formulate the policy to treat employees fairly in terms of opportunity, compensation, appointment, transfer, as well as potential development such as treating employees with courtesy and respect for individuality, providing fair compensation to employees, establishing the provident fund for employees, giving importance to the care of the welfare of employees, maintaining the working environment to be safe for the life and properties of the employees, especially the enhancement of occupational health safety, safety and working environment of personnel, assets and work processes. The policies are formulated and the occupational health committee is established for the safety and working environment to develop safety management system, control, improve, prevent, and correct the hazards from the Company's operations along with organizing activities to promote knowledge and understanding of safety at work for all personnel. The focus is on the development of employee's knowledge and competency. The opportunities are provided thoroughly and consistently in order to develop the ability of employees to be ready to support the growth of the organization strictly in compliance with laws, rules and regulations related to employees.

Policy and Guidelines of Practices to Customers

As the Company is aware of the importance of customers, the policies and guidelines have been established to build confidence for customers and strive to continuously improve the quality of products and services such as the supervision system in the production process and the provision of good quality products to customers. The focus is on improving and developing production technology as well as inspecting the product quality to be up-to-date. In terms of the control system, it strictly complies with the agreements that have been given to the customers with honesty, care and consistency. The system is established to control and maintain confidential customer information as if it were the Company's confidentiality and not used for one own benefit or by those who are wrongfully involved.

Policy and Guidelines of Practices to Business Partners

The Company has policy for employees to treat the business partners fairly, honestly and not taking advantage of the partners. The business partner selection process is transparent and fair taking into account the highest benefits and receiving fair returns for both parties. The negotiation is based on business relationship without demanding, receiving, or paying any illegal benefits to trade with business partners. Various conditions agreed upon are complied with. In the event that any condition cannot be complied with, we will jointly consider finding a solution to such problem to avoid situations that cause conflicts of interest. We also promote and support our business partners to respect human rights and fair treatment of workers including performing the operation in a socially and environmentally responsible manner.

Policy and Guidelines of Practices to Creditors

The Company has policy for employees to treat all parties of creditors fairly, honestly and not taking advantage of any creditor. The Company strictly complies with the contract terms such as the terms of debt repayment and interest payment, guarantee terms or any condition possibly causing the default debt repayment.



Policy and Guidelines of Practices to Competitors

The Company has the policy to treat the competitors by not violating the confidentiality or seeking the competitor's trade secrets fraudulently. We act under the framework of good competition and we do not seek confidential information of competitors by illegal means. The Company does not deliberately damage the reputation of competitors by making defamatory allegations. We do not create unfair trade advantages but we create a system of free trade competition instead.

Policy and Guidelines of Practices to Society and/or Community

The Company has the policy to conduct business that is beneficial to society and communities adhering to the behaviors of good citizens in compliance with all relevant laws and regulations fully. The Company strives to develop, promote and enhance the quality of life of society and community where the Company is located for better quality along with the growth of the Company in order to create sustainable business that grows together with the society and community.

Chapter 3 Disclosure and Transparency

The Board of Directors pays great attention to the disclosure of important information related to the Company, both financial information and non-financial information, accurately, completely, timely and transparently in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. This includes other information possibly affecting the Company's stock price all of which affecting the decision-making process of the investors and the Company's stakeholders. The Board of Directors has monitored and supervised the following operation:

The mechanism can ensure accurate communication and reports disclosed to investors and stakeholders for not misrepresenting and sufficient for investors' decision-making. The Company's investor relations who have knowledge, skills and experience are required to be responsible for preparing the reports and disclosure of information. However, such disclosure will take into account various related factors such as conformity with objectives, main goals, strategies and policies of the Company. The opinion of the Audit Committee includes the results of the assessment on the sufficiency of the internal control system. The Auditor's opinion in the Financial Report and the Auditor's observations on the internal control system can ensure that the communication and disclosure of information to both stakeholders and the outsiders is equally appropriate. It is under the protection of confidential information and information affecting securities prices for effective communication and disclosure.

The system for monitoring and evaluating the adequacy of financial liquidity and debt repayment ability, for example, regularly assessing and reporting the Company's financial position to the Board in order to plan the mechanism or management approach for business operation carefully, reasonably, and timely. All parties of stakeholders are taken into account fairly. This includes the approval of any transaction or submission of opinion to the shareholders' meeting for approval. The Board of Directors should be confident that the aforementioned transaction will not affect the continuity of financial liquidity business or the ability of debt repayment.

The report on corporate governance policy, business ethics, other policies such as risk management policies, policies on environmental and social protection, anti-corruption policy, policy on treatment of employees and stakeholders, summary of the agreed human rights policy, and the results of implementation of the aforementioned policies reflect practices that will lead to creating sustainable business values. It includes the event that such policies cannot be complied with for whichever reason. The report can be made through various modern information technology channels such as annual report, annual sustainability report and the Company's website both in Thai and English.

The report on the responsibility of the Board of Directors for the financial report is disclosed together with the Auditor's report in the annual report. If any particular item is related to particular director, such director shall disclose his or her part completely and correctly such as the information of the shareholders of their group, disclosure in connection with the shareholders' agreement of their group.

The system can ensure that the preparation of financial reports and disclosure of important information is accurate, adequate, and timely in accordance with relevant rules, standards and practices. The disclosure of such information includes financial statements, Form 56-1 One Report. These can adequately reflect the financial position and operating results. The Management discussion and analysis (MD&A) is also included in the disclosure of the financial statements for acknowledging the information and understanding the Company's financial position and operating results apart from the numbers in the financial statements solely.

Disclosure of audit fees and other service fees that auditor provides services.

Disclosure of the roles and duties of the committees and sub-committees, number of meetings, number of times each director attending the meeting in the past year, opinion from the performance including the Board's continuous professional training and knowledge development in the annual report.

Disclosure of policy on remuneration payment to directors and high-level executives who reflect their obligations and the responsibility of each including the form or nature of the remuneration. It should include the remuneration that each director receives as a director of the subsidiaries and the auditor's fee.

Apart from disseminating the information according to the specified criteria and through the channels of the Stock Exchange of Thailand in the Form 56-1 One Report, the Board will consider disclosing information in both Thai and English language through other channels such as the Company's website along with presenting current information.

The Board of Directors has assigned the investor relations and capital markets unit to disseminate financial information and Company's information to securities analysts, the Company's investors, shareholders and the public, which are channels for interested parties to communicate with the Company. This is for obtaining accurate, equal, adequate and timely information. Such disclosure of information must be in accordance with relevant rules and standards. The disclosure of such material information is governed by the Company's Insider Protection Policy to ensure that insider disclosure management. Particularly, the information is material to changes in the price or value of securities. It has been disclosed correctly and does not violate any applicable laws or regulations. In this regard, all directors, executives and employees are required to strictly adhere to and abide by.



Supervision on the use of inside information

The Company has supervised the use of inside information in accordance with the principles of good corporate governance. It has been set out in writing in the Company's inside information policy manual which will be given to directors, executives and employees upon first employment. The key policies are summarized as follows:

The Company will educate directors and executives of the Company and its subsidiaries on the duty to report the holding of the Company's securities by oneself, spouse and minor child to the Office of the Securities and Exchange Commission in accordance with Section 59 and the penalties under Section 275 of the Securities and Exchange Act. This includes reporting the acquisition or disposition of the Company's securities by oneself, spouse, and minor child to the Office of the Securities and Exchange Commission under Section 246 and penalties under Section 298 of the Securities and Exchange Act.

The directors and executives of the Company including spouse and minor child are supposed to prepare and disclose securities holding reports and reports on the changes in securities holdings of the Company to the Office of the Securities and Exchange Commission in accordance with Section 59 and penalties under Section 275 of the Securities and Exchange Act. The copy of this report must be provided to the Company on the same day of submitting the report to the Securities and Exchange Commission.

The Company requires the directors, executives, including those holding executive positions in accounting or finance that are department manager level, higher, or equivalent and related employees who are aware of material inside information which affects the change in securities prices to suspend the trading in the Company's securities for the period prior to the release of financial statements or dissemination of the Company's financial and status until the Company has disclosed the information to the public. The Company will notify the directors and executives including those holding executive positions in accounting or finance at the level of departmental manager or higher or equivalent to refrain from trading in the Company's securities in writing at least 30 days prior to public disclosure. It should be waited at least 24 hours after the public disclosure. The disclosure of such material information to other persons is also prohibited.

The Company imposes disciplinary penalties if there is a violation by using inside information for personal gain, starting from a written warning, wage cut, temporary suspension without pay or dismissal from work. The punishment is determined based on the intent of the act and the seriousness of the offense.

The Company's directors, executives and employees are prohibited from using the Company's inside information that has or may affect the change in the price of the Company's securities which has not yet been disclosed to the public that the person come to know from such position or status for buying or selling or offering to buy or offer to sell or soliciting other people to buy or sell, or offer to buy or offer to sell other shares or securities (if any) of the Company, either directly or indirectly, in a way that is likely to cause damage to the Company, either directly or indirectly, and whether such action is done for the benefit of oneself or others or reveal such facts to the public for others to do so whether the person receives any benefit or not.

The Company's directors, executives, and employees or former directors, executives and employees who have resigned are prohibited to disclosure Company's inside information or confidential information as well as the confidential information of the Company's business partners that the person has been informed from their duties to the outsiders for acknowledgment even though such disclosure does not cause damage to the Company and the business partners.

The Company's directors, executives, and employees or former directors, executives and employees are obliged to maintain confidentiality and/or inside information of the Company and is responsible for using the Company's inside information for the benefits of the Company's business operation only. The Company's directors, executives and employees are prohibited from using the Company's confidential information and/or inside information for the benefits of other companies in which they are shareholders, directors, executives, employees and workers.

Conflict of interest

The Board of Directors has the policy to prevent the conflict of interest based on the principle that any decision in operating business activities only in the best interests of the Company. The acts that cause conflict of interest should be avoided. Those who are involved or have interests in the considered transaction are required to notify the Company of their relationship or interest in such transaction. They must also not participate in the decision making including no approval authority in such transaction.

If the transactions possibly causing conflict of interest are not normal business operation or are in accordance with general trading conditions, they must be proposed to the Board of Directors' meeting for approval. The Audit Committee is supposed to consider the suitability carefully and present to the Board of Directors' meeting. However, the Company must comply with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Principles of transparent and auditable business operation

The Company has the supervision system, risk management, and internal control that is efficient and effective in accordance with international standards. The Audit Committee is responsible for defining the governance policy to ensure that internal audit operation is independent. The internal control and internal audit will be performed by the Internal Audit Department to propose to the Audit Committee for approval before reporting to the Board of Directors.

The Company is committed to conducting business transparently under the principles of good corporate governance, anti-bribery, and anti-corruption. All levels of personnel are encouraged to see the importance and have the awareness in the anti-corruption. In addition, the Company has also signed the declaration of intent in the Collective Action Coalition of the Thai private sector against corruption. This includes establishing the written anti-corruption policy as the guidelines for directors, executives and employees to strictly conform to.

Guidelines for the Practices in the prevention and Anti-Corruption

Any action performed in accordance with the Anti-Corruption Policy shall use the guidelines set forth in the Company's Codes of Business Conduct Manual, policies and guidelines for various stakeholder groups. This includes relevant regulations and operational manuals as well as any other guidelines which have been established by the Company for clarity in the operation of the matters that have high risk of corruption. The Company therefore formulates the policy on the following matters.



1. General provisions

Strictly adhere to the policy that is consistent with the prevention and anti-corruption including the rules and regulations in all forms whether directly or indirectly.

Not take any action that is intended to be corruption to the stakeholders who are related to the Company in the matters for which they are directly and indirectly responsible in order to obtain benefits for the organization, oneself or relevant people.

Not neglect or ignore when witnessing fraudulent actions related to the Company. It is the duty to notify the Corporate Governance Committee or other whistleblowing channels of the Company as appropriate by cooperating in the investigation of various facts.

The Company will support and encourage personnel at all levels to recognize the importance and have awareness of anti-corruption including providing internal control to prevent corruption in all forms and all countries in which the Company has invested.

Those who commit fraud will be investigated regardless of holding any position as it is considered the offense under the work regulations related to personnel management applied to employees at all levels. It shall be subject to imposed disciplinary action and may be punished as prescribed by law if the act is illegal.

The Company will provide fairness and protection to employees or any other persons who report clues or evidence of corruption related to the Company including the employees who refuse to commit fraud. This is in accordance with the measures to protect the whistleblowers or those who cooperate in reporting fraud as stipulated in the whistleblowing and whistleblower protection policy.

The Company will regularly review operational guidelines and measures to ensure compliance with changes in laws and business conditions.

2. Political assistance

The Company is politically neutral organization. We are indifferent to political parties, political group, or any politician. We adhere to democracy. The Company has policy not to provide financial support, assets, any other benefits or get involved to political parties which politician or persons involved in politics, whether directly or indirectly, for the benefit of the Company's business. The Company recognizes that employees have rights and duties in the democratic regime to participate in or freely support various political activities under the constitutional provisions, relevant laws and rules.

Policy and guidelines for practices in charitable donation and contribution

The Company should exercise caution when making charitable donation and contribution. This is because it is an activity that involves spending money with no tangible return and can pose a risk of fraud. All charitable donations and contributions of the Company must be transparent, not contrary to law and moral. It must also be approved by the Company's authority and be able to review and follow up on documentary evidence. The charitable donations and contributions are subject to conditions, i.e. to clearly show the origin and purpose for the project operation such as the request memo of the applicant, name of project owner, objectives, achievement, and benefits received from the project along with other supplementary documents. Moreover, the project must not have features presenting any action with other benefits prone to corruption.

Policy and guidelines for practices in receiving or giving presents, hospitality costs and other expenses

The Company requires that giving or receiving presents and/or hospitality costs and/or other expenses to/from any person must be based on type and value which is appropriate according to traditions and practices.

All levels of employees are prohibited to demand or accept presents, hospitality costs, service fees unrightfully in order to induce them to act or neglect to practice including any other benefits from the contractors, subcontractors, customers, sub-customers, vendors, suppliers, joint ventures or all stakeholders of the Company in whichever case.

If the Company is in the process of organizing a tender, the employees must not accept presents, hospitality costs, service fees or any other benefits from the companies participating in the auction in any way.

Policy for Whistleblowing and Whistleblower Protection Mechanism

The Board of Directors has specified channels for whistleblowing divided into 2 levels; channels at the management level including supervisors at each level, Internal Audit Department, and channels at the director level including the Board of Directors, Audit Committee. The Company has provided channels for receiving complaints, comments and suggestions as well as clues to illegal acts or the code of conduct including behaviors that may imply corruption or misconduct of persons in the Company both from the Company's employees and stakeholders. The guidelines have been established for the protection of whistleblowers and attach importance to keeping whistleblowing confidential. It will be recognized only in the group of persons assigned to build confidence to the whistleblowers.

Communication and contact channels

The Company has provided channels for stakeholders to submit suggestions, opinion or questions, including complaints to the Company through the sealed letter sent to the Board of Directors or Chief Executive Officer or email sent to the Chairman, Chairman of the Audit Committee and the Corporate Governance Committee appearing on the Company's website www.tfg.co.th, subject of "Whistleblowing Channel". The Company has measure to keep the information of the whistleblower confidential to build confidence to the whistleblowers.

Chapter 4 Board Responsibilities

As the Company focuses on sustainable business operation, the Board of Directors puts the emphasis in determining the objectives, goals and core strategies as well as annual plan both in the medium and long term to be consistent and create value for the Company, stakeholders, community, society and environment. The Company is also encouraged to compete in business by creating value for the business such as appropriately applying innovation and technology to the operation. This causes the Company to be able to sustainably exist under the chances and risks according to the business type of the Company. This can ensure that the Company's strategies and plans are appropriate. The Board of Directors has assigned the Executive Committee, Chief Executive Officer, to be responsible for reporting to the Board regularly. In addition, the Board has provided an analysis on the environment and various risk factors possibly affecting the Company's operation as well as allocating resources and controlling operation accordingly to report to the Board regularly. Furthermore, the Board promotes actions to ensure that the Company's objectives, goals and strategies are communicated to the Company's employees at all levels in order to create understanding and become corporate culture.

The Board of Directors puts great importance to the role in corporate governance of the Company. The structure, power, duties and responsibilities are clearly defined as appropriate including the determination on the supervision of operation of the subsidiaries and associated companies for the maximum benefits of the Company as follows:

Structure of Board of Directors

1. Elements of the Board of Directors

There are not less than 5 members in the Board of Directors having independent directors for not less than one-third of the total number of directors but not less than 3 persons. This is in accordance with the criteria of the Office of the Securities and Exchange Commission. The Board of Directors are experts in accounting and finance which are related to and support the Company's business. The Company also has 4 sub-committees, namely the Audit Committee, Executive Committee, Nomination and Remuneration Committee, and Corporate Governance Committee.

The President of the Board, Chief Executive Officer, Executive Chairman, and Chief Operating Officer have different responsibilities. The Board of Directors has set the power and duties of President of the Board, Chief Executive Officer, Executive Chairman, and Chief Operating Officer clearly and are prevented from having unlimited power.

The Company has appointed the Company's secretary to serve in advising on various laws and regulations that the Board must know and perform duties in overseeing the activities of the Board of Directors. This includes the coordination for the implementation following the Board's resolution.

2. Qualifications of Company Directors

All Board members must be qualified and must not have any prohibited attributes as stipulated by the law on public limited companies, Securities and Exchange Law, and Notifications of the regulatory body of the Company.

The Board of Directors has experience, knowledge, business capabilities and related industries for the overall benefits of the Company and for the personnel to work effectively providing useful perspective on the key risks as well as having the honesty and good ethics.

3. Board of Directors' meeting

The Company holds the Board of Directors' meeting regularly for a period of 1 year, at least once every 3 months. The additional special meetings will be held as needed. The meeting is scheduled in advance from January of every year. All members of the Board of Directors pay attention by attending the meeting every time. Unless there is a necessity, the Company will send the meeting invitation letter with clear agenda at least 7 days prior to the meeting date to allow the directors to have time to consider the meeting agenda and supplementary documents.

At the Board of Directors' meeting, all directors are able to express their opinion openly and freely. Minutes of the meeting are recorded in writing and the minutes certified by the Board of Directors are kept for being reviewed by the directors and relevant persons. In addition, some agenda may be attended by the top executives to provide detailed information that is additionally useful as an involving person and will be directly informed of the policy in order to be able to implement effectively.

The President of the Board is the person who considers and selects the matters to be included in the agenda of the Board of Directors' meeting and all directors are independent to propose matters on the meeting's agenda.

The Board has the rights to access additional necessary information from the Chief Operating Officer or the Company's secretary or other executives assigned within the specified policy scope. If necessary, the Board may provide an independent opinion from the consultant or external practitioner which is considered as the Company's expense.

In casting a resolution at the Board meeting, a majority of votes shall be adopted, with one director having one vote. The directors with interests will not attend the meeting and do not exercise the right to vote in the meeting on that matter. If the votes are equal, the Chairman of the meeting will have an additional vote as a casting vote.

In each meeting, the secretary of the Board of Directors also attends the meeting by recording the minutes of the meeting and sending them to the President of the Board for consideration and signing to certify the correctness by proposing to the meeting to certify in the first agenda of the next meeting as well as collecting the information or documents related to the meetings for the convenience in reference.

4. Remuneration of Directors and Executives

Provide directors' remuneration to be comparable with the level of performance in the same industry, experience, obligations, scope of Accountability and Responsibility including expected benefits from each director. The Directors are assigned with additional duties and responsibilities such as being a member of a sub-committee which should receive appropriate additional remuneration.

Provide remuneration for the Chief Executive Officer and the top executives in accordance with the principles and policies set by the Board of Directors and for the maximum benefits of the Company. The level of remuneration in terms of salary, bonuses and incentives shall be consistent with the performance of each executive and must take into account the benefits that the shareholders receive.

All non-executive directors or the Nomination and Remuneration Committee shall assess the directors and executives annually for use in determining the remuneration of directors and executives. The pre-agreed norms with the directors and executives are used in accordance with concrete criteria. This includes financial performance, performance on long-term strategic objectives implementation, development of executives, etc. The above assessment results shall be proposed to the Board for consideration and approval. The President or senior directors should be the one who notifies the results of the consideration to the Chief Executive Officer.

5. Development of Directors and Executives

Promote and facilitate training and education for those involved in the Company's corporate governance system such as directors, Audit Committee, executives, Company's secretary, etc. This is for improving the continual performance. Training and education may be conducted within the Company or the services of external institutes may be used.

Every time a new director is appointed, the management will provide documents and information that are useful for the performance of the new director's duties including the introduction of business characteristics and the guidelines for the Company's business conduct for new directors.



6. Self-Assessment of the Board of Directors

The Company has policy for the Board of Directors to assess their performance at least once a year to help the Board of Directors review their performance, issues, and obstacles during the past year and increase the performance of the Board. The performance appraisal of the Board of Directors is organized into 2 types as follows:

Assessment on the performance of the entire committee assessed in various fields including:

- 1) Structure and qualifications of the Board
- 2) Roles, duties and responsibilities of the Board of Directors
- 3) Board meeting
- 4) Duties of the directors
- 5) Relationship with Management
- 6) Director's self-development and executive development

Assessment on the performance of individual committee assessed in various areas including:

- 1) Readiness of the directors
- 2) Formulation of strategies and business planning
- 3) Risk Management and Internal Control
- 4) Prevention of conflicts of interest
- 5) Monitoring of financial and operating reports
- 6) Board meeting
- 7) Others

7. New Director Orientation

The Company has set an orientation for new directors to present an overview of the Company's business organized for new directors to be informed on the following topics:

Business operation framework (laws, regulations, rules)

Operation data

Major projects

Organizational development, business development

Good Corporate Governance

Social responsibility

Roles, duties and responsibilities of the Board of Directors

The Company's management structure consists of 6 committees; 1) Board of Directors, 2) Audit Committee, 3) Nomination and Remuneration Committee, 4) Corporate Governance Committee, 5) Risk Management Committee, and 6) Executive Committee. The Company has assigned the Board of Directors to have the power to approve the policy, approve, and revise the annual budget plan while the Executive Committee has the power to approve and revise the business plan.

As for the approval of investment in various projects or the value of the transfer of rights over the assets more than 3 years and the approval of the acquisition and disposition of assets related to the Company's business, the approval must be obtained from the Board of Directors and the Executive Committee. However, such approval power depends on the size of the above transactions, provided that the Board of Directors has the power to approve the above transactions with a value not exceeding 15% of the net tangible assets of the Company. Meanwhile, the Executive Committee has the power to approve such transactions with a value not exceeding 10% of the Company's net tangible assets.

In addition, the Company has set various approval powers before entering into any transaction related to financial contracts. For example, the Executive Committee has the power to approve the following transactions; (a) opening a bank account, (b) entering into the non-funding credit limit contracts such as letters of guarantee, (c) entering into funding credit limit contracts such as promissory note, loan, and import credit agreements with a value not exceeding 500 million baht, and (d) signing as a guarantor for the affiliates with a guarantee line of not more than 3% of the Company's net tangible assets. The Board of Directors has the power to approve the entering into funding credit limit contracts and making guarantees for the Company's affiliates without limit the credit. The Chief Executive Officer of the Company has the authority to approve the entering into the contract or memorandum of agreement that is normal business of the Company. The Company's managing director have the power to approve the entering into the contract or a memorandum of agreement that is a normal business in the amount of not more than 20 million baht.

In this regard, the committees of the Company have their office term and the scope of powers and duties of each committee as follows:

Board of Directors

Office term of the Board of Directors

The Board of Directors holds office for a term of 3 years from the date of appointment. The directors who retire by rotation may be re-elected.

In this regard, the Board of Directors has approved the plan of the 2021 Annual Meeting for 10 times.

Scope of power, duties and responsibilities of the Board of Directors

- 1) Perform duties in accordance with the law, objectives and the Company's Articles of Association, Board of Directors' Resolutions, and Shareholders' Meeting Resolutions with caution and honesty as well as being a role model in the corporate culture according to the business ethics.
- 2) Determine the main policy in business operations such as financial policy, investment management, risk management, information technology resource management, and ensure that the management operates in accordance with the policy appropriately as well as providing the development plan for directors, executives and the succession plan.
- 3) Consider the details, agree, and approve the vision, mission, values, business strategies, business direction, business policies, goals, guidelines, action plans and budgets of the Company and the subsidiaries according to the Executive Committee and management department to be reviewed annually as well as following up on the results of operation.
- 4) Consider and approve transactions other than the authorization of the Chief Executive Officer or items in accordance with laws, rules, or any regulations of the Company which requires approval from the Board of Directors or the shareholders' meeting.
- 5) Supervise the management and performance of the Executive Committee, President of the Board, Chief Executive Officer, Managing Director, Management Department or any person assigned to perform such duties in order to comply with the policy set by the Board of Directors Including the Chief Executive Officer and the management to perform duties with responsibility, duty of care and duty of loyalty by requiring them to perform their duties with freedom of decision-making as well as allocating important resources to achieve objectives and goals appropriately.
- 6) Continuously monitor, evaluate and supervise the reporting of the Company's performance to meet objectives, goals, strategies, policies, action plans and the Company's budget.



- 7) Supervise and review to ensure that there is a financial reporting system that is transparent, accurate, and adequate including establishing a risk management system, internal control, and internal audit system in terms of finance, compliance with laws, regulations, policies and procedures of the Company.
- 8) Arrange the balance sheet and the income statements at the end of the Company's fiscal year and sign to certify such financial statements to present to the shareholders' meeting at the annual general meeting for approval as well as ensuring the reliable disclosure of financial and non-financial information.
- 9) Consider the selection and nomination of the auditor and consider appropriate remuneration as presented by the Audit Committee before presenting to the shareholders' meeting in the annual general meeting for approval.
- 10) Establish a written policy on corporate governance in accordance with the principles of good governance and the effective implementation of such policy and business ethics for ensuring that the Company respects the rights and is responsible for the shareholders and all groups of stakeholders with fairness.
- 11) Consider and approve the appointment of persons who are qualified and do not have any prohibited attributes as stipulated in the Public Limited Companies Act B.E.2535 (including the amendment), Securities and Exchange Act B.E. 2535 (including the amendment), Notifications, regulations and/or related rules in taking office in the event that the director's position becomes vacant for whichever reason apart from the retirement by rotation. Consider approving the appointment of directors to replace those retiring by rotation and determination of directors' remuneration to be presented to the shareholders' meeting for approval.
- 12) Appoint the sub-committees including the Audit Committee, Executive Committee, Nomination and Remuneration Committee, Corporate Governance Committee, or any other sub-committees. Determine the power and duties of the aforementioned sub-committees to assist and support the performance of duties of the Board of Directors.
- 13) Consider determining and amending the names of the directors who have power to bind the company.
- 14) Determine and review the Board structure, size, composition, proportion of independent directors, power, duties and responsibilities as appropriate. The person who will be the Company's director of must be a person who is honest, has vision, knowledge, ability, experience and must devote time to the Company. They are required to perform their duties with independence in making decisions. It is stipulated that there must be at least one female director.
- 15) Consider appointing the executives according to the definitions as prescribed by the Securities and Exchange Commission or the Capital Market Supervisory Board, and the Company's secretary. This is to ensure that the Board of Directors complies with the rules, regulations and corporate governance processes as well as considering the determination of the remuneration of such executives as proposed by the Nomination and Remuneration Committee.
- 16) Assign power, duties and responsibilities in daily business administration to the Chief Executive Officer. Such power and duties are clearly separate from the power and duties of the Chairman. The Board of Directors monitors to ensure the performance of the assigned duties.
- 17) Seek professional opinion from the third party organizations if necessary in order to make an appropriate decision.

- 18) Encourage the directors and executives of the Company to participate in various seminar courses of the Thai Institute of Directors Association in the courses related to duties and responsibilities of directors and executives.
- 19) Supervise the Company's operation to be efficient and protect any interest related to all stakeholders. This is to create value for sustainable business allowing the business to be competitive and have good performance in the long run. Conduct business with ethics in accordance with the Code of Business Conduct. Promote the innovation and adoption of technology to build competitiveness that will benefit society and reduce negative impacts on the environment resulting in the Company to be able to operate the business sustainably and to be able to adapt to changes.

Audit Committee

Office term of the Audit Committee

The Audit Committee holds office for a term of 3 years from the date of appointment. At the end of the term of office, the Chairman of the Audit Committee and the members of the Audit Committee who vacate office upon the expiration of the term may be re-elected to hold office.

Scope of power, duties and responsibilities of the Audit Committee

- 1) Verify to ensure that the Company has accurate and sufficient financial reporting.
- 2) Verify to ensure that the Company has an internal control system and internal audit system that is appropriate, sufficient and efficient. Consider the independence of the internal audit department as well as approving the appointment, transfer, and dismissal of the head of the internal audit department or any other department responsible for internal audit.
- 3) Verify to ensure that the Company complies with the Securities and Exchange Act, regulations of the stock exchange or laws related to the Company's business.
- 4) Consider, select, and propose to appoint an independent person to act as the Company's auditor and offer remuneration for such person including attending the meeting with the auditor without the management attendance at least once a year.
- 5) Consider connected transactions or matters that may have conflicts of interest to be accurate and complete in accordance with the laws and regulations of the Stock Exchange of Thailand to ensure that the transactions are reasonable and for the best benefits of the Company.
- 6) Prepare a report on the results of corporate governance of the Audit Committee to be disclosed in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee. It contains the following information:
 - Opinion on the accuracy, completeness, and reliability of the Company's financial report.
 - Opinion on the adequacy of the Company's internal control system
 - Opinion on the compliance with securities and stock exchange laws, stock exchange requirements, or laws related to the Company's business.
 - Opinion on the suitability of the auditor
 - Opinion on the reports possibly causing conflict of interest
 - Number of Audit Committee meetings and attendance of each Audit Committee member
 - Overall opinion or remarks received by the Audit Committee from the performance of duties in accordance with the Charter and other matters that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.

- 7) Perform other duties as assigned by the Board of Directors
 - 8) In performing the duties of the Audit Committee, if it is found or suspected of the following matters or actions which may have significant impact on the financial position and operating results of the Company, the Audit Committee shall report to the Company's Board of Directors for remedial action within the time as deemed appropriate by the Audit Committee.
 - Matters that cause conflicts of interest
 - Corruption or there is something wrong or significant defect in the internal control system.
 - Violation on the Securities and Exchange Act, regulations of the Stock Exchange of Thailand or laws related to the Company's business.
- If the Company's Board of Directors or executives fail to make corrections within the period under the first paragraph, any member of the Audit Committee may report any transaction or act under paragraph one to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 9) Review and propose to amend the scope of duties and responsibilities of the Audit Committee as deemed appropriate.
 - 10) Review the regulations and operational performance in the past year at least once a year.

Nomination and Remuneration Committee

Office term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee holds office for a term of 3 years from the date of appointment. At the end of the term of office, the members of the Nomination and Remuneration Committee who vacate office upon the expiration of the term may be re-elected to hold office.

Scope of power, duties and responsibilities of the Nomination and Remuneration Committee

- 1) Consider and propose the structure, composition and qualifications of the Board of Directors and the sub-committees.
- 2) Consider the criteria and process for recruiting and nominating a suitable person to be a director to the Board of Directors for considering and proposing to the shareholders' meeting in case the position becomes vacant due to the expiration of the term and present to the Board of Directors in other cases.
- 3) Recommend the names of Company's directors who will hold positions in the Company's sub-committees.
- 4) Consider screening suitable persons to hold the Company's top management positions, namely the Chairman of the Executive Committee in the event that such position is vacant.
- 5) Consider approving the succession plan of the Company's top executives.
- 6) Consider the form and criteria for the remuneration payment to the directors and Chairman of the Executive Committee appropriately.
- 7) Consider and determine the criteria for evaluating the Chairman of the Executive Committee and propose to the Board of Directors for considering approving.
- 8) Evaluate the performance of the Chief Executive Officer and propose to the Board of Directors for consideration.
- 9) Consider and determine the annual remuneration of the Company's directors and top executives including meeting allowance, annual bonuses, welfares and other benefits by proposing the remuneration to the Board of Directors.

Corporate Governance Committee

Scope of power, duties and responsibilities of the Corporate Governance Committee

- 1) Formulate and review policies, requirements and operating procedures to ensure compliance with good corporate governance principles.
- 2) Formulate policies and plans for activities related to social responsibility.
- 3) Follow up on the progress of the corporate governance work plan and social responsibility as well as providing necessary advice and support to those working to achieve the plan.
- 4) Conduct the internal assessment with corporate governance criteria to determine issues that should be improved.
- 5) Represent the Company in communicating and conducting corporate governance activities with the executives, employees and external agencies

Perform any other acts as assigned by the Board of Directors with the approval of the Corporate Governance Committee.

Risk Management Committee

Office term of the Risk Management Committee

The Risk Management Committee holds office for a term of 3 years from the date of appointment. At the end of the term of office, the members of the Risk Management Committee who vacate office upon the expiration of the term may be re-elected to hold office.

Scope of power, duties and responsibilities of the Risk Management Committee

- 1) Consider the policies, guidelines and risk management frameworks to present to the Board of Directors for approval.
- 2) Study and assess potential risks. Suggest ways to prevent and reduce risks. Monitor, evaluate and improve the operation.
- 3) Promote and encourage improvement and develop a risk management system in the Company continuously and regularly.
- 4) Communicate and exchange the information and coordinate the risks and internal controls with the Audit Committee at least once a year.
- 5) Report the meetings that are significant and beneficial to the Company to the Board of Directors.
- 6) Perform any other tasks as assigned by the Board of Directors related to the existing risk management.

Executive Committee

Office term of the Executive Committee

The Executive Committee holds office for a term of 3 years from the date of appointment. At the end of the term of office, the members of the Executive Committee who vacate office upon the expiration of the term may be re-elected to hold office.

Scope of power, duties and responsibilities of the Executive Committee

- 1) Consider and formulate policies, business strategies, goals and action plan, financial goals and the Company's budget appropriately taking into account business factors for proposing and requesting the approval from the Board of Directors. In the case that the situation changes, the Board of Directors will review the use of the approved budget as appropriate for such circumstance.



- 2) Supervise, examine, and monitor the Company's business operations in accordance with the policy, business strategies, goals and action plan, financial goals and the Company's budget which has been approved by the Board of Directors to be efficient and effective, contributing to business conditions along with giving consultation and advice on management to the top executives.
- 3) Determine the organizational structure and policies regarding the Company's management, appointment and transfer of executives in each business. Consider and follow up on the plan for the creation of replacing executives including manpower plan and compensation rules, criteria for evaluating the performance of executives
- 4) Study the feasibility of investing in new projects and has the power to consider and approve the Company to invest or joint venture with any person, juristic person or other business organization in the form as deemed appropriate by the Executive Committee to operate the business according to the Company's objectives. Consider approving the use of such investment funds, entering into a legal contract and/or any action related to such matters until the completion of the specified amount and/or where applicable laws and regulations and/or according to the Company's Articles of Association.
- 5) Follow up on the performance and progress of the investment projects of each business and report the results, including problems or obstacles that arise and guidelines for improvement to the Board of Directors.
- 6) Consider and give suggestions or opinion to the Board of Directors regarding any project, proposal or transaction related to the Company's business operations. This includes considering funding options when necessary and exceeds the limit set forth and/or as required by relevant laws and regulations or the Company's Articles of Association. Require the shareholders' meeting and/or the Board of Directors to consider approving.
- 7) Consider and approve financial transactions with financial institutes for account opening, borrowing, applying for loans, pledges, mortgages, guarantees and others. This includes the purchase and registration of any land ownership according to the objectives for the benefits of the Company's operation as well as entering into a legal contract. Submit an application/proposal, contact the government agency to obtain the rights of the Company and/or any action related to such matters until the completion of the specified amount and/or where applicable laws and regulations or the Company's Articles of Association.
- 8) Consider and approve the rules, regulations, guidelines for management policies and the Company's business operation or any action which is binding on the Company
- 9) Supervise the implementation of the risk management policy and risk management framework in order for the Company to have an effective risk management system throughout the organization and continuous practice.
- 10) Supervise and support the implementation of risk management in accordance with the strategy and operational goals as well as fostering a culture of risk management throughout the organization.
- 11) Review the system or assess the effectiveness of risk management at least once a year.
- 12) Report to the Board of Directors about the risks and risk management plans that are important to the organization. In case of factors or important events that may have a significant impact on the Company, the Board of Directors must be reported for acknowledgment and consideration as soon as possible.
- 13) Appoint and/or assign Executive Committee or any one or more persons to perform any act within the scope of the Executive Board's powers as deemed appropriate by the Executive Committee whereby the Executive Committee may revoke, revoke or amend such power.

- 14) Any authority and responsibility as assigned or according to the policy assigned by the Board of Directors
- 15) Consider approving the manual on the authority to operate so that the appointed person and/or the person authorized to know the scope of their responsibilities and power to use as a manual in operation with reference evidence and follow the steps in a systematic way

President of the Board

Scope of power, duties and responsibilities of the President of the Board

- 1) The President of the Board is not an executive director and is not the same person as the Chief Executive Officer. There is no relationship with the management
- 2) Support, assist, advise the management's business operations through the Chief Executive Officer but will not interfere with the routine or day-to-day business that the management is responsible for by the Chief Executive Officer.
- 3) Chair the Board of Directors' meeting and the Company's shareholders' meeting
- 4) Cast the vote in the event that the Board of Directors' meeting has the votes and the votes of both parties are equal.
- 5) Responsible as the leader of the Board of Directors in supervising, monitoring and overseeing the management of the Executive Committee and other sub-committees to achieve the objectives according to the set work plan.

Chief Executive Officer

Scope of power, duties and responsibilities of the Chief Executive Officer

- 1) Determine policies, strategies, structures and management power as well as responsible for the preparation of strategic plans and annual budget plans as presented by the management to propose to the Board of Directors.
- 2) Control, supervise and operate and/or manage general tasks in accordance with the policies, plans and budgets approved by the Board of Directors.
- 3) Be the Company's attorney to manage the Company's business in accordance with the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and/or resolutions of the Board of Directors' meeting.
- 4) Have the power to act and represent the Company to outsiders in related businesses and benefit the Company.
- 5) Consider and approve the action plans of each department of the Company and approve requests from various departments of the Company that exceeds the authority of the department
- 6) Have power to issue orders, regulations, announcement, records to ensure that operation is in accordance with the policy and the interests of the Company. Maintain the discipline of working in the organization.
- 7) Delegate power and duties to employees in the Company's management level to act in one or more matters as deemed appropriate.
- 8) Approve the appointment of consultants in various fields necessary for the operation of the business and to comply with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 9) Have power, duties and responsibilities in managing subsidiaries and various departments in the Company.
- 10) Perform other actions as assigned by the Board of Directors from time to time



Nomination and Appointment of Directors and Top Executives

Independent directors

The Company has determined the composition of the Board of Directors to consist of independent directors at least one-third of the total number of directors of the Company.

The Board of Directors or shareholders' meeting (as the case may be) will appoint independent directors to join the Company's Board of Directors. The Company has policy to appoint independent directors for not less than one-third of the Board and having at least 3 independent directors.

The criteria for the selection of independent directors are in accordance with the criteria for selecting the Company's directors considering the qualifications and prohibited characteristics of directors under the Public Limited Companies Act and the Securities and Exchange Act, including related notifications, articles of association and/or regulations. The independent directors have educational qualifications, specialization, work experience and other suitability to propose to the shareholders' meeting for consideration and appointment as the Company's director. The Board of Directors may appoint an independent director who has the qualifications specified above to take the position. The independent director who replaces the position can hold office only for the remaining term of the replaced independent director.

The Board of Directors has defined definitions and qualifications of independent directors as follows:

- 1) Hold the shares for not more than 1% of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or controlling person of the Company, including the shareholding of related persons of that independent director.
- 2) Not be or used to be a director who participates in management, worker, employee, consultant who receives a regular salary or controlling person of the Company, parent company, subsidiary company, associated company, affiliate of the same level, major shareholder or of the Company's controlling person unless the foregoing nature has been terminated for not less than two years prior to the date of submission of an application for issuance and offer for sale of securities. Such prohibited characteristics do not include the case where the independent director is a government official or consultant of the government sector, which is a major shareholder or the person who has the authority to control the Company.
- 3) Not be a person who has a blood relationship or by legal registration in the form of father, mother, spouse, siblings and children, including the spouses of the children of other directors, executives, major shareholders, controller, or a person who will be nominated as a director, executive, or person with controlling power of the Company or the subsidiaries.
- 4) Not have or had business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or the person having the authority to control the applicant in a manner that may impede the exercise of one's independent judgment including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or the person having the authority to control the applicant unless having been discharged from the foregoing for not less than 2 years prior to the date of submission of an application for issuance and offer for sale of securities.

- 5) Not be or used to be an auditor of the Company, parent company, subsidiary company, associated company, major shareholder or the person who has the authority to control the Company and is not a significant shareholder controller or a partner of the audit firm which has auditors of the Company, parent company, subsidiary company, associated company, major shareholder or the person having the power to control the Company is affiliated with unless the foregoing relationship has been terminated for not less than 2 years prior to the date of submission of an application for issuance and offer for sale of securities.
- 6) Not be or have been a professional service provider of any kind. This includes serving as a legal or financial advisor which receives service fees of more than 2 million baht per year from the Company, parent company, subsidiary company, associated company, major shareholder or the person who has the authority to control the Company and is not a significant shareholder controller or a partner of that professional service provider unless the foregoing relationship has been terminated for not less than 2 years prior to the date of submission of an application for issuance and offer for sale of securities
- 7) Not be a director appointed to represent the Company's directors, major shareholder or shareholders who are related to the Company's major shareholders.
- 8) Not operate a business with the same nature and a significant competition with the Company's business or a subsidiary or not being a significant partner in the partnership or being a director who takes part in the management, a worker, an employee, a consultant who receives a regular salary or holding more than 1% of the total number of shares with voting rights of other companies which operates businesses with the same nature and is a significant competition with the business of the Company or the subsidiaries.
- 9) Not have any other characteristics that prevent the inability to express independent opinion on the Company's operation.
- 10) Not be a director assigned by the Board of Directors to make decision on the Company's operation, parent company, subsidiary company, associated company, subsidiary of the same level, major shareholder and the Company's controlling person.
- 11) Not be a director of a subsidiary or a subsidiary of the same order only which is a listed company.

In this regard, independent directors shall examine and certify their independent qualifications at least once a year which will be notified together with the director profile report at the end of the year for preparation of the Form 56-1 One Report.

Nomination of Directors and Top Executives

Nomination of directors

In appointing the directors, the Nomination and Remuneration Committee, which consists of 2 independent directors out of the total 3 Nomination and Remuneration Committee, is responsible for the selection process and screening qualified persons according to the Company's Articles of Association and is the person who nominates the qualified candidates to become professional directors and have a variety and propose opinion to the Board of Directors for approval from the directors. The list of such directors will then be presented to the shareholders' meeting to elect the directors according to the following rules.

In this regard, the Nomination and Remuneration Committee has considered the nature of business operations and future plans have set the qualifications of the directors. The person must have good knowledge of the Company's business.

The Nomination and Remuneration Committee provides opportunities for directors and shareholders to participate in the nomination of qualified directors.

The appointment of directors is subject to the following rules and procedures:

- 1) In voting for the election of directors, it is deemed that a shareholder has a vote equal to 1 share per 1 vote.
- 2) In voting for the election of directors, each shareholder can use all the votes he has under 1) to elect one person or more people to be directors. In the event that several persons are elected as directors, the votes cannot be divided among any number of persons.
- 3) The persons receiving the highest number of votes in descending order shall be elected as directors equal to the number of directors to have or to be elected at that time. In the event that the persons elected in descending order have equal votes, exceeding the number of directors to have or to be elected at that time, the Chairman of the meeting shall have a casting vote.

In the case where the position of the director is vacant for reasons other than the expiration of the term, the Nomination and Remuneration Committee shall select qualified persons and does not have any prohibited characteristics under the law on public limited companies and the law on securities and exchange to become a replacement director in the next Board of Directors' meeting unless the remaining term of that director is less than 2 months, whereby the person who is appointed as a replacement director will be in the position of the director for only the remaining term of the director he replaces. The first committee must consist of votes of not less than three-fourths of the remaining directors.

Nomination of the top management

In the nomination of the Chief Executive Officer/Chairman of the Executive Committee, the Executive Committee will be the preliminary consideration in screening and recruiting persons with complete qualifications, suitability, knowledge, abilities, skills and experiences that are beneficial to the Company's operations and understand the business well. They must be able to manage the work to achieve the objectives goals set by the Board of Directors then submit to the Nomination and Remuneration Committee for approval to propose to the Board of Directors for approval.

Supervision of operation of subsidiaries and associated companies

In supervising the operation of the subsidiary, the Company has sent the representative to be a director of the subsidiary. Such person must have qualifications and experience suitable for such business and have no conflict of interest in business. The mentioned representative must manage and supervise the subsidiary's business in accordance with the policies approved by the Company and in accordance with the rules and regulations as stipulated in the Company's Articles of Association and the laws of the related subsidiaries.

In addition, the Company will closely monitor the operating results and operations of such business and present the results of the analysis as well as expressing opinions or suggestions to the Board of Directors of the subsidiaries or associated companies or jointly controlled entities for use in considering the policy making or improvements to promote the business of subsidiaries, associated companies or jointly controlled entities for continual development and growth.

6.2 Business code of ethics

The Board of Directors has established a code of conduct as a guideline and good practice for directors, executives, and employees to adhere to as guidelines for performing duties in accordance with the Company's missions with honesty and fairness in treating all groups of stakeholders of the Company. This includes setting up a system to monitor the implementation of such guidelines on a regular basis. Training has been organized by the Company to clarify employees in order to be aware of the compliance with the Code of Conduct continually. Directors, executives and employees of the Company are obliged to strictly comply with the Code of Conduct. Supervisors at all levels are responsible for monitoring and encouraging subordinates to comply with the prescribed code of conduct and behave as a role model in order to encourage employees to comply. The Company has published the Code of Conduct on the Company's website www.tfg.co.th.

6.3 Significant developments in corporate governance in 2021

- Review the charter of the Board of Directors and sub-committees.
- Review the code of conduct and Corporate Governance Policy
- Establish a policy on responsible sourcing of raw materials (There seems to be something else).
- Improve the performance assessment form of the Company's directors both in group and individual.
- Provide employee engagement surveys.
- Provide a survey on community and social satisfaction.
- Consider the results of corporate governance and sustainability assessment scores from external organizations to improve operations.
- Provide a manual on corporate governance principles.
- Provide plans and procedures for environmental, social and corporate governance.
- Set goals according to the plans and procedures for environmental, social and corporate governance.
- Provide a good corporate governance communication plan such as business ethics, risk management and anti-corruption, No Gift Policy.
- Organize activities to promote human rights, especially the rights of children and women, such as the Care mom Care Child project, breastfeeding rooms.
- Encourage working in the environment, society and governance (Environmental, Social, and Governance: ESG) which could allow the Company to raise funds on ESG bonds that can add to green bonds and sustainability bond. Offer and issue social bond of the Company in the total amount of not more than 1,000 million baht.
- Support to stipulate the management guidelines to prevent the spread of COVID-19, both in the company and in the surrounding communities.

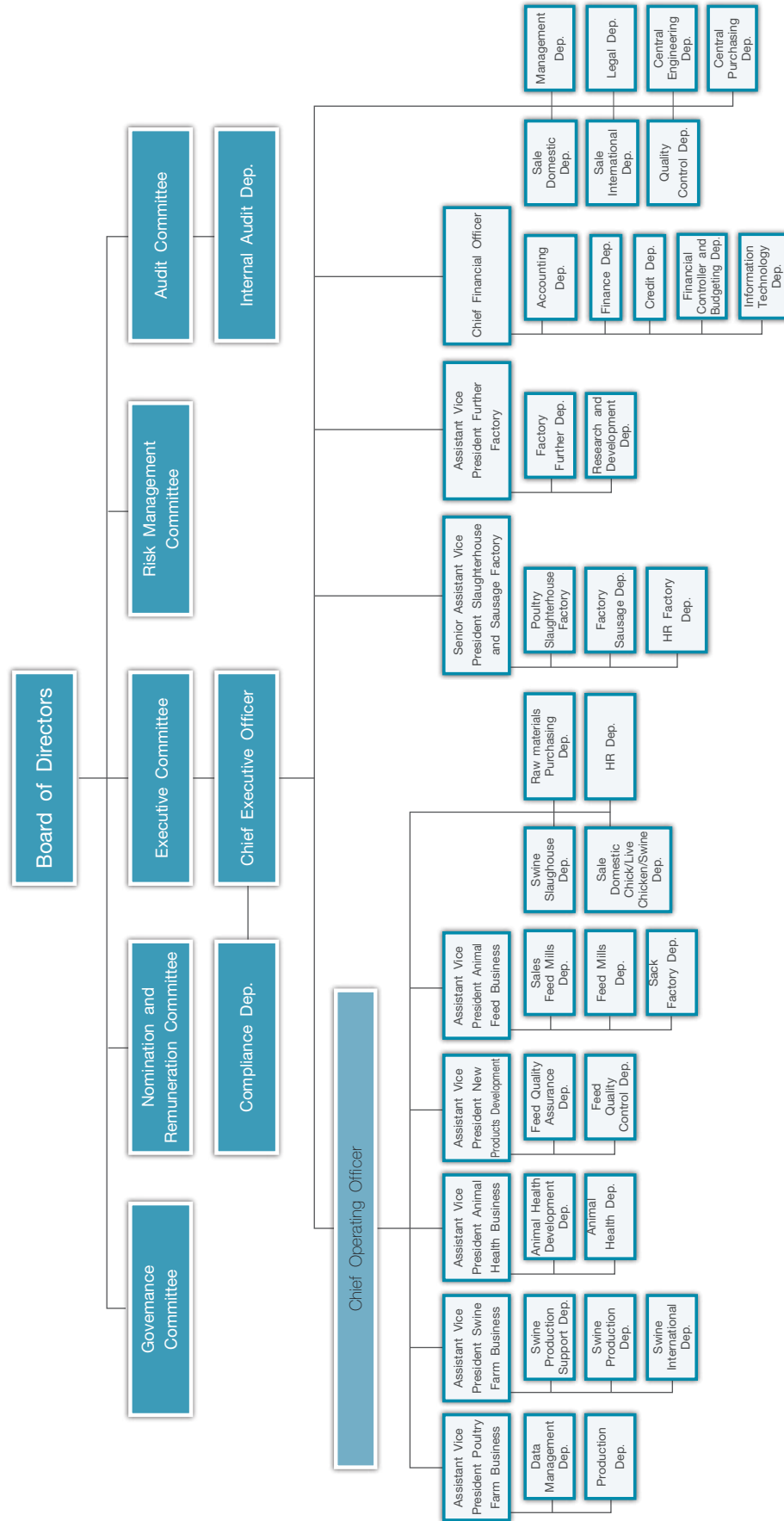
The Company still has some CG Code guidelines that the Company could not be able to implement in 2021 as follows:

The Company has no policy for independent directors to hold office for more than 9 years from the date of first appointment as independent director. However, at present, there is no independent director who holds office more than 9 years from the date of being appointed as an independent director for the first time.



7. Management and Shareholding Structure

7.1 The Organization Chart of the Company as of 31 December 2021 are as follows;



7.2 The Board of Directors

As of 31 December 2021, the Board of Directors structure of the Company consists of 1) Board of Directors and 2) sub-committee which are five committees, namely Audit Committee, Nomination and Remuneration Committee, Governance Committee, Risk Management Committee, Executive Committee, and 3) Managements.

Board of Directors

As of 31 December 2021, the Board of Directors consists of 8 members are as follows:

Name	Position
1. Mr. Weerasak Ungkajornkul	Chairman of the Board of Director/ Independent Director
2. Mr. Winai Teawsomboonkij	Director
3. Mr. Phet Nantavisai	Director
4. Ms. Siriluck Tangwiboonpanich	Director
5. Mr. Prasit Wasupath	Independent Director
6. Mr. Weidt Nuchcharoen	Chairman of Audit Committee Director/ Independent Director
7. Mr. Assanee Subvanich	Audit Committee/ Independent Director
8. Mr. Udomsak Nitimontree	Audit Committee/ Independent Director

Mr. Winai Teawsomboonkij Mr. Phet Nantavisai Ms. Siriluck Tangwiboonpanich are authorized directors who can sign on behalf of the Company which two of these three directors jointly sign with the Company's seal affixed.

Director Attendant the Meeting

The details of Director was attend the Meeting as follows

Name	No. of Attendant the Meeting
1. Mr. Weerasak Ungkajornkul	7/7
2. Mr. Winai Teawsomboonkij	7/7
3. Mr. Phet Nantavisai	7/7
4. Ms. Siriluck Tangwiboonpanich	7/7
5. Mr. Prasit Wasupath	7/7
6. Mr. Weidt Nuchcharoen	7/7
7. Mr. Assanee Subvanich	7/7
8. Mr. Udomsak Nitimontree	7/7

Ms. Siriluck Tangwiboonpanich is the secretary to our Board of Directors and the Company's Secretary.

In 2021, there was a consultation meeting among non-executive directors on matters related to the management of the Company without the management attending the meeting 1 time.

The number of attendant of the Director was 100%.



Audit Committee

As of 31 December 2021, Audit Committee consists of 3 members are as follows:

Name	Position
1. Mr. Weidt Nuchcharoen	Chairman of Audit Committee Director/ Independent Director
2. Mr. Assanee Subvanich	Audit Committee/ Independent Director
3. Mr. Udomsak Nitimontree	Audit Committee/ Independent Director

Mr. Weidt Nuchcharoen have knowledge and experience in matters of accounting and finance to audit the reliability of the financial statement. Mr. Weidt Nuchcharoen has a Master's degree in Business and Accountancy from Thammasat University.

The details of Audit Committee was attend the Meeting as follows;

Name	No. of Attendant the Meeting
1. Mr. Weidt Nuchcharoen	4/5
2. Mr. Assanee Subvanich	5/5
3. Mr. Udomsak Nitimontree	5/5

Nomination and Remuneration Committee

As of 31 December 2021, Nomination and Remuneration Committee consists of 3 members are as follows;

Name	Position
1. Mr. Weerasak Ungkajornkul	Chairman of the Nomination and Remuneration Committee
2. Mr. Weidt Nuchcharoen	Nomination and Remuneration Committee
3. Mr. Udomsak Nitimontree	Nomination and Remuneration Committee

The details of Nomination and Remuneration Committee was attend the Meeting as follows;

Name	No. of Attendant the Meeting
1. Mr. Weerasak Ungkajornkul	1/1
2. Mr. Weidt Nuchcharoen	1/1
3. Mr. Udomsak Nitimontree	1/1

Governance Committee

As of 31 December 2021, Governance Committee consists of 3 members are as follows;

Name	Position
1. Mr. Prasit Wasupath	Chairman of the Governance Committee
2. Ms. Siriluck Tangwiboonpanich	Governance Committee
3. Mr. Assanee Subvanich	Governance Committee

The details of Corporate Governance Committee was attend the Meeting as follows;

Name	No. of Attendant the Meeting
1. Mr. Prasit Wasupath	4/4
2. Ms. Siriluck Tangwiboonpanich	4/4
3. Mr. Assanee Subvanich	4/4

Risk Management Committee

As of 31 December 2021, Risk Management Committee consists of 3 members are as follows;

Name	Position
1. Mr. Weerasak Ungkajornkul	Chairman of the Risk Management Committee
2. Mr. Phet Nantavisai	Risk Management Committee
3. Mr. Prasit Wasupath	Risk Management Committee

The details of Risk Management Committee was attend the Meeting as follows;

Name	No. of Attendant the Meeting
1. Mr. Weerasak Ungkajornkul	5/5
2. Mr. Phet Nantavisai	5/5
3. Mr. Prasit Wasupath	5/5

Executive Committee

As of 31 December 2021, Executive Committees consist of 3 members are as follows:

Name	Position
1. Mr. Winai Teawsomboonkij	Chairman of Executive Committee
2. Mr. Phet Nantavisai	Executive Committee
3. Ms. Siriluck Tangwiboonpanich	Executive Committee



Managements

As of 31 December 2021, managements consist of 10 members are as follows:

Name	Position
1. Mr. Winai Teawsomboonkij	Chief Executive Officer
2. Mr. Phet Nantavisai	Chief Operating Officer
3. Ms. Siriluck Tangwiboonpanich	Chief Financial Officer
4. Mr. Sugun Thampon	Senior Assistant Vice President Slaughterhouse and Sausage Factory
5. Mr. Santi Wutisela	Assistant Vice President Poultry Farm Business
6. Mr. Patipan Chaipanya	Assistant Vice President Animal Health Business
7. Mr. Narongrit Khwaukhwasap	Assistant Vice President Swine Farm Business
8. Ms. Patrapan Rungcharoen	Assistant Vice President New Product Development
9. Mr. Pichet Mongkolsiriwatana	Assistant Vice President Animal Feed Business
10. Mr. Panya Sakunchot	Assistant Vice President Further Factory

Company's Secretary

Our Board of Directors Meeting on 29 February 2016 resolved to approve the appointment of Ms. Siriluck Tangwiboonpanich to be our Company's Secretary in compliance with the requirements of the Securities and Exchange Act.

Mr. Siriluck Tangwiboonpanich has a Bachelor's degree of Business Administration (Accounting), Kasetsart University and Master degree of Business Administration (Finance), Kasetsart University.

Remuneration of our Board of Director and Executives

Remuneration of our Board of Directors

Monetary Remuneration

As of 31 December 2021, the total remuneration paid by the Company 8 members of the Board of Directors total amounted 9,473,184.72 Baht as follow:

Name	Remuneration (Baht)							
	Board of Directors	Audit Committee	Nomination and Remuneration	Governance	Risk Management	Monthly	Bonus 2021	Total
1. Mr. Weerasak Ungkajornkul	245,000	-	35,000	-	175,000	840,000	110,398.09	1,405,398.09
2. Mr. Winai Teawsomboonkij	175,000	-	-	-	-	720,000	110,398.09	1,005,398.09
3. Mr. Phet Nantavisai	175,000	-	-	-	125,000	720,000	110,398.09	1,130,398.09
4. Ms. Siriluck Tangwiboonpanich	175,000	-	-	100,000	-	720,000	110,398.09	1,105,398.09
5. Mr. Prasit Wasupath	175,000	-	-	140,000	125,000	720,000	110,398.09	1,270,398.09
6. Mr. Weidt Nuchcharoen	175,000	140,000	25,000	-	-	720,000	110,398.09	1,170,398.09
7. Mr. Assanee Subvanich	175,000	125,000	-	100,000	-	720,000	110,398.09	1,230,398.09
8. Mr. Udomsak Nitimontree	175,000	125,000	25,000	-	-	720,000	110,398.09	1,155,398.09
Total	1,470,000	390,000	85,000	340,000	425,000	5,880,000	883,184.72	9,473,184.72

Other Remuneration

-None-

Remuneration of our Executives

Monetary Remuneration

In determining the remuneration of the executives, the Company determines to evaluate the performance of the executives annually in accordance with the Company's performance appraisal principles, which are important as follows:

1. Key Performance Indicators (KPIs) according to the status of annual achievements which is in line with the goals of the Company performance and financial results consistent with the duties and responsibilities of the management.
2. Competency that are consistent with the duties and responsibilities of the executives in terms of desirable behavior and professional quality and functional skill.

In 2021, there are 10 senior executives according to the Securities and Exchange Commission of Thailand criteria no executives resigned during the year. The Company determines the remuneration of the top management in the form of salary, bonus and contributions to the provident fund. As of December 31, 2021, the Company has remuneration to the management in the amount of Baht 69.89 million which is salary, bonus and other compensation. The details are as follows.

As of 31 December 2021, the total remuneration paid by the Company to the Executives total amounted Baht 69.89 million as follow:

Type of Remuneration	2021		2020	
	Number of Executives	Total Amount (Mil Baht)	Number of Executives	Total Amount (Mil Baht)
Monthly salary	10	37.16	10	34.17
Bonus	10	23.48	10	19.99
Other expenses	10	9.25	10	6.64
Total		69.89		60.80

Notes : Other expenses include travel allowance and a phone allowance.

In 2021, there are 3 executives who receive remuneration from being directors in the Company. Total amount of Baht 3,241,194.27.



Other Remuneration

The Company provide a company car with the value not exceeding Baht 1 million.

Employees

No. of Employees

As of 31 December 2021, there were a total number of 3,235 employees by the Company as follow:

Department	As at 31 December 2021	As at 31 December 2020
	Number of employees	Number of employees
1. Manangement	10	10
2. Poultry Unit	478	445
3. Swine Unit	62	48
4. Further Factory Unit	173	147
5. Chicken Sausage Unit	50	37
6. Animal Feed Factory Unit	647	603
7. Sales and Marketing Business	168	166
8. Swine Farm Business	263	229
9. Chicken Farm Business	245	251
10. Quality Management	28	147
11. Animal Health Work	94	83
12. New Product Development	100	92
13. Farm Work Support	75	78
14. Accounting and Finance	195	169
15. Administrative Support	71	61
16. Food Blessing Business Group (1988)	142	0
17. Money Hub Business Group	30	0
18. Thai Foods Fresh Market Business Group	360	17
19. Other	44	148
Total	3,235	2,731

Remuneration of Employees

In 2021, the total remuneration paid by the Company to our employees total amounted Baht 1,596.34 million for 3,235 employees and in 2020, the total remuneration paid by the Company to our employees total amounted Baht 1,297.76 million for 2,731 employees including salary, bonus, and other types of remuneration, as follow:

Type of Remuneration	As at 31 December 2021		As at 31 December 2020	
	Number of Executives	Total Amount (Mil Baht)	Number of Executives	Total Amount (Mil Baht)
Monthly salary	3,235	824.07	2,731	789.39
Bonus		326.77		301.92
Other expenses		445.49		206.45
Total		1,596.34		1,297.76

Note : Number of employees are monthly employees.

Our provident funds were founded on 1 July 2014.



Human Resource Development Policy

We focus on human resource development so that our employees have the knowledge and ability to contribute to our operations and future growth. On an annual basis we review the training offered to our employees. We regularly arrange for our employees to attend appropriate external and internal courses, and monitor and assess the result of these courses. For the year ended 31 December 2021, a training budget of Baht 1.99 million

Labor Dispute

As at 31 December 2021, we were not involved in any material legal dispute with our employees and no employees were members of any labor union.

Shareholding of Directors and Management

Name	Common Share (Shares)				
	31 December 2021		31 December 2020		Change Increase/ (Decrease)
	Direct	Indirect	Direct	Indirect	
Directors					
1. Mr. Weerasak Ungkajornkul	-	-	-	-	-
2. Mr. Winai Teawsomboonkij	1,006,224,717	3,304,756,674	976,256,675	3,252,056,356	82,668,360
3. Mr. Phet Nantavisai	199,388	-	-	-	199,388
4. Ms. Siriluck Tangwiboonpanich	113,263	-	-	-	113,263
5. Mr. Prasit Wasupath	-	-	-	-	-
6. Mr. Weidt Nuchcharoen	-	-	-	-	-
7. Mr. Assanee Subvanich	-	-	-	-	-
8. Mr. Udomsak Nitimontree	-	-	-	-	-
Managements					
1. Mr. Sugun Thampon	123,725	-	1,300,000	-	(1,176,275)
2. Mr. Santi Wutisela	98,768	-	-	-	98,768
3. Mr. Patipan Chaipanya	92,732	-	-	-	92,732
4. Mr. Narongrit Khwuankhwaisap	99,878	-	-	-	99,878
5. Ms. Patrapan Rungcharoen	84,372	-	-	-	84,372
6. Mr. Pichet Mongkolsiriwatana	95,398	-	10,000	-	85,398
7. Mr. Panya Sakunchot	97,399	-	17,000	-	80,399



8. Report on Key Performance in Corporate Governance

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

Recruiting, developing, and evaluating the performance of the Board of Directors

The Board of Directors has assigned the Nomination and Remuneration Committee to consider the Nomination of Directors, including considering and screening those who are suitable to be directors with appropriate criteria and nomination process. The Chairman of the Nomination and Remuneration Committee and the Nomination and Remuneration Committee are all independent directors. In order to have suitable directors and for the business to be competitive and have sustainable good performance under consideration of ethical considerations, beneficial to society, and the environment. All company directors must have qualifications and not have any prohibited characteristics as stipulated in the law on public limited companies about Securities and Exchange Laws, including relevant rules, regulations, and announcements.

In 2021, all directors of the Company are domiciled and resident in Thailand. and is a person with a wide range of knowledge, abilities, skills and experiences (Board Skills Matrix) on the committee, such as educational qualifications and work experience that are beneficial to the company's business operations. Including a succession plan (Succession Plan) in conjunction with the management development plan. (Succession Plan Management) In this regard, the company promotes and supports the development of knowledge in various fields for directors and executives at all levels, the company supports the cost of training for directors and executives such as rules, regulations, laws (Compliance), innovation, or the reduction of negative impacts on the environment.

The Company has assessed the Board's performance, sub-committees and the Chairman of the Executive Committee by the Board Performance Assessment Form and the performance appraisal form of the sub-committees It covers the assessment criteria on the topic Board structure and qualifications Board meetings and the roles, duties and responsibilities of the Board of Directors. The results of the performance appraisal of the Board of Directors Sub-committees in 2021 have the following important things.

Board evaluation results (updated information on March 21, 2022)

Board of Directors	Faculty percentage	Individual percentage
Board of Directors		
Board evaluation results	95.31	98.13
sub-committees		
Audit Committee Assessment Results	97.62	98.33
Nomination and Remuneration Committee Assessment Result	98.61	100.00
Risk Management Committee Assessment Result	100.00	100.00
Results of the assessment of the Corporate Governance Committee	98.33	96.67

The results of corporate governance for the year 2021

- The Company participated in the Corporate Governance Survey of Thai Listed Companies Year 2021, which was assessed by the Thai Institute of Directors Association. The company received an average overall rating of “very good” or at a 4-star level.
- The Company participated in the Sustainability Assessment Program of Listed Companies for the year 2021, which was assessed by the Stock Exchange of Thailand. The Company has been selected to be on the Sustainable Stock List for the year 2021 for the 3rd consecutive year from 2019 to the present.
- The Company was rated by Thaipat Institute as one of the 100 outstanding listed securities in the environment, society and governance or ESG100 for the year 2021, which is another pride of the company reflecting the business operation that takes into account the growth of business together with society, focus on environment and adhere to the principles of good governance.
- The Company participated in the project to award outstanding ethics by the Thai Chamber of Commerce for the year 2021, organized by the Thai Chamber of Commerce Award of Excellence Project. The Company received an Outstanding Code of Conduct Award from the Thai Chamber of Commerce for the year 2021, which demonstrates the Company’s implementation of Good Corporate Governance in managing the organization to continually progress and conducting business using the Code of Conduct to be widely accepted.
- The company received an honorary certificate of Sustainability Disclosure Recognition from Thaipat Institute at the awards ceremony at the Sustainability Disclosure Community Awards 2021, this prestigious award will be given to listed companies that recognize and attaches importance to dissemination of operational information It covers economic, social, environmental, or ESG (Environmental, Social and Governance) issues in addition to financial information. which shows the sustainability of the business which will benefit the group of stakeholders of the business and responding to the Sustainable Development Goals.
- The Company received the Outstanding Establishment Award for Labor Relations and Labor Welfare for the year 2021.
- The Company received the award for the establishment of the good labor practice for the year 2021.
- Company and its affiliates Received a plaque and certificate of “CSR-DIW Continuous Award 2021” which has passed the standards of the project to promote industrial factories for social responsibility and community sustainability (CSR-DIW Continuous) year 2021

Overview of activities to disclose information to shareholders and investor relations in 2021

Arranging a newsletter related to the company’s performance	4 copies
Organizing meetings with analysts	2 copies



8.2 Remuneration for directors, executives, and employees

Director's Remuneration

The Board of Directors has appointed the Nomination and Remuneration Committee to consider criteria and form of remuneration for directors' sub-committees propose to the Board of Directors. The guidelines for considering the remuneration are as follows.

1. Determination of the Board of Directors' remuneration such as monthly remuneration and meeting allowance without compensation in other forms, both monetary and non-monetary.
2. Determination of directors' remuneration by considering the duties and responsibilities of directors, in addition to considering and comparing the guidelines for remuneration of directors of other companies in the same industry as well.
3. The chairman of the Board of Directors and the chairman of the committees receive additional remuneration from the directors at a normal rate of approximately 40 percent.
4. All sub-committees receive remuneration only for meeting allowances per meeting according to the number of meetings attended without any other forms of remuneration, both monetary and non-monetary.
5. Determination of remuneration for the Board of Directors and sub-committees must be approved by the shareholders' meeting.

The remuneration of the Board of Directors and sub-committees must be approved by the shareholders' meeting. Remuneration in 2021, the Company presented to the 2021 Annual General Meeting of Shareholders on April 22, 2021 and the meeting had Resolution to approve the remuneration of the Board of Directors and sub-committees at the rates as follows.

Board	Monthly compensation/person	Meeting allowance per meeting/person
1. Board of Directors		
Chairman	70,000 baht	35,000 baht
Director	60,000 baht	25,000 baht
2. Sub-committees, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee		
Chairman	n/a	35,000 baht
Director	n/a	25,000 baht

Referee bonus

Position	Annal Compression
Chairman	No more than 0.15% of the dividend that are paid to shareholders
Director	

Executive High-Level Remuneration

Chief Executive Officer Remuneration Chief Operating Officer and the chief accountant and Finances are in accordance with appropriate rules and in accordance with duties and scope of responsibility.

Executive Remuneration

For determination of the remuneration of the executives the company requires an annual performance appraisal of executives in accordance with the Company's performance appraisal principles Which are important as follows:

1. Key Performance Indicators (KPIs) based on the status of annual achievements which are in line with the company's goals, operational results and financial results in line with the duties and responsibilities of the management.
2. Performance indicators (Competency) that are consistent with the duties and responsibilities of the executives.

Both in terms of desirable behavior (Desired Behavior) and the ability to work (Professional Quality) and the ability to work in the job (Functional Skill)

8.3 Report on the performance of the Audit Committee in the past year

The Audit Committee has performed duties as assigned by the Board of Directors and in accordance with the Charter of the Board of Directors. Audit Committee Emphasis is placed on defining the structure and working processes that are systematic, reviewing the Company's compliance with the principles of good corporate governance. There is an adequate risk management system. and having a control system efficient and effective internal.

During the year 2021, 5 Audit Committees meetings were held, with meetings with the Board of Directors. risk management in addition to the regular meeting with the auditor Summary of important matters in the performance of duties of Audit Committee as follows

1. **Review of financial reports.** The Audit Committee has reviewed the quarterly and annual financial statements and financial reports, including related transactions. Items that may have conflicts of interest together with the management, the internal audit department and the auditor to consider financial reports, disclosure of information accompanying financial statements accounting policy and important accounting estimates as well as to consider the explanation and analysis of the financial and Company performance to ensure that the preparation of financial statements is in accordance with the requirements of the law, financial reporting standards of Thailand. and the Securities and Exchange Commission reliable and timely, including disclosure of information sufficiently and useful to users of the financial statements. In addition, the Audit Committee held a meeting with the auditor without management. to ensure that the auditor has performed and demonstrated opinion freely and the audit plan covers the risks of inaccurate financial statements.
2. **Review of internal control system and internal audit work.** The Audit Committee reviewed the results of the assessment. The internal control system that the Internal Audit Department reports every quarter. found that the internal control system has enough suitable for business This is consistent with the opinion of the auditor who reported that there were no issues or problems. Significant deficiencies that affect the Company's financial statements.



for internal audit The Audit Committee has reviewed the annual audit plan, the implementation of the plan Audit results of the Internal Audit Department by providing recommendations and following up on remedial action on significant issues to create good corporate governance and have adequate and appropriate internal control.

3. **Risk Management Review.** The Audit Committee reviewed the sufficiency and effectiveness of Risk management processes that may arise from within and outside the organization including risk management policies plans and guidelines for managing risks that affect the Company's performance on a regular basis Every quarter with management and provide suggestions for further improvement.
4. **Good Corporate Governance Review.** The Audit Committee reviewed the Company's compliance with policies, governance and code of conduct, including compliance with rules and laws for related transactions and Items that may have conflicts of interest The Audit Committee has assigned the Operations Compliance Department. Corporate Governance and Risk Management Report to the Audit Committee on a quarterly basis and to practice and disclose to be in accordance with the law on securities and exchange Regulations of the Stock Exchange of Thailand and laws related to the company's business.
5. **To consider the appointment of the auditor for the year 2022.** The Audit Committee has worked with the management to consider the appointment, and determine the auditor's remuneration for the year 2022 based on experience, knowledge, capability, independence and reasonable audit fees, and presented an opinion to the Board of Directors, to present for approval Annual General Meeting of Shareholders To appoint KPMG Phoomchai Audit Ltd. by Mr. Veerachai Ratanajaratkul, Certified Public Accountant Registration No. 4323 and/or Ms. Suchitramasena, Certified Public Accountant Registration No. 8645 and/or Ms. Nareewan Chaibandat, Certified Public Accountant Registration No. 9219, is the auditor for the year 2022.

In summary, the overview The Audit Committee has performed its duties independently. By using knowledge, skills and careful care as well as giving opinions and suggestions in a constructive way for the benefit of those who have equal interest The Audit Committee is of the opinion that the Company's financial reports are accurate, reliable, in accordance with financial reporting standards and generally accepted accounting principles. Achieving the goals of the company with quality, as well as attaching great importance to operating under an effective, transparent and reliable corporate governance system, including internal control systems and internal audits, appropriate and effective.

8.4 Summary of the performance of other sub-committees

Nomination and Remuneration Committee

During the year 2021, the Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors, which can be summarized as follows:

The Nomination and Remuneration Committee consists of 3 members, all of whom are independent directors is fully qualified in accordance with the specified laws and regulations. including performing duties According to the scope of responsibilities assigned by the Board of Directors, in the year 2021, the Nomination and Remuneration Committee held a total of 1 meeting to consider the nomination, selection and screening of the qualifications of suitable persons to hold the positions of the Company's directors. by considering the suitability that will be the best benefit to the Company according to the composition of the Board of Directors coupled with properties Knowledge, competence, experience and expertise which will select qualified persons to be presented to the Board of Directors' meeting for approval. and presented to the general meeting of shareholders with the performance of duties and responsibilities as stipulated in the Charter including taking into account the best interests of the Company and all stakeholders.

Corporate Governance Committee

During the year 2021, there are 3 members of the Corporate Governance Committee, with all of the Chairman of the Corporate Governance Committee being the independent directors are qualified. The Corporate Governance Committee has performed duties as assigned by Board of Directors, such as corporate governance in accordance with the good corporate governance policy Review the policy and follow up on the results. Overseeing the Company's business. In 2021, the Corporate Governance Committee held a total of 4 meetings, summarizing the results of its duties as follows:

1. Consider reviewing and improving the corporate governance policy to be appropriate and consistent with the Company's operations.
2. Acknowledge the results of compliance with the Corporate Governance Policy for the year 2020
3. Acknowledge the Company's social responsibility and sustainable development performance for the year 2020
4. Consider giving approval to the Sustainability Report for the year 2020
5. Support the integration of work with the United Nations Sustainable Development Goals (SDGs).
6. Consider giving approval to the review of the Company's sustainable development strategy and goals for the year 2020.
7. Promote activities on sustainable community, social and environmental responsibility.
8. Assessment of environmental, social and corporate governance risks for the year 2020



Risk Management Committee

In 2021, the Risk Management Committee consists of 3 members, with the Chairman of the Risk Management Committee being independent directors, all of whom have appropriate qualifications. The Risk Management Committee has performed duties as assigned by the Board of Directors, such as overseeing compliance with risk management policies and risk management framework to enable the company to have an effective risk management system throughout the organization and to continually operate, review policies and monitor risk management frameworks. and risk management plans Identification of risk management assessments to enable in 2021, the Risk Management Committee held a total of 5 meetings. In addition, the Risk Management Committee attended a meeting with the Audit Committee to discuss and exchange opinions amongst themselves.

The Risk Management Committee has monitored and reported risks appropriately and promoted a system. transparent and efficient corporate governance The Risk Management Committee has determined the framework Risk and acceptable risk level Consider reviewing and improving corporate risk management for the year 2020 to be appropriate and consistent with the Company's operations. Provide advice and follow up on management progress Enterprise Risk Promote the communication of risk management policies and create a risk management culture. The Company has assigned every unit in the company to be responsible for the risks (Risk Owner) by allowing every unit to have a risk assessment, risk indicators. and monitoring the risk control of each unit in the management and guidelines Hedging so that the risk level is reduced to an acceptable level.

The Risk Management Committee has monitored risk management including strategic risks. Operational Risk Financial Risk Relevant regulatory or legal risks emerging risks and environmental, social and corporate governance risks. Furthermore, the Risk Committee has monitored the management results. Corporate risk on a quarterly basis as well as giving recommendations to improve risk management get better.

9. Internal Control and Risk Management

In the Board Meeting No.1/2022 held on February 24, 2022, where the Audit Committee also attended, the Board reviewed the adequacy of internal control within the Company as presented by the Audit Committee in a format prescribed by the Securities and Exchange Commission based on COSO's internal control framework. The framework incorporates 5 following questions: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. Following the review, the Board is of the opinion that the Company's internal control system was sufficient and appropriate which could help the Company's business operation to achieve goal or mission with efficiency and effectiveness and safeguard the assets from fraud. The financial report of the Company was accurate and reliable in accordance with the financial reporting standards and the generally accepted accounting standards. In summary, opinions from both Internal Audit Division and External Auditor of KPMG Poomchai Audit Ltd. were agreed that the internal control system of the Company is sufficient and satisfactory. The Company's financial statements for the year ended December 31, 2021, were correct, reliable, free from material misstatement, whether due to fraud or error and presented fairly in all material respect.

Head of Internal Audit

In the Audit Committee Meeting No.1/2017 held on February 23, 2017, the Committee was appointed Ms. Pattama Hongsittiwongse, who serves as Internal Audit Division Manager to be a Secretary to the Committee. She has knowledge, abilities and work experience and is qualified to efficiently and adequately perform roles as assigned.

The appointment, transfer and termination of employment of the Head of Internal Audit department shall be subject to the Audit Committee's approval.

Head of Compliance

The Company has appointed Ms. Oranuch Pensirivorasap in position of Head of Compliance department to oversee the compliance of the regulatory authorities responsible for overseeing the Company's business operations.

RELATED PARTY TRANSACTIONS

Related Parties

The Company and subsidiaries had business transactions with related parties. Our relationships with such related parties are summarized below;

Related Person	Relationship
Mr. Winai Teawsomboonkij	<ul style="list-style-type: none"> - Principal shareholder, owns 17.83% of the Company's shares (as of 31 December 2021) - Director, Chairman of the Executive Committee and Chief Executive Officer of the Company
Thai Viet Agri Group ("TVAG")	<ul style="list-style-type: none"> - TVAG produces animal feed in Vietnam. - Seapeak Holding Company Limited hold TVAG 100% shares and controlled by Mr. Winai Teawsomboonkij. - TVAG have no the same shareholders and directors with the Company's group. - TVAG was controlled by Mr. Winai Teawsomboonkij who is the Company's director. - TVAG renew the land lease agreement for another 5 years from 1 June 2017 until 31 July 2022 - For Seapeak Holding Company Limited ("Seapeak") which hold TVAG's share. The Company's group decide to do not the business with Seapeak. Moreover Seapeak would not do the similar business and/or competition business with the Company's group. The Board of Directors and the Audit Committees recommend the Company should report the progress to the meeting.
Seven Foods Co., Ltd. (Operate in Japan)	<ul style="list-style-type: none"> - Seven Foods Co., Ltd. operate distribute frozen chicken products. - T Paragon Holding Company Limited which the subsidiary of the Company, hold Seven Foods Co., Ltd. 45.71% of total share. - Seven Foods Co., Ltd. have no the same shareholders and directors with the Company's group.
TF Tech Holding Co., Ltd	<ul style="list-style-type: none"> - TF Tech Holding Co., Ltd operate holding company - Thai Foods Green Energy Co., Ltd which the subsidiary of the Company, hold TF Tech Holding Co., Ltd. 40.00% of total share.
TF Tech Co., Ltd	<ul style="list-style-type: none"> - TF Tech Co., Ltd operate renewable energy business - TF Tech Holding Co., Ltd hold TF Tech Co., Ltd 99.99% of total share.
TF Tech Power Co., Ltd	<ul style="list-style-type: none"> - TF Tech Power Co., Ltd operate renewable energy business - TF Tech Holding Co., Ltd hold TF Tech Power Co., Ltd 99.99% of total share.
Genepeutic Bio Co., Ltd	<ul style="list-style-type: none"> - Genepeutic Bio Co., Ltd operate examination and treatment of leukemia-related diseases that gene therapy treatment. - Thaifoods Service and Supply Co., Ltd which the subsidiary of the Company, hold Genepeutic Bio Co., Ltd 26.00% of total share.

Related Person	Relationship
Thaifoods Nucleus Genetics Co., Ltd.	<ul style="list-style-type: none"> - Thaifoods Nucleus Genetics Co., Ltd engages in business related to the production and distribution of breeding pigs - Thaifoods Service and Supply Co.,Ltd which the subsidiary of the Company, hold Thaifoods Nucleus Genetics Co., Ltd 50.00% of total share.

Summary detail of related transactions of related parties which may conflict of interest for the year 2019 - 2021 as follows;

Name	Nature of Transaction	Value of Transaction (Million Baht)			Reason and Necessity and Opinion of the Audit Committee
		2021	2020	2019	
Thai Viet Agri Group ("TVAG")	<u>Purchase Transactions</u> TVC purchases animal feed from TVAG at the price of TVAG'S cost plus 5%, as the purchase price is considered to be fair compared to the prices of the other suppliers.				The Audit Committee emphasized that these were normal transactions and the price of the purchase is the market price and comparable to that of other suppliers and concluded that these transactions were justifiable and fair. - TVAG may extend land lease agreement 5 years from 1 June 2017 to 31 July 2022.
	<ul style="list-style-type: none"> - Purchases - Accounts Payable 	616.35 120.03	282.06 52.69	289.16 44.74	
	<u>Contract Farming</u> TVC hired TVAG to raise the pigs at the price stated in the contract farming contract which is similar to TVC'S other contract farming contracts.				The Audit Committee is of the opinion that the said remuneration is a normal business transaction, with the same terms and conditions as those in other party contracts. With no relationship, therefore, sees that the transaction is reasonable and has a fair price
	<ul style="list-style-type: none"> - Cost of Contract Farming - Accounts Payable 	2.93 -	11.73 2.27	18.50 5.99	
Seven Foods Co., Ltd. (Japan)	Thaifoods Group sells chicken parts to seven foods to market price as same as other clients				The Audit Committee emphasized that these are normal transactions and the prices were the market rate and comparable to that of other companies and concluded that these transactions were justifiable and fair.
	<ul style="list-style-type: none"> - Sales of Goods - Accounts Receivable 	98.99 26.68	127.04 31.23	174.55 62.01	
TF Tech Holding Co., Ltd.	The Company's group has service fees with the market price is comparable to serving other customers.				The Audit Committee is of the opinion that the fee is a normal business transaction, with the same terms and conditions as those in other party contracts. With no relationship, therefore, sees that the transaction is reasonable and has a fair price.
	- Rental income and related service income	0.26	0.04	-	
	- Other income	0.24	0.04	-	
	- Other Accounts Receivable	0.48	0.09	-	
	- Loan	79.30	-	-	
	- Interest income	1.52	-	-	



Name	Nature of Transaction	Value of Transaction (Million Baht)			Reason and Necessity and Opinion of the Audit Committee
		2021	2020	2019	
TF Tech Co., Ltd.	The Company's group has service fees with the market price is comparable to serving other customers.				The Audit Committee is of the opinion that the fee is a normal business transaction, with the same terms and conditions as those in other party contracts. With no relationship, therefore, sees that the transaction is reasonable and has a fair price.
	- Rental income and related service income	0.58	0.45	-	
	- Other income	0.24	0.22	-	
	- Interest Income	-	2.45	-	
	- Purchase (Electricity)	59.82	15.23	-	
	- Other Accounts Receivable	0.00	0.19	-	
	- Other Accounts Payable	5.52	4.96	-	
TF Tech Power Co., Ltd.	The Company's group has service fees with the market price is comparable to serving other customers.				The Audit Committee is of the opinion that the fee is a normal business transaction, with the same terms and conditions as those in other party contracts. With no relationship, therefore, sees that the transaction is reasonable and has a fair price.
	- Rental income and related service income	0.32	0.05	-	
	- Other income	0.24	0.04	-	
	- Other Accounts Receivable	0.06	0.09	-	
	- Other expenses	3.28	-	-	
	- Other Accounts Payable	3.42	-	-	
Genepeutic Bio Co., Ltd.	The Company's group has service fees with the market price is comparable to serving other customers.				The Audit Committee is of the opinion that the fee is a normal business transaction, with the same terms and conditions as those in other party contracts. With no relationship, therefore, sees that the transaction is reasonable and has a fair price.
	- Rental income and related service income	0.27	0.22	-	
	- Other income	0.24	0.20	-	
	- Interest income	0.13	0.01	-	
	- Other Accounts Receivable	0.00	0.22	-	
	- Loan	0.00	4.10	-	
Thaifoods Nucleus Genetics Co., Ltd.	The Company's group has service fees with the market price is comparable to serving other customers.				The Audit Committee is of the opinion that the fee is a normal business transaction, with the same terms and conditions as those in other party contracts. With no relationship, therefore, sees that the transaction is reasonable and has a fair price.
	- Analysis service income	0.02	0.00	-	
	- Rental income and related service fees	0.25	-	-	
	- Interest income	0.47	-	-	
	- Other Accounts Receivable	0.77	-	-	
Swine Property Co., Ltd.	The Company's group has service fees with the market price is comparable to serving other customers.				The Audit Committee is of the opinion that the fee is a normal business transaction, with the same terms and conditions as those in other party contracts. With no relationship, therefore, sees that the transaction is reasonable and has a fair price.
	- Interest income	0.07	-	-	
	- Other Accounts Receivable	0.03	-	-	
	- Loan	8.00	-	-	

REASON AND NECESSITY FOR THE RELATED PARTY TRANSACTIONS

For the years 2019 - 2021, we entered into a number of related party transactions. Such transactions were necessary and justifiable in order to operate our business continuously and beneficially. The interest rate we received was higher than the deposit rate at local financial institutions and lower than the interest rate we received from financial institutions on our outstanding loans. The short-term loans we obtained have been used for our working capital and the interest rates were higher than those offered by the market and such loans are guaranteed by the directors of our Company in accordance with the conditions set by the lenders. The transactions within our Group are considered to be normal transactions with fair terms and conditions when compared to the market price and/or the transactions with non-related third parties.

The resolution of the Board of Directors No.1/2021 held on 24 February 2022 with the Audit Committee who are independent directors attend the meeting for consideration the such related transaction with opinion was necessary, justifiable and beneficial for the Company

POLICIES AND PROCEDURES FOR FUTURE RELATED PARTY TRANSACTIONS

For future related party transactions, we will comply with applicable laws and regulations, including the Securities and Exchange Act of Thailand, the SET, regulations, notifications, orders or rules of the Capital Market Supervisory Board, regulations of our Company and our subsidiaries, as well as Thailand's generally accepted accounting standards in respect of information disclosure on related persons or businesses as prescribed by the Certified Public Accountant Association of Thailand. Any person who may have a conflict of interest or has an interest in a matter shall not be entitled to vote in respect of the meeting agenda for such related party transaction.

In case of the regulation for approval the related transactions of Board Directors's Meeting or Shareholder's Meeting, the Audit Committee will provide an opinion as to the appropriateness of such transaction.

We have implemented the following policies for related party transactions:

Arm's Length Basis Transaction

Our transactions with a person who may have a conflict of interest or has an interest in such matter or may have a conflict of interest in the future must be considered and approved by the Audit Committee pursuant to the Board of Directors' approval. We may enter into such transactions, provided that such transactions were concluded to be on normal commercial terms in the same manner as a reasonable person would have based on similar circumstances and without influential commercial bargaining power of an individual in the capacity of a director, executive or related person ("Arm's Length Basis"). In addition, the commercial terms of such related party transactions must be within normal operations, or to support our Company and/or our subsidiaries' businesses, provided that the pricing and terms are normal to those in the market and that the transaction will not result in a misappropriation of benefits and include the following:

1. Pricing, terms and conditions received/given by our Company and/or our subsidiaries to the general public;
2. Pricing, terms and conditions received/given by the related person to the general public; and
3. Pricing, terms and conditions of other companies with similar business received/given to the general public.

Should we enter into a transaction on an Arm's Length Basis as stated above, our managements shall consider, evaluate and approve such transaction. Our management shall then provide a report concerning the transaction for our Board of Directors. In the event there are conflicts from the transaction that contradicts the policy, our Audit Committee and Board of Directors shall jointly work towards a solution.

Transactions not on commercial terms or other related party transactions

Should we enter into transactions which are not on normal commercial terms or other related party transactions of our Company and/or our subsidiaries with a person who may have conflict of interest or has an interest in such matter in the future, we shall seek and receive an opinion from our Audit Committee on the necessity and suitability of the transaction, that the price, terms and conditions are consistent with the market practice and that such transaction is comparable with third-party prices. Such transactions will also be presented to and for the consideration of our Board of Directors and/or shareholders. In the event that the Audit Committee does not possess the relevant skill or expertise in relation to such related transaction, we will seek an opinion from an independent expert or our accountant, which will then be considered by our Audit Committee, Board of the Directors and/or at a shareholders' meeting, as the case may be. Any person who may have a conflict of interest or has an interest in such matter shall not be entitled to vote in respect of the meeting agenda for such related transaction.

The details of the transaction will be disclosed in the notes of the financial statements to be reviewed or audited by our Company's auditor and in our annual reports and annual resignation Company's Regulations (Form 56-1).

Policy on future related transactions

Related party transactions occurring from normal operations, in support of normal operations and financial assistance to subsidiaries will occur in the future as necessary and appropriate, such as trading with Thai Foods Feed Mills. Fair and appropriate policies regarding pricing for related transactions will be clearly defined according to market conditions in order to avoid transfers of benefits and with consideration to the best interests of our Company and our subsidiaries, as well as having the Audit Committee advice on such actions.

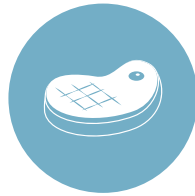
Collateralization according to loan contracts between our Company and our subsidiaries and persons who may have conflict of interest is expected to continue, due to the necessity of obtaining loans from financial institutions in order to perform normal operations, which is a common requirement for commercial banks to grant loans to businesses. We do not expect to have any expenses from the aforementioned collateralization.

Borrowing from persons who may have conflict of interest is expected to continue according to necessity to the operation of our business. We will define loan contracts with clear conditions and according to the best interests of our Company.

Our Board of Directors will help to ensure that related party transactions that may occur in the future are compliant with applicable laws and regulations, including but not limited to, the Thai SEC regulations, the Capital Market Supervisory Board and the SET, as well as the accounting standards regarding disclosure of information concerning related persons and companies as determined by the Certified Public Accountant Association of Thailand.

The investors can study additional information on 56-1 One Report as shown as follows;

- Website of the Securities Exchange Commission (www.sec.or.th) or
- Website of the Stock Exchange of Thailand (www.set.or.th) or
- Website of the Company (www.tfg.co.th)



Part **3**

Financial Statements



Thaifoods Group Public Company Limited and its Subsidiaries

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of Thaifoods Group Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Thaifoods Group Public Company Limited and its subsidiaries (the “Group”) and of Thaifoods Group Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of deferred tax assets	
Refer to Notes 3(s) and 23 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The Group recognised the deferred tax assets in respect of the unutilised tax loss carry forward in the significant amount. The recognition involves management judgment in forecasting future taxable income and the Group's capability to utilise tax loss. Thus this is one of the key areas to focus on my audit.	<p>My audit procedures included;</p> <ul style="list-style-type: none"> - Inquired of management to understand the basis of forecasting future taxable profit; - Reconciled tax loss and the expiration date with tax report; - Assessed the reasonableness of the assumptions adopted in the forecasting future taxable profit by comparing with historical results, business plan and available comparable industry data and other market factors; - Tested the calculation of forecasting; and - Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.



Impairment on investments in subsidiaries and plant and equipment	
Refer to Notes 3(b), 3(j), 3(n), 11 and 13 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>According to the deficits of certain subsidiaries and the operating losses from those subsidiaries arising from the product price fluctuations are the indicators of impairment in subsidiaries in the separate financial statements, and the subsidiaries' plant and equipment in the consolidated financial statements.</p> <p>Assessing impairment of investments in subsidiaries and impairment of plant and equipment involves highly subjective judgments. The Group and the Company have estimated net present value of future cash flow from assets used for operating from the management's assumptions resulted to the impairment assessment could vary significantly in case the vary assumptions made by management are changed. Thus this is one of the key areas to focus on my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - inquired of management to gain an understanding of the process of identifying and assessment the impairment indicators; - assessed the budgeting procedures which is the source of discounted future cash flow model; - assessed the reasonableness of the key assumptions, for assessing the asset's recoverable amount by comparing with historical results, business plan and available comparable industry data and other market factors; - assessed the appropriateness of the discount rate by comparing the average rate of industry in which the Group operated; - tested the sensitivity of the key assumptions and assessed the impact on discounting future cash flow; and - considered the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Valuation of trade accounts receivable and advance payments to farmers	
Refer to Notes 3(f), 6, 9 and 26 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group has trade accounts receivable from distributing frozen and chilled chicken products and swine products and advance payments which are paid to farmers to operate their poultry and swine farm business. The Group measured expected credit losses on trade receivables and advance payment to farmers are based on management's estimate of the lifetime expected credit loss, which is estimated by taking into account the credit history of the Group's customers, the current and future market environment and customer-specific conditions including the security of farmers .</p> <p>I identified the measurement of expected credit losses as a key audit matter because trade receivables and advance payment to farmers are material to the Group and the recognition of expected credit loss requires the exercise of significant management judgement.</p>	<p>My audit procedures to assess measurement of expected credit losses on trade receivables and advance payment to farmers included the following:</p> <ul style="list-style-type: none"> - obtaining an understanding of and evaluating the design, implementation and operating effectiveness of key internal controls over the measurement of expected credit losses on trade receivables and advance payment to farmers, including credit approval process, credit monitoring management, segmentation on trade receivables and advance payment to farmers by risk characteristics, aging analysis review, forward-looking, management overlay and estimation of allowance for expected credit losses; - testing the historical default data by assessing the segmentation on trade receivables and advance payment to farmers by risk characteristics with management analysis report, Group's historical experience, by industry knowledge; - testing the default data by assessing the categorization in the trade receivables and advance payment to farmers aging report by comparing a sample with the relevant underlying documents and inspecting on a sample basis, cash receipts from debtors subsequent from 31 December 2021; - evaluating the reasonableness of the economic factors used by management in the models to adjust losses rate based on current economic conditions and forward-looking information by comparing them to relevant market information; - performing sensitivity testing, using the Group's models, to evaluate the impact of varying weighted economic scenarios within a reasonable possible range. This enabled to critically challenge the Group's quantification of weighted economic scenarios and focus my procedures to the most sensitivity weighted economic;



Valuation of trade accounts receivable and advance payments to farmers	
Refer to Notes 3(f), 6, 9 and 26 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
	<ul style="list-style-type: none"> - assessing overall data and assumptions used in management estimation whether the assumptions used in making the accounting estimate are reasonable, including interdependent and internally consistent for that accounting estimate; - assessed the security of farmers and tested a sample with related documents; - testing the calculation of expected credit losses on trade receivables and advance payment to farmers; and - considering the adequacy of disclosures in accordance with Thai financial reporting standards.

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 charge with governance and request that the correction be made.

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

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

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

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

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

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

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

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



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

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

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



(Veerachai Ratanajaratkul)
Certified Public Accountant
Registration No. 4323

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2022

Thaifoods Group Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	5, 26	415,837	783,769	44,288	244,958
Trade accounts receivable	4, 6, 26	2,318,436	1,585,988	869,842	566,792
Other current receivable	4, 26	510,237	377,875	190,432	172,008
Current portion of finance lease receivables		-	-	753	8,824
Loans to customers	26	122,157	-	-	-
Short-term loans to subsidiaries	4, 26	-	-	7,159,341	3,632,491
Short-term loans to joint ventures	4, 26	87,300	4,100	-	-
Inventories	7	4,862,673	3,350,364	755,689	593,630
Current biological assets	8	5,266,367	3,646,162	-	-
Advance payments to farmers	9, 26	140,250	186,224	-	-
Marketable financial assets	10, 26, 32	1,343,175	20,000	1,343,175	-
Other current financial assets	26	42,182	1,083	2,459	971
Total current assets		15,108,614	9,955,565	10,365,979	5,219,674
Non-current assets					
Other non-current financial assets		200	200	-	-
Advance payments to farmers	9, 26	246,409	192,597	-	-
Investments in subsidiaries	11	-	-	5,785,370	5,813,972
Investment in joint ventures	12	328,200	79,223	-	-
Trade non-current receivables	6, 26	87,240	171,180	-	-
Other non-current receivables		41,609	11,534	9,416	7,969
Finance lease receivables	4	-	-	-	753
Long-term loans to subsidiary	4, 26	-	-	3,000,000	2,000,000
Non-current biological assets	8	2,107,941	1,607,917	-	-
Investment properties		34,627	34,878	22,538	22,538
Property, plant and equipment	13	13,436,841	11,135,064	2,718,327	2,615,800
Right-of-use assets	14	2,928,932	1,693,995	258,462	499,320
Goodwill	11	66,985	60,769	-	-
Other intangible assets	15	111,922	101,310	28,501	29,662
Restricted deposits at financial institutions	16	100,095	99,954	1,395	1,391
Deferred tax assets	23	722,515	845,900	565,497	529,901
Other non-current assets		244,918	100,674	8,087	16,863
Total non-current assets		20,458,434	16,135,195	12,397,593	11,538,169
Total assets		35,567,048	26,090,760	22,763,572	16,757,843

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



Thaifoods Group Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
(in thousand Baht)					
<i>Current liabilities</i>					
Short-term borrowings from					
financial institutions	17, 26, 32	10,550,329	3,580,706	4,053,407	1,841,692
Trade accounts payable	4, 26, 32	2,020,052	2,190,456	70,660	133,255
Other current payables	4, 26, 32	1,413,893	1,210,979	510,848	361,477
Short-term borrowings from subsidiaries	4, 17, 26	-	-	2,216,550	226,400
Current portion of long-term					
borrowings from financial institutions	17, 26	715,683	650,695	354,982	292,720
Current portion of lease liabilities	17, 26	468,016	419,258	116,210	182,702
Current income tax payable		125,761	257,279	-	-
Other current financial liabilities	26	32,746	75,249	32,390	-
Total current liabilities		15,326,480	8,384,622	7,355,047	3,038,246
<i>Non-current liabilities</i>					
Long-term borrowings from financial					
institutions	17, 26	1,203,903	1,470,381	699,698	605,474
Lease liabilities	17, 26	2,456,023	1,156,959	108,082	205,167
Debentures	17, 26	4,568,600	3,568,600	4,568,600	3,568,600
Provisions for employee benefits	18	46,059	41,337	9,420	8,611
Retentions		7,654	3,869	-	-
Deferred tax liabilities	23	385,816	324,708	61,175	52,471
Other non-current liabilities		2,050	-	-	-
Total non-current liabilities		8,670,105	6,565,854	5,446,975	4,440,323
Total liabilities		23,996,585	14,950,476	12,802,022	7,478,569

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



Thaifoods Group Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity (Continued)	Note	2021	2020	2021	2020
(in thousand Baht)					
Equity					
Share capital	19				
Authorised share capital		<u>6,168,330</u>	<u>6,138,160</u>	<u>6,168,330</u>	<u>6,138,160</u>
Issued and paid-up share capital		5,643,955	5,607,573	5,643,955	5,607,573
Additional paid-in capital					
Premium on ordinary shares	19	1,906,315	1,742,597	1,906,315	1,742,597
Deficits on common control transactions		(231,270)	(231,270)	-	-
Retained earnings					
Appropriated					
Legal reserve	20	381,678	330,509	381,678	330,509
Unappropriated		3,128,976	3,207,236	1,992,524	1,561,517
Other components of equity		<u>726,686</u>	<u>459,828</u>	<u>37,078</u>	<u>37,078</u>
Equity attributable to owners					
of the parent		11,556,340	11,116,473	9,961,550	9,279,274
Non-controlling interests		<u>14,123</u>	<u>23,811</u>	<u>-</u>	<u>-</u>
Total equity		<u>11,570,463</u>	<u>11,140,284</u>	<u>9,961,550</u>	<u>9,279,274</u>
Total liabilities and equity		<u>35,567,048</u>	<u>26,090,760</u>	<u>22,763,572</u>	<u>16,757,843</u>

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



Thaifoods Group Public Company Limited and its Subsidiaries

Statement of income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2021	2020	2021	2020
(in thousand Baht)					
Revenues					
Revenue from sale of goods and rendering of services	4, 21	34,823,256	31,338,662	15,487,324	15,110,053
Net gain on changes in fair value of biological assets	8	423,247	164,013	-	-
Reversal of loss on revaluation of lands	13	8,221	-	-	-
Net foreign exchange gain		-	155,297	-	141,966
Interest income	4	78,988	80,752	295,723	235,646
Dividend income	4, 11	47,216	-	2,211,214	1,903,997
Other income	4	124,786	118,657	108,319	81,757
Total revenues		35,505,714	31,857,381	18,102,580	17,473,419
Expenses					
Cost of sales of goods and rendering of services	4, 7, 22	31,669,915	26,909,141	14,390,018	14,476,690
Distribution costs	22	1,178,232	717,927	684,469	508,537
Administrative expenses	22	749,004	572,901	554,231	414,940
Impairment loss on investment in subsidiaries	11	-	-	720,731	4,384
Loss on changes in fair value of marketable financial assets		151,654	-	151,654	-
Loss on revaluation of lands	13	2,333	23,695	-	-
Net foreign exchange loss		102,069	-	189,936	-
Total expenses		33,853,207	28,223,664	16,691,039	15,404,551

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





Thaifoods Group Public Company Limited and its Subsidiaries

Statement of income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Profit from operating activities		1,652,507	3,633,717	1,411,541	2,068,868
Finance costs		493,491	369,522	308,064	217,695
Impairment loss determined in accordance with TFRS 9	26	61,703	63,944	59,401	102,338
Share of profit of joint venture accounted for using equity method		(247)	(364)	-	-
Profit before income tax expense		1,097,560	3,200,615	1,044,076	1,748,835
Income tax expense (income)	23	545,620	649,287	(26,892)	129,208
Profit for the year		551,940	2,551,328	1,070,968	1,619,627
Profit attributable to:					
Owners of the parent		561,701	2,563,292	1,070,968	1,619,627
Non-controlling interests		(9,761)	(11,964)	-	-
Profit for the year		551,940	2,551,328	1,070,968	1,619,627
Basic earnings per share (in Baht)	24	0.10	0.46	0.19	0.29

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



Thaifoods Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Profit for the year		551,940	2,551,328	1,070,968	1,619,627
Other comprehensive income					
<i>Items that will be reclassified</i>					
<i>subsequently to profit or loss</i>					
Foreign exchange differences on translating					
financial statement		112,123	493	-	-
Total items that will be reclassified					
<i>subsequently to profit or loss</i>		112,123	493	-	-
<i>Items that will not be reclassified</i>					
<i>to profit or loss</i>					
Gain on revaluation of land		193,419	11,983	-	1,809
Income tax relating to items that will					
not be reclassified to profit or loss	23	(38,684)	(2,397)	-	(362)
Total items that will not be reclassified					
<i>to profit or loss</i>	13	154,735	9,586	-	1,447
Other comprehensive income for					
the year, net of tax		266,858	10,079	-	1,447
Total comprehensive income for the year		818,798	2,561,407	1,070,968	1,621,074
Total comprehensive income					
attributable to:					
Owners of the parent		828,559	2,573,371	1,070,968	1,621,074
Non-controlling interests		(9,761)	(11,964)	-	-
		818,798	2,561,407	1,070,968	1,621,074

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



Thaifoods Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements															
		Retained earnings		Other components of equity											
				Foreign exchange differences on translating financial statements		Gain on revaluation of lands		Total other components of equity		Equity attributable to owners of the parent		Non-controlling interests		Total equity	

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

Thaifoods Group Public Company Limited and its Subsidiaries

Statement of changes in equity

For the year ended 31 December 2020

Balance at 1 January 2020

Transactions with owners, recorded directly in equity

Contributions by and distributions to owners

Issue of ordinary shares

Dividends

Total contributions by and distributions to owners

Total transactions with owners,

recorded directly in equity

Comprehensive income for the year

Profit

Other comprehensive income

Total comprehensive income for the year

Transfer to legal reserve

Balance at 31 December 2020

		Separate financial statements						
		Retained earnings			Other components of equity			
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated (in thousand Baht)	Gain on revaluation of lands	Total other components of equity	Total equity
		5,607,573	1,742,596	249,528	1,312,608	35,631	35,631	8,947,936

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



Thaifoods Group Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements					
		Retained earnings			Other components of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated <i>(in thousand Baht)</i>	Gain on revaluation of lands	Total other components of equity	Total equity
Note							
For the year ended 31 December 2021							
	5,607,573	1,742,597	330,509	1,561,517	37,078	37,078	9,279,274
Balance at 1 January 2021							
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
19	36,382	163,718	-	-	-	-	200,100
25	-	-	-	(588,792)	-	-	(588,792)
	36,382	163,718	-	(588,792)	-	-	(388,692)
Total transactions with owners, recorded directly in equity							
	36,382	163,718	-	(588,792)	-	-	(388,692)
Comprehensive income for the year							
	-	-	-	1,070,968	-	-	1,070,968
	-	-	-	1,070,968	-	-	1,070,968
20	-	-	51,169	(51,169)	-	-	-
	5,643,955	1,906,315	381,678	1,992,524	37,078	37,078	9,961,550
Balance at 31 December 2021							

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

Thaifoods Group Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Cash flows from operating activities					
Profit for the year		551,940	2,551,328	1,070,968	1,619,627
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Depreciation of biological assets	8	786,459	675,087	-	-
Depreciation		1,613,686	1,391,070	462,905	446,458
Amortisation	15	25,272	35,072	11,931	22,340
Impairment losses on investments in subsidiaries	11	-	-	720,731	4,384
Impairment loss recognised in profit or loss		61,703	63,944	59,401	102,338
Elimination of unrealised (gain) loss on downstream sales to joint venture		2,505	(407)	-	-
Reversal of allowance for losses on decline in value of inventories	7	(32,399)	(20,263)	(28,168)	(15,136)
Interest income		(78,988)	(80,752)	(295,723)	(235,646)
Dividend income		(47,216)	-	(2,211,214)	(1,903,997)
Finance costs		493,491	369,522	308,064	217,695
Provisions for employee benefit	18	6,044	6,168	1,382	1,368
Unrealised (gain) loss on foreign exchange		12,735	(17,765)	989	686
(Gain) loss on changes in fair value of other current financial assets and liabilities		(83,602)	46,482	30,902	(971)
Loss on changes in fair value of marketable financial assets		151,654	-	151,654	
Gain on changes in fair value of biological assets	8	(423,247)	(164,014)	-	-
(Reversal of) loss on revaluation of lands	13	(5,888)	23,695	-	-
Loss on disposal and write-off of plant and equipment		25,986	12,156	21,443	6,502
Loss on write-off of right-of-use assets	14	17,447	10,679	8	345
(Gain) loss on disposal and write-off of intangible assets		(32)	1,694	(35)	1,697
Share of profit of joint ventures accounted for using equity method	12	(247)	(364)	-	-
Gain on sale of marketable financial asset		(103)	-	-	-
Loss from sale of business		-	3,182	-	-
Income tax expense (income)	23	545,620	649,287	(26,892)	129,208
		3,622,820	5,555,801	278,346	396,898

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



Thaifoods Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2021	2020	2021	2020
(in thousand Baht)					
Cash flows from operating activities (continued)					
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(697,540)	(71,970)	(300,456)	38,885
Other current receivable		(136,927)	(111,442)	10,526	(73,844)
Loans to customers		(122,157)	-	-	-
Inventories		(1,479,910)	(493,845)	(133,891)	209,640
Current and non-current biological assets		(2,454,157)	(1,595,836)	-	-
Other non-current receivables		(30,072)	(878)	(1,448)	(754)
Other non-current assets		(144,244)	(78,755)	8,777	-
Trade accounts payable		(178,609)	598,762	(62,595)	(51,551)
Other current payables		251,625	144,497	138,425	14,772
Retentions		3,785	199	-	-
Provisions for employee benefit paid	18	(1,322)	(1,170)	(573)	(61)
Other non-current liabilities		2,050	-	-	-
Net cash provided by (used in) operating		(1,364,658)	3,945,363	(62,889)	533,985
Taxes paid		(531,330)	(325,456)	-	-
Net cash provided by (used in) operating activities		(1,895,988)	3,619,907	(62,889)	533,985
Cash flows from investing activities					
Interest received		78,988	65,521	266,825	220,206
Dividend received		47,216	-	2,211,214	1,903,997
Changes in restricted deposits at financial institutions		(141)	3,592	(4)	1,501
Proceeds from finance lease receivables		-	-	8,824	7,537
Acquisition of other equity securities	10	(1,494,829)	-	(1,494,829)	-
Acquisition of unit trust - debts securities	10	-	(20,000)	-	-
Cash outflow on short-term loans to subsidiaries	4	-	-	(10,758,497)	(5,919,550)
Proceeds from repayment of short-term loans to subsidiaries	4	-	-	7,168,158	5,038,880
Cash outflow on long-term loans to subsidiaries	4	-	-	(1,000,000)	(2,000,000)
Cash outflow on short-term loans to joint ventures	4	(105,600)	(212,600)	-	-
Proceeds from repayment of short-term loans to joint ventures	4	22,400	225,800	-	-
Advance payments received from (paid to) farmers		(17,503)	28,251	-	-
Acquisition of investments in subsidiaries	11	-	-	(692,130)	(133,522)
Proceed from sale of investments in subsidiary	11	-	-	-	30,000
Acquisition of subsidiary, net of cash acquired		(6,887)	-	-	-
Acquisition of investments in joint ventures	12	(251,350)	(70,125)	-	-
Proceed from sale of interest in joint venture	12	-	20,000	-	-

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





Thaifoods Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December
		2021	2020	2021	2020
		(in thousand Baht)			
Cash flows from investing activities (continued)					
Proceed from sale of marketable financial assets		20,103	-	-	-
Proceed from sale of business		-	3,750	-	-
Acquisition of property, plant and equipment	28	(3,190,451)	(1,455,567)	(325,846)	(356,050)
Proceeds from sale of plant and equipment		3,869	7,789	2,090	607
Acquisition of right-of-use assets		(18,092)	(16,196)	(638)	(16,105)
Acquisition of other intangible assets	28	(35,314)	(26,868)	(10,643)	(4,480)
Proceeds from sale of other intangible assets		223	25	223	-
Net cash used in investing activities		(4,947,368)	(1,446,628)	(4,625,253)	(1,226,979)
Cash flow from financing activities					
Proceeds from change in ownership interest in subsidiary without a change in control		-	29,999	-	-
Payment of change in ownership of interest in subsidiary without a change in control		-	(6,250)	-	-
Interest paid		(493,491)	(364,956)	(296,860)	(211,918)
Payment of lease liabilities		(485,456)	(455,929)	(185,832)	(211,080)
Increase (decrease) in short-term borrowings from financial institutions		6,966,828	(2,121,668)	2,212,220	(102,338)
Increase in short-term borrowings from subsidiaries		-	-	1,990,150	226,400
Proceeds from long-term borrowings from financial institutions	17	350,000	833,000	350,000	533,000
Repayment of long-term borrowings from financial institutions	17	(551,489)	(844,844)	(193,514)	(549,564)
Proceeds from issue of debentures	17	1,000,000	3,568,600	1,000,000	3,568,600
Repayment of debentures	17	-	(1,148,500)	-	(1,148,500)
Proceeds from exercise of warrants	19	200,100	1	200,100	1
Proceeds from issue of ordinary shares from subsidiaries		-	12,005	-	-
Dividends paid to owners of the Company	25	(588,793)	(1,289,737)	(588,792)	(1,289,737)
Net cash provided by (used in) financing activities		6,397,699	(1,788,279)	4,487,472	814,864
Net increase (decrease) in cash and cash equivalents before effect of exchange rates					
		(445,657)	385,000	(200,670)	121,870
Effect of exchange rate changes on cash and cash equivalents		77,725	-	-	-
Net increase (decrease) in cash and cash equivalents		(367,932)	385,000	(200,670)	121,870
Cash and cash equivalents at 1 January		783,769	398,769	244,958	123,088
Cash and cash equivalents at 31 December	5	415,837	783,769	44,288	244,958

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



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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purpose and prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2022.

1 General information

Thaifoods Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 8 October 2015. The Company’s registered office at 1010, Shinawatra Tower 3 Building, 12th Floors, Viphavadi Rangsit Road, Kwang Chatuchak, Khet Chatuchak, Bangkok 10900, Thailand.

The Company’s major shareholders during the financial year were New Star Victor Co., Ltd. (incorporated in Thailand), BNP PARIBAS HONG KONG BRANCH (incorporated in Hong Kong Special Administrative Region of the People’s Republic of China), Mr. Winai Tiewsomboonkij, which owned the Company’s share capital of 31.41%, 27.53% and 17.94%, respectively.

The principal activities of the Company and its subsidiaries (together referred to the “Group”) are producing chicken and distributing frozen and chilled chicken products, producing and distributing swine, producing and distributing feed mill and producing and distributing processed products. Details of the Company’s subsidiaries as at 31 December 2021 and 2020 are given in note 11 to the financial statements.

2 Basis of preparation of the financial statements

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

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

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

(a) Basis of consolidation

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

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



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For the year ended 31 December 2021

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

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

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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Notes to the financial statements

For the year ended 31 December 2021

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) Investments in subsidiaries

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

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operation are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange translation differences are recognised in other comprehensive income and accumulated in the foreign exchange differences on translating financial statements until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control or joint control is lost, the cumulative amount in the foreign exchange differences related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of a joint venture while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign exchange differences on translating financial statements in equity until disposal of the investment.



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(d) Financial instruments

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

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

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

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

(d.2) Derecognition and offset

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

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

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

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

(d.3) Derivatives

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



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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

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

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

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

The Group considers a financial assets to have low credit risk when the risk of default is low and the debtor has a strong capacity to meet its contractual cash flow obligation. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if there are significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(d.5) Write offs

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

(d.6) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

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

Deposit that have restriction on use are presented separately in the account "Restricted deposit at financial institution" in the statement of financial position.



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(f) *Trade and other accounts receivable*

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

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

(g) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost are calculated using the following principles:

Merchandise goods	- at cost (first in first out)
Finished goods and work in progress	- at standard cost which approximates actual (first in first out)
Raw materials and factory supplies	- at cost (weighted average cost)

Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) *Biological assets*

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, they are measured at cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

Cost of biological assets comprises expenditure that is directly attributable to the acquisition of the assets and other costs incurred in bringing the assets to their present location and condition.

Depreciation of biological assets that produce such as breeder is calculated using straight line basis from cost less estimated residual value over their useful lives of breeder as follow;

Poultry breeders	10 months
Swine breeders	2.5 years

Non-current biological assets comprises swine breeders, are separately presented under the “Non-current assets” caption. Other biological assets are presented under the “Current assets” caption in the statement of financial position.

(i) *Investment properties*

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



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For the year ended 31 December 2021

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and improvement of 40 years and recognised in profit or loss. No depreciation charged on freehold land and assets under construction.

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

(j) *Property, plant and equipment*

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any impairment losses.

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

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation reserve is reclassified to retained earnings.

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

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

Depreciation

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

The estimated useful lives are as follows:

Buildings and building improvements	6 - 40 years
Utilities system	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture, fixture and office equipment	3 - 20 years
Vehicles	5 - 15 years



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Notes to the financial statements

For the year ended 31 December 2021

(k) Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

(l) Other Intangible assets

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

The estimated useful lives are as follows:

Computer software	5 - 20 years
Customer relationship	7 years
Trademarks	indefinite useful lives

(m) Leases

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

As a lessee

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

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

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

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the interest rate implicit in the lease to discount the lease payments to the present value except the rate cannot be readily determined, the Group's incremental borrowing rate is used. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Thaifoods Group Public Company Limited and its Subsidiaries

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For the year ended 31 December 2021

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

As a lessor

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

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

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3 (d).

(n) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

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



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

(o) Employee benefits

Obligations for contributions to the Group's contribution plans are expensed as the related service is provided.

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

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

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

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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

(p) Provisions

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

(q) Fair values measurement

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

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

(r) *Revenue from contracts with customers*

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

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

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

(s) *Income tax*

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.



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

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

(t) Earnings per share

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

(u) Segment information

Segment results that are reported to the Group's the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.



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4 Related parties

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

Relationships with subsidiaries and joint ventures are described in notes 11 and 12. Other related parties that the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
New Star Victor Co., Ltd.	Thailand	Major shareholder and shared directors and shareholders
BNP PARIBAS HONGKONG BRANCH	Hong Kong Special Administrative Region of the People's Republic of China	Major shareholder
Thai Viet Agri Group Co., Ltd.	Vietnam	Shareholder have relationship with director
Mr. Winai Teawsomboonkij	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including major shareholder and director of the Group
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group

	Consolidated		Separate	
<i>Significant transactions with related parties</i>	financial statements		financial statements	
<i>Year ended 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Revenue from sales of goods	-	-	1,397,607	897,258
Rental income and related service income	-	-	78,876	74,292
Interest income	-	-	295,256	233,192
Dividend income	-	-	2,163,998	1,903,997
Other income	-	-	30,127	9,703
Purchases of goods or receiving of services	-	-	10,928,372	10,882,590
Interest expense	-	-	57,823	20,057
Other expenses	-	-	143,179	36,415



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Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Joint ventures				
Revenue from sales of goods	99,009	127,038	98,989	127,038
Rental income and related service income	1,676	759	1,503	675
Interest income	1,720	2,460	-	-
Other income	1,433	500	1,433	500
Other expenses	63,192	15,230	31,935	8,005
Other related parties				
Purchase of raw materials	616,345	282,055	-	-
Farming service fees	2,930	11,729	-	-
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	72,294	60,701	23,540	19,607
Post-employment benefits	474	452	175	167
Total key management benefit expenses	72,768	61,153	23,715	19,774

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

Trade accounts receivable	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	279,249	134,138
Joint venture	26,675	31,233	26,675	31,233
Total	26,675	31,233	305,924	165,371
Other current receivables				
Subsidiaries	-	-	62,953	74,134
Joint ventures	1,337	595	795	411
Total	1,337	595	63,748	74,545

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<i>Lease receivables</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	753	9,577
Total	-	-	753	9,577

<i>Short-term loans</i>	Consolidated financial statements			
	At 1 January	Increase	Decrease	At 31 December
	<i>(in thousand Baht)</i>			
2021				
Joint venture	4,100	105,600	22,400	87,300
Total	4,100	105,600	22,400	87,300
2020				
Joint venture	17,300	212,600	225,800	4,100
Total	17,300	212,600	225,800	4,100

<i>Short-term loans</i>	Separate financial statements			
	At 1 January	Increase	Decrease	At 31 December
	<i>(in thousand Baht)</i>			
2021				
Subsidiaries	3,750,880	10,758,497	7,168,158	7,341,219
Total	3,750,880	10,758,497	7,168,158	7,341,219
Less allowance for expected credit loss	(118,389)			(181,878)
Net	3,632,491			7,159,341
2020				
Subsidiaries	2,870,210	5,919,550	5,038,880	3,750,880
Total	2,870,210	5,919,550	5,038,880	3,750,880
Less allowance for expected credit loss	(40,223)			(118,389)
Net	2,829,987			3,632,491

As at 31 December 2021, short-term loans to subsidiaries and joint venture were unsecured and at call; and bear interest at the rates ranging from 3.88% to 6.50% per annum (2020: ranging from 4.25% to 5.41% per annum).

<i>Allowance for expected credit loss</i>	Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	118,389	40,223
Addition	63,489	78,166
At 31 December	181,878	118,389



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Long-term loans	Separate financial statements		
	At 1 January	Increase Decrease (in thousand Baht)	At 31 December
2021			
Subsidiary	2,000,000	1,000,000	3,000,000
Total	2,000,000	1,000,000	3,000,000
2020			
Subsidiary	-	2,000,000	2,000,000
Total	-	2,000,000	2,000,000

As at 31 December 2021, long-term loans to subsidiary, Thai Foods Feed Mills Co., Ltd., for the loan principal of Baht 3,000 million was unsecured. The loan principal are receivable by whole amount in January 2025 and November 2026 and bear interest at the rates of 4.25% and 4.78% per annum (2020: 4.78% per annum).

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
(Reversal of) expected credit losses for the year ended 31 December				
Trade accounts receivables	-	(310)	-	(310)
Short-term loans	-	-	63,489	78,166

Trade accounts payable	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Subsidiaries	-	-	7,910	80,551
Other related parties	120,032	54,958	-	-
Total	120,032	54,958	7,910	80,551

Other current payables	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Subsidiaries	-	-	26,414	24,635
Joint venture	8,939	4,955	4,825	2,490
Total	8,939	4,955	31,239	27,125

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	Separate financial statements			At 31 December
	At 1 January	Increase (in thousand Baht)	Decrease	
Short-term borrowings				
2021				
Subsidiaries	226,400	10,667,750	8,677,600	2,216,550
Total	226,400	10,667,750	8,677,600	2,216,550
2020				
Subsidiaries	-	5,628,400	5,402,000	226,400
Total	-	5,628,400	5,402,000	226,400

As at 31 December 2021, short-term borrowings from subsidiaries was unsecured and at call; and bear interest at the rates ranging from 4.38% to 4.52% per annum (2020: 4.41% per annum).

Significant agreements with related parties

As at 31 December 2021, the Group had the following significant agreements with related parties.

Sub-lease and service agreements

The local subsidiaries and joint ventures have sub-lease and service agreements with the Company. Under the terms of the agreements, the Company agreed to provide the office premises sub-lease. In this regard, the subsidiaries and joint ventures agreed to pay sub-lease fee to the Company at the rate stipulated in the agreements. These agreements are starting from 1 February 2019 to 31 January 2022 ("the first sub-lease period") which is not longer than the period of office premises lease as stipulated in lease and service agreements. At the end of the first sub-lease period either party will extend the agreements as agreed term and conditions. The extended sub-lease agreements are starting from 1 February 2022 to 31 January 2025.

Land lease agreements

The Company had land lease agreements with local subsidiaries and joint ventures. Under the term of the agreement, the Company agreed to lease land to build the building using for production or sale of goods or perform any other act in accordance with the purpose of local subsidiaries and joint ventures. In this regards, local subsidiaries and joint ventures agreed to pay lease fee to the Company at the rate stipulated in the agreement. This agreement is effective for periods of 8 to 10 years which will expire between 2025 and 2030. At the end of lease period either party will extend the agreements as agreed term and conditions.

Sale and purchase of chicken agreement

The Company has sale and purchase of chicken agreement with a local subsidiary, Thai Foods Contract Farming Co., Ltd. ("TFCF"). In this regard, the sale volume and selling price are specified by TFCF, if there is any price changes, TFCF has to inform the Company in advance. This agreement is effective starting from 1 July 2015. If the Company has intention to terminate the agreement, written notification must be made to TFCF at least 30 days and repaid the outstanding debt.



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Swine farming service contracts

A foreign subsidiary, Thai Viet Corporation Joint Stock Company (“TVC”) (formerly known as Thai Viet Swine Line Joint Stock Co., Ltd.), has swine farming service contracts with Thai Viet Agri Group Co., Ltd., a related company (“the party”). Under the terms of the agreement, the party agreed to provide the breeding services for swine in accordance with the condition in the agreements. In this regard, a subsidiary agreed to pay the farming service fees as stipulated in the agreements. These agreements are effective for a period of 5 years and will expire in December 2023 and March 2024. During April 2021 TVC terminated these agreements without any cancellation penalty.

Guarantees

The Company has issued guarantees to certain banks in respect of the credit facilities of Baht 17,513 million granted to subsidiaries (2020: Baht 16,904 million).

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Cash on hand	15,889	1,231	139	148
Cash at banks	399,948	782,538	44,149	244,810
Total	415,837	783,769	44,288	244,958

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
At 31 December				
Current				
Within credit terms	1,842,507	1,296,402	726,805	493,881
Overdue:				
Less than 3 months	362,540	202,014	145,243	72,652
3 - 6 months	60,576	25,402	568	1
6 - 12 months	94,697	56,460	162	-
Over 12 months	36,940	62,270	8,250	11,850
Litigation	271,115	246,192	16,803	20,485
Total current	2,668,375	1,888,740	897,831	598,869
Less allowance for expected credit loss	(349,939)	(302,752)	(27,989)	(32,077)
Net	2,318,436	1,585,988	869,842	566,792
Non-Current				
Within credit terms	87,459	171,180	-	-
Less allowance for expected credit loss	(219)	-	-	-
Net	87,240	171,180	-	-
Grand total	2,405,676	1,757,168	869,842	566,792



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<i>Allowance for expected credit loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	302,752	279,802	32,077	26,362
Addition	47,406	22,950	-	5,715
Reversal	-	-	(4,088)	-
At 31 December	350,158	302,752	27,989	32,077

Information of credit risk is disclosed in note 26 (b.1).

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Raw materials	2,542,719	1,542,545	14,341	8,454
Work in progress	4,142	3,410	-	-
Finished goods	1,065,172	751,022	540,636	469,614
Package and supplies	730,631	480,659	202,804	145,822
Raw materials in transit	531,868	616,986	-	-
Total	4,874,532	3,394,622	757,781	632,890
Less allowance for decline in value of inventories	(11,859)	(44,258)	(2,092)	(30,260)
Net	4,862,673	3,350,364	755,689	593,630
Inventories recognised in 'cost of sales of goods'				
- Cost	31,702,314	26,929,404	14,418,186	14,491,826
- Reversals of write-down to net realisable value	(32,399)	(20,263)	(28,168)	(15,136)
Net	31,669,915	26,909,141	14,390,018	14,476,690



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8 Biological assets

	Consolidated financial statement		
	Chicken	Swine (in thousand Baht)	Total
As at 1 January 2021			
Cost	1,815,527	3,773,235	5,588,762
Accumulate depreciation and impairment losses	(86,860)	(247,823)	(334,683)
	1,728,667	3,525,412	5,254,079
Increases due to purchase/raise	26,345,413	13,393,795	39,739,208
Decreases due to sale/harvest	(25,527,039)	(11,795,733)	(37,322,772)
Depreciation	(471,590)	(314,869)	(786,459)
Gain on change in fair value less cost to sale	-	423,247	423,247
Exchange differences on translating financial statement	-	67,005	67,005
As at 31 December 2021	2,075,451	5,298,857	7,374,308
As at 31 December 2021			
Cost	2,240,364	5,506,754	7,747,118
Accumulate depreciation and impairment losses	(164,913)	(274,902)	(439,815)
Exchange differences on translating financial statement	-	67,005	67,005
Total	2,075,451	5,298,857	7,374,308
Current	2,075,451	3,190,916	5,266,367
Non-current	-	2,107,941	2,107,941
Total	2,075,451	5,298,857	7,374,308



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	Consolidated financial statement		
	Chicken	Swine	Total
	<i>(in thousand Baht)</i>		
As at 1 January 2020			
Cost	1,929,948	2,833,548	4,763,496
Accumulate depreciation and impairment losses	(210,123)	(373,083)	(583,206)
Exchange differences on translating financial statement	-	(10,974)	(10,974)
	1,719,825	2,449,491	4,169,316
Increases due to purchase/raise	33,005,415	10,726,715	43,732,130
Decreases due to sale/harvest	(32,584,654)	(9,551,640)	(42,136,294)
Depreciation	(411,919)	(263,168)	(675,087)
Gain on change in fair value less cost to sale	-	164,014	164,014
As at 31 December 2020	1,728,667	3,525,412	5,254,079
As at 31 December 2020			
Cost	1,815,527	3,773,235	5,588,762
Accumulate depreciation and impairment losses	(86,860)	(247,823)	(334,683)
Total	1,728,667	3,525,412	5,254,079
Current	1,728,667	1,917,495	3,646,162
Non-current	-	1,607,917	1,607,917
Total	1,728,667	3,525,412	5,254,079

Biological assets are such as swine breeder, fattening swine, chicken breeder, chicken etc. Biological assets are measured at cost less accumulated depreciation and impairment losses (except fattening swine which are measured at fair value using quoted prices at the reporting date as references) due to the short production cycle. In particular, the market prices or fair values at present condition of the biological assets which are breeders are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors.

Cost includes all costs incurred from the acquisition of biological assets and throughout the growth cycle e.g. cost of new-born animals, feed costs, and other farm costs.



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An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements	
	2021	2020
	<i>(Thousand head)</i>	
Chicken	18,736	15,925
Swine	767	644
Total	19,503	16,569

The estimates of physical quantities of the Group's biological assets were based on experience and historical data.

Fair value measurement

The fair value of the Group's biological assets including carrying amount in the consolidated financial statements were as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
		<i>(in thousand Baht)</i>			
31 December 2021					
Biological assets at fair value					
less cost to sale	870,669	-	870,669	-	870,669
31 December 2020					
Biological assets at fair value					
less cost to sale	324,528	-	324,528	-	324,528

The valuation technique and the inputs used in measuring the fair value of those biological assets categorised in Level 2 is market comparison approach which use quoted prices based on market prices at the reporting date.

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9 Advance payments to farmers

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current				
Advance payments to farmers	145,235	194,203	-	-
Less allowance for expected credit loss	(4,985)	(7,979)	-	-
Net	140,250	186,224	-	-
Non-current				
Advance payments to farmers	426,806	360,335	-	-
Less allowance for expected credit loss	(180,397)	(167,738)	-	-
Net	246,409	192,597	-	-
Total	386,659	378,821	-	-

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Allowance for expected credit loss				
At 1 January	175,717	162,542	-	-
Addition	9,665	13,175	-	-
At 31 December	185,382	175,717	-	-

Information of credit risk is disclosed in note 26 (b.1).

Advance payments are paid to the farmers to operate their poultry and swine farms business. These contract farmers are contracted to rear chicks and pigs for the Group. The advance payments bear interest at the rates of 5% to 11% per annum (2020: 5.0% to 11.0% per annum). In respect of current advance payments to farmers, the farmers will repay the Group when they obtain loans from financial institutions. The Group expects that the repayment of current advance payments to farmers will be received within 1 year. The non-current advance payments to farmers will repay to the Group based on agreed method of payments depending on the operating performance of contract farming of each individual farmer. The non-current advance payments to farmers are secured by farmers' land.



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For the year ended 31 December 2021

10 Marketable financial assets

<i>Unit trust - debt securities and marketable equity securities</i>	At 1 January	Consolidated financial statements			At 31 December
		Purchase	Disposal	Fair value adjustment	
		<i>(in thousand Baht)</i>			
2021					
Current financial assets					
Unit trust - debt securities measured at					
- FVTPL	20,000	-	(20,000)	-	-
Equity securities measured at					
- FVTPL	-	1,494,829	-	(151,654)	1,343,175
Total	20,000	1,494,829	(20,000)	(151,654)	1,343,175
2020					
Current financial assets					
Unit trust - debt securities measured at					
- FVTPL	20,000	-	-	-	20,000
Total	20,000	-	-	-	20,000
		Separate financial statements			
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
		<i>(in thousand Baht)</i>			
2021					
Current financial assets					
Equity securities measured at					
- FVTPL	-	1,494,829	-	(151,654)	1,343,175
Total	-	1,494,829	-	(151,654)	1,343,175



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11 Investments in subsidiaries

Name of subsidiaries	Type of business	Ownership interest (%)	Separate financial statements (in million Baht)				Dividend income for the year	
			Cost	Impairment	At cost - net		2021	2020
			2021	2021	2021			
			2020	2020	2020			
Local direct subsidiaries								
Thai Foods Feed Mills Co., Ltd.	Manufacturing and distribution of feed	99.99	2,000	-	2,000		560	500
Thai Foods Poultry Farm Co., Ltd.	Production and distribution of broiler chick	99.99	1,200	(718)	482		-	-
Thai Foods Contract Farming Co., Ltd.	Production and distribution of broiler chicken	99.99	125	-	125		-	-
Thai Foods Research Center Co., Ltd.	Research of cattle disease and manufacturing of vaccine	99.99	50	-	50		-	-
Thaifoods Service and Supply Co., Ltd.	Holding company	99.99	467	(141)	326		-	-
Thai Foods Swine Farm Co., Ltd.	Production and distribution of swine	99.99	1,000	-	1,000		650	-
Ayothaya Agri Tech Co., Ltd.	Manufacturing of sack and plastic sack	99.99	53	-	53		-	-
T Paragon Holding Co., Ltd.	Holding company	99.99	725	-	725		-	-
Thai Food Swine International Co., Ltd.	Production and distribution of swine	99.99	113	-	113		954	1,404
Thaifoods Further Co., Ltd.	Production and distribution of processed product	93.99	470	-	470		-	-
Thai Foods Green Energy Co., Ltd.	Holding company	99.99	100	(10)	90		-	-
Thai Process Food Co., Ltd.	Production and distribution of processed swine	99.99	13	(3)	10		-	-
Food Blessing (1988) Co., Ltd.	Production and distribution of sauce and seasoning products	100.00	289	-	289		-	-
Money Hub Service Co., Ltd.	Credit providers and guarantees	88.50	44	-	44		-	-
Logis Boy Co., Ltd.	Consulting and service provider for logistics software	95.99	8	-	8		-	-
Total			6,657	(872)	5,785		2,164	1,904

All subsidiaries were incorporated and mainly operate in Thailand.



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Material movement for the year ended 31 December	Separate financial statements	
	2021	2020
	<i>(in million Baht)</i>	
Increase in capital of T Paragon Holding Co., Ltd.	397	89
Increase in capital of Thaifoods Service and Supply Co., Ltd.	287	-
Purchase investment in Logis boy Co., Ltd.	8	-
Purchase investment in Money hub Co., Ltd.	-	44
Disposal of investment in Thaifoods Further Co., Ltd.	-	(30)
Impairment losses	(721)	(4)

Increase capital in subsidiaries

The Company increased its investment in a local subsidiary, T Paragon Holding Co., Ltd. (“T Paragon”) amounting to Baht 397.09 million. The details are as follow;

- Increased the authorised share capital from Baht 450 million to Baht 700 million and to call for paid-up at 25% at Baht 62.5 million. The registration of the increase in share capital with the Ministry of Commerce has been completed on 8 April 2021.
- Called the remaining for paid-up share capital of Baht 70 per share for 1,737,000 ordinary shares, totaling of Baht 121.59 million
- Called the remaining for paid-up share capital of Baht 20 per share for 2,500,000 ordinary shares, totaling of Baht 50 million
- Called the remaining for paid-up share capital of Baht 5.2 per share for 2,500,000 ordinary shares, totaling of Baht 13 million
- Called the remaining for paid-up share capital of Baht 40 per share for 2,500,000 ordinary shares, totaling of Baht 100 million
- Increased the authorised share capital from Baht 700 million to Baht 900 million and to call for paid-up at 12.75% at Baht 25.5 million. The registration of the increase in share capital with the Ministry of Commerce has been completed on 5 November 2021.
- Called the remaining for paid-up share capital of Baht 9.8 per share for 2,500,000 ordinary shares, totaling of Baht 24.5 million

Thai Viet Corporation Joint Stock Company (“TVC”) (formerly known as Thai Viet Swine Line Joint Stock Co., Ltd.), the Company’s foreign indirect subsidiary, has increased authorised share capital amounting to Vietnam Dong 610,508 million, by increasing the authorised share capital from Vietnam Dong 189,492 million to Vietnam Dong 800,000 million, and called for paid-up share capital at 50.78%. The registration of the increase authorised share capital was completed on 9 April 2021. The Board of Directors of the Company have approved a subsidiary, T Paragon Holding Co., Ltd., to pay for additional issue and paid-up share capital of TVC totaling of Baht 434.09 million.



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For the year ended 31 December 2021

The Company increased its investment in a local subsidiary, Thai Foods Service and Supply Co., Ltd. (“TFSS”) amounting to Baht 287.04 million. The details are as follow;

- Increased the authorised share capital from Baht 180 million to Baht 500 million and to call for paid-up at 34.5% at Baht 110.4 million. The registration of the increase in share capital with the Ministry of Commerce has been completed on 23 September 2021.
- Called the remaining for paid-up share capital of Baht 23.5 per share for 3,200,000 ordinary shares, totaling of Baht 75.20 million
- Called the remaining for paid-up share capital of Baht 8.2 per share for 3,200,000 ordinary shares, totaling of Baht 26.24 million
- Called the remaining for paid-up share capital of Baht 23.5 per share for 3,200,000 ordinary shares, totaling of Baht 75.20 million

Purchase of investment

2021

The Company invested in Logis boy Co., Ltd., by acquiring 9,599 ordinary shares from the former shareholders on 29 October 2021 with the consideration paid of Baht 833.3 per share, totaling of Baht 8.0 million, which represent 96.0% shareholding and the shares transfer has been completed on 29 October 2021.

Impairment testing for investments in subsidiaries

The recoverable amount was based on its value in use, determined by discounting the future cash flows. Five years of cash flows were included in the discounted cash flow model. The key assumptions used in the estimation of value in use were growth rate of earnings before income tax, depreciation and amortisation (“EBITDA”) which was based expectations of future outcomes taking into account past experience adjusted for anticipated revenue growth, discount rate which calculated from weighted average cost of capital, and terminal value growth rate.

According to the impairment testing, the estimated recoverable amount were lower than the carrying amount of investment in certain subsidiaries. Therefore, the management considered to recognise impairment losses of investments in the subsidiaries amounting to Baht 721 million for the year ended 31 December 2021 (2020: 4.4 million).



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12 Investment in joint ventures

Name of party	Type of business	Country of operation	Consolidated financial statements			
			Ownership interest		Equity	
			2021	2020	2021	2020
			(%)		(in thousand Baht)	
Non-marketable securities						
Seven Foods Co., Ltd	Distribution of frozen chicken products	Japan	45.71	45.71	8,641	8,767
Genepeutic Bio Co., Ltd.	Specialized medical practice activities diagnosis and treatment of leukemia	Thailand	26.00	30.00	42,092	-
TF Tech Holding Co., Ltd.	Holding company	Thailand	40.00	40.00	51,683	41,428
Thaifoods Nucleus Genetics Co., Ltd.	Production and distribution of swine breeder	Thailand	50.00	50.00	225,753	29,028
Swine Property Co., Ltd.	Holding company	Thailand	40.00	-	31	-
Total					328,200	79,223

Material movement for the year ended 31 December

	Consolidated financial statements	
	2021	2020
	(in thousand Baht)	
Increase in capital of Thaifoods Nucleus Genetics Co., Ltd.	200,000	58,750
Increase in capital of Genepeutic Bio Co., Ltd.	51,250	-
Increase in capital of Swine Property Co., Ltd.	100	-
Increase in capital of TF Tech Holding Co., Ltd.	-	20,000

Purchase of investments in joint ventures

The Group's increased its investments in a joint venture, Genepeutic Bio Co., Ltd. amounting to Baht 51.25 million. The details are as follow;

- Increased the authorised share capital from Baht 10 million to Baht 180 million and to call for paid-up at 25% at Baht 42.5 million. The Board of Directors of the Company have approved the Group to purchase additional shares in amount of Baht 12.25 million. In this regard, the shareholding has been changed from 30% to 28.89% of the paid-up capital. The registration of the increase in share capital with the Ministry of Commerce has been completed on 27 January 2021.
- Increased the authorised share capital from Baht 180 million to Baht 200 million and to call for paid-up at 50% at Baht 100 million. The Board of Directors of the Company have approved the Group to purchase additional shares in amount of Baht 13 million. In this regard, the shareholding has been changed from 28.89% to 26% of the paid-up capital. The registration of the increase in share capital with the Ministry of Commerce has been completed on 8 June 2021.



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- Called the remaining for paid-up share capital of Baht 50 per share for 520,000 ordinary shares, totaling of Baht 26 million.

The Board of Directors of the Company have approved a subsidiary, Thai Foods Service and Supply Co., Ltd., to set up in a local joint venture, Swine Property Co., Ltd. with an initial authorised share capital of Baht 1 million and to call for paid-up capital at 25% of Baht 0.25 million. In this regard, the Company has 40% shareholding of the paid-up capital of Baht 0.1 million. The registration of initial share capital of the joint venture with the Ministry of Commerce has been completed on 20 May 2021.

The Group's increased its investment in a joint venture, Thaifoods Nucleus Genetics Co., Ltd., amounting to Baht 200 million. The details are as follow;

- Increased the authorised share capital from Baht 235 million to Baht 458.75 million, and to call for paid-up at 25% of Baht 55.94 million. In this regard, the Company has 50% shareholding of the joint venture at Baht 27.97 million. The registration of the increase in share capital with the Ministry of Commerce has been completed on 8 June 2021.
- Called the remaining for paid-up share capital of Baht 18.75 per share for 1,175,000 ordinary shares, totaling of Baht 22.03 million.
- Called the remaining for paid-up share capital of Baht 56.25 per share for 1,175,000 ordinary shares, totaling of Baht 66.09 million.
- Called the remaining for paid-up share capital of Baht 7.96 per share for 1,118,750 ordinary shares, totaling of Baht 8.91 million.
- Called the remaining for paid-up share capital of Baht 67.04 per share for 1,118,750 ordinary shares, totaling of Baht 75.00 million.

The Group has considered that none of joint venture is regarded as individually material to the group.

Immaterial joint ventures

The following table summarised the financial information of the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Joint Venture	
	2021	2020
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial joint ventures	328,200	79,223
Group's share of:		
- Profit from continuing operations	247	364
- Other comprehensive income	(115)	493
- Total comprehensive income	132	857



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Accumulated depreciation and impairment losses

	Land and land improvements	Buildings and building improvements	Utilities system	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>(in thousand Baht)</i>								
At 1 January 2020	-	(883,858)	(760,294)	(2,113,372)	(196,076)	(28,784)	-	(3,982,384)
Depreciation charge for the year	-	(167,114)	(218,726)	(580,433)	(28,602)	(4,828)	-	(999,703)
Transfers	-	2,862	179	(2,805)	(236)	-	-	-
Transfer from right-of-use	-	-	-	-	-	(12,445)	-	(12,445)
Disposals	-	3,336	450	59,444	4,654	12,444	-	80,328
Write-off	-	1,514	1,795	9,139	2,335	-	-	14,783
At 31 December 2020 and 1 January 2021	-	(1,043,260)	(976,596)	(2,628,027)	(217,925)	(33,613)	-	(4,899,421)
Depreciation charge for the year	-	(195,671)	(253,386)	(644,284)	(41,711)	(5,091)	-	(1,140,107)
Impairment losses	-	(86)	(62)	(18)	-	-	-	(166)
Acquisitions through business combination	-	-	-	(4)	-	-	-	(4)
Transfers	-	-	34	1	(35)	-	-	-
Transfer from right-of-use	-	-	-	(259,767)	-	-	-	(259,767)
Disposals	-	1,996	778	54,177	2,292	(6,948)	-	52,295
Write-off	-	69	64	5,416	193	-	-	5,742
Effect of movements in exchange rates	-	(1,383)	-	(853)	(825)	(219)	-	(3,280)
At 31 December 2021	-	(1,238,335)	(1,229,168)	(3,473,323)	(258,011)	(45,871)	-	(6,244,708)



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Cost/revaluation

	Land and land improvements	Buildings and building improvements	Utilities system	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
At 1 January 2020	254,986	919,182	504,918	1,565,600	135,726	2,528	323,825	3,706,765
Additions	3,247	3,672	340	28,768	8,390	168	274,459	319,044
Land revaluation surplus	1,809	-	-	-	-	-	-	1,809
Transfers	10,785	146,211	76,811	323,932	7,149	-	(564,888)	-
Disposals	-	(2,095)	-	(4,346)	(597)	(721)	-	(7,759)
Write-off	-	(326)	(928)	(3,197)	(1,637)	-	(2,775)	(8,863)
At 31 December 2020 and 1 January 2021	270,827	1,066,644	581,141	1,910,757	149,031	1,975	30,621	4,010,996
Additions	4,327	396	731	9,915	6,755	174	302,976	325,274
Land revaluation surplus	-	-	-	-	-	-	-	-
Transfers	934	63,003	33,274	109,050	2,202	-	(208,463)	-
Transfer from right-of-use	-	-	-	385,590	-	-	-	385,590
Disposals	-	-	(465)	(51,445)	(1,294)	(333)	-	(53,537)
Write-off	-	(283)	(71)	(1,407)	(178)	-	(1,237)	(3,176)
At 31 December 2021	276,088	1,129,760	614,610	2,362,460	156,516	1,816	123,897	4,665,147

At 31 December 2020	270,827	852,020	336,775	1,087,077	37,803	677	30,621	2,615,800
At 31 December 2021	276,088	876,202	318,435	1,089,482	33,552	671	123,897	2,718,327

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The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2021 amounted to Baht 1,216 million and Baht 561 million, respectively (2020: Baht 908 million and Baht 448 million, respectively).

Assets under construction and installations of the Group and the Company as at 31 December 2021 amounting to Baht 1,675 million and Baht 124 million, respectively (2020: Baht 410 million and Baht 31 million, respectively) were mainly represented cost of construction factory building, machinery and equipment including the related installation costs.

The Group and the Company's capitalised borrowing costs relating to the acquisition of the land and the construction of the new factory amounted to Baht 15 million and Baht 4 million, respectively (2020: Baht 18 million and Baht 14 million, respectively), with a capitalisation rates ranging from 1.80 % to 4.87% and ranging from 3.16% to 4.87%, respectively (2020: ranging from 1.80% to 4.90% and ranging from 1.80% to 4.90%, respectively).

During 2021, the certain Group's and the Company's lands were remeasured by independent professional valuers, at open market values on an existing use basis. The fair value has been categorised as a Level 3 fair value. The Group recognised loss on land revaluation of Baht 2.3 million and reversed loss on land revaluation of Baht 8.2 million in profit or loss and recognised revaluation reserve of Baht 154.7 million, net of tax, in other comprehensive income. At 31 December 2021, the net book value of the Group and the Company's lands would have been amounting to Baht 1,137.7 million and Baht 87.4 million, respectively, if they were measured at cost. (2020: Baht 1,137.7 million and Baht 87.4 million, respectively)

Significant unobservable inputs

The offering price and the actual purchase price of similar comparative land adjusted by other different factors.

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value increase (decrease) if expected increase in market price were higher (lower)

14 Leases

Right-of-use assets At 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Buildings and building improvements	2,460,929	963,458	2,698	10,906
Utilities system	7,547	11,082	2,485	4,555
Machinery and equipment	367,722	627,567	240,099	466,876
Furniture, fixtures and office equipment	430	1,288	430	1,288
Vehicles	92,304	90,600	12,750	15,695
Total	2,928,932	1,693,995	258,462	499,320

In 2021, additions to the right-of-use assets of the Group and the Company were Baht 1,465.8 million and Baht 22.8 million, respectively (2020: Baht 697.5 million and Baht 58.4 million, respectively).



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The Group has entered into a number of various assets categories primarily on respect of farm and building lease agreements. These agreements are effective for period of 1 years to 15 years, which will expire on various dates until December 2036 with extension options at the end of lease term. The rental is payable in monthly as specified in the contract.

Extension options

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Sub-lease income	-	-	8,642	8,143
Depreciation of right-of-use assets:				
- Buildings and building improvements	272,893	190,759	8,577	9,359
- Utilities system	3,535	2,956	2,070	1,491
- Machinery and equipment	150,374	161,568	117,307	127,791
- Furniture, fixtures and office equipment	858	858	858	858
- Vehicles	45,502	34,976	9,057	8,396
Loss on write-off of right-of-use assets	17,447	10,679	8	345
Interest on lease liabilities	132,948	73,990	10,624	16,596
Expenses relating to short-term leases	23,838	15,168	1,379	1,209
Expenses relating to leases of low-value assets	1,178	1,600	171	258

In 2021, total cash outflow for leases of the Group and the Company were Baht 643.4 million and Baht 198 million, respectively (2020: Baht 546.7 million and Baht 230.1 million, respectively).

The Group and the Company entered into the sale and leaseback agreements for buildings and building improvements, utilities system, machineries and vehicles in the amount of Baht 690 million and Baht 531 million, respectively (2020: Baht 1,026 million and Baht 857 million, respectively). As at 31 December 2021, the Group's and the Company's buildings and building improvements, utilities system, machineries and vehicles under sale and leaseback agreements with total net book value of Baht 522 million and Baht 243 million, respectively (2020: Baht 798 million and Baht 471 million, respectively) were pledged under finance lease and leaseback agreements.



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15 Other intangible assets

	Consolidated financial statements				
	Computer software	Trademarks	Customer relationship (in thousand Baht)	Computer software under installation	Total
Cost					
At 1 January 2020	219,262	11,256	2,044	3,559	236,121
Additions	6,383	-	-	23,987	30,370
Transfer	4,038	-	-	(4,038)	-
Write-off	(2,878)	-	-	(318)	(3,196)
Disposals	(32)	-	-	-	(32)
At 31 December 2020 and 1 January 2021	226,773	11,256	2,044	23,190	263,263
Additions	21,573	-	-	13,906	35,479
Acquisitions through business combination	640	-	-	-	640
Transfers	13,845	-	-	(13,845)	-
Write-off	(10)	-	-	-	(10)
Disposals	(202)	-	-	-	(202)
Effect of movements in exchange rates	4	-	-	-	4
At 31 December 2021	262,623	11,256	2,044	23,251	299,174

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	Consolidated financial statements (<i>continued</i>)			
	Computer software	Trademarks	Customer relationship (<i>in thousand Baht</i>)	Computer software under installation Total
Accumulated amortisation				
At 1 January 2020	(128,389)	-	-	(128,389)
Amortisation charge for the year	(35,072)	-	-	(35,072)
Write-off	1,499	-	-	1,499
Disposals	9	-	-	9
At 31 December 2020 and 1 January 2021	(161,953)	-	-	(161,953)
Amortisation charge for the year	(25,272)	-	-	(25,272)
Acquisitions through business combination	(48)	-	-	(48)
Transfers	-	-	-	-
Write-off	6	-	-	6
Disposals	15	-	-	15
At 31 December 2021	(187,252)	-	-	(187,252)
Net book value				
At 31 December 2020	64,820	11,256	2,044	101,310
At 31 December 2021	75,371	11,256	2,044	111,922



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	Separate financial statement		
	Computer software	Computer software under installation	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2020	148,183	316	148,499
Additions	440	4,040	4,480
Transfers	4,038	(4,038)	-
Disposals	(2,878)	(318)	(3,196)
At 31 December 2020 and 1 January 2021	149,783	-	149,783
Additions	7,971	2,987	10,958
Transfers	2,987	(2,987)	-
Disposals	(202)	-	(202)
At 31 December 2021	160,539	-	160,539
Accumulated amortisation			
At 1 January 2020	(99,280)	-	(99,280)
Amortisation charge for the year	(22,340)	-	(22,340)
Disposals	1,499	-	1,499
At 31 December 2020 and 1 January 2021	(120,121)	-	(120,121)
Amortisation charge for the year	(11,931)	-	(11,931)
Disposals	14	-	14
At 31 December 2021	(132,038)	-	(132,038)
Net book value			
At 31 December 2020	29,662	-	29,662
At 31 December 2021	28,501	-	28,501

The gross amount of the Group's and the Company's fully amortised intangible assets that were still in use as at 31 December 2021 amounted to Baht 118 million and Baht 92 million, respectively (2020: Baht 85 million and Baht 70 million, respectively).

16 Restricted deposits at financial institutions

As at 31 December 2021, the Group and the Company had restricted deposits at financial institutions totalling Baht 100 million and Baht 1 million, respectively (2020: Baht 100 million and Baht 1 million, respectively) in order to comply with conditions for using credit facilities of certain local financial institutions and as collateral for letters of guarantee issued by the depositary financial institutions in favour of state enterprises.



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17 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2021 Unsecured	Total (in thousand Baht)	Secured	2020 Unsecured	Total
Short-term borrowings from financial institutions	7,171,029	3,379,300	10,550,329	1,983,928	1,596,778	3,580,706
Debentures	3,000,000	1,568,600	4,568,600	2,000,000	1,568,600	3,568,600
Long-term borrowings from financial institutions	1,919,586	-	1,919,586	2,121,076	-	2,121,076
Lease liabilities	460,612	2,463,427	2,924,039	662,476	913,741	1,576,217
Total interest-bearing liabilities	12,551,227	7,411,327	19,962,554	6,767,480	4,079,119	10,846,599

	Separate financial statements					
	Secured	2021 Unsecured	Total (in thousand Baht)	Secured	2020 Unsecured	Total
Short-term borrowings from financial institutions	1,632,185	2,421,222	4,053,407	451,432	1,390,260	1,841,692
Short-term borrowings from subsidiaries	-	2,216,550	2,216,550	-	226,400	226,400
Debentures	3,000,000	1,568,600	4,568,600	2,000,000	1,568,600	3,568,600
Long-term borrowings from financial institutions	1,054,680	-	1,054,680	898,194	-	898,194
Lease liabilities	206,865	17,427	224,292	349,051	38,818	387,869
Total interest-bearing liabilities	5,893,730	6,223,799	12,117,529	3,698,677	3,224,078	6,922,755

Asset pledged as security for liabilities as at 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Property, plant and equipment	4,187,895	4,041,495	469,264	461,239
Investment properties	16,042	16,042	22,538	22,538
Right-of-use assets	522,020	798,240	242,584	471,431
Total	4,755,957	4,855,777	734,386	955,208

Long-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
At 1 January	2,121,076	2,132,920	898,194	914,758
Increases	350,000	833,000	350,000	533,000
Decreases	(551,490)	(844,844)	(193,514)	(549,564)
At 31 December	1,919,586	2,121,076	1,054,680	898,194



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

As at 31 December 2021, the Group had secured long-term borrowing agreements with financial institutions. Details were as follows:

Name of Company	Borrowing agreement	Approved credit facilities	Balance as at 31 December 2021 (million Baht)	Interest rate (% per annum)	Term of payment
Thaifoods Group Public Company Limited	The first	300	174	Fixed rate as specified	Every 3 months for 38 months
	The second	40	12	Fixed rate as specified	Every months for 24 months
	The third	47	18	Fixed rate as specified	Every months for 28 months
	The fourth	89	27	Fixed rate as specified	Every months for 60 months
	The fifth	22	7	Fixed rate as specified	Every months for 60 months
	The sixth	20	6	Fixed rate as specified	Every months for 60 months
	The seventh	76	18	Fixed rate as specified	Every months for 60 months
	The eighth	44	25	Fixed rate as specified	Every months for 60 months
	The ninth	333	265	Fixed rate as specified	Every years for 5 years
	The tenth	200	153	Fixed rate as specified	Every months for 60 months
	The eleventh	350	350	Fixed rate as specified	Every months for 60 months
Thaifoods Further Co., Ltd.	The first	1,100	414	MLR minus specified rate	Every months for 84 months
Thai Foods Feed Mills Co., Ltd.	The first	26	8	Fixed rate as specified	Every months for 60 months
	The second	50	14	Fixed rate as specified	Every months for 60 months
	The third	119	30	Fixed rate as specified	Every months for 60 months
	The fourth	39	17	Fixed rate as specified	Every months for 56 months
	The fifth	102	55	Fixed rate as specified	Every months for 56 months
Thai Foods Poultry Farm Co., Ltd.	The first	6	2	Fixed rate as specified	Every months for 60 months
	The second	59	25	Fixed rate as specified	Every months for 60 months
	The third	13	6	Fixed rate as specified	Every months for 60 months
	The fourth	80	42	Fixed rate as specified	Every months for 56 months
	The fifth	6	3	Fixed rate as specified	Every months for 60 months
	The sixth	21	9	Fixed rate as specified	Every months for 60 months
	The seventh	300	240	MLR minus specified rate	Every months for 56 months

In this regards, the Company must comply with the specific covenants in borrowing agreements such as to maintain debt to equity ratio and debt service coverage ratio etc.



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Notes to the financial statements

For the year ended 31 December 2021

Debentures	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	3,568,600	1,148,500	3,568,600	1,148,500
Increase	1,000,000	3,568,600	1,000,000	3,568,600
Decrease	-	(1,148,500)	-	(1,148,500)
At 31 December	4,568,600	3,568,600	4,568,600	3,568,600

Debentures

Debentures 1/2020

On 8 January 2020 the Company issued Baht 2,000 million unsubordinated, secured debentures in registered name from, which offering for institutional investors. Maturity date will be on 8 January 2025 with bearing interest at the fixed rate of 2.48% per annum.

Debentures 2/2020

On 30 April 2020 the Company issued Baht 569 million unsubordinated, unsecured debentures in registered name from, which offering for institutional investors and high net worth investors. Maturity date will be on 30 April 2023 with bearing interest at the fixed rate of 4.50% per annum.

Debentures 3/2020

On 26 November 2020 the Company issued Baht 1,000 million unsubordinated, unsecured debentures in registered name from, which offering for institutional investors and high net worth investors. Maturity date will be on 26 November 2023 with bearing interest at the fixed rate of 4.50% per annum.

Debentures 1/2021

On 11 November 2021 the Company issued Baht 1,000 million unsubordinated, secured debentures in registered name from, which offering for institutional investors. Maturity date will be on 11 November 2026 with bearing interest at the fixed rate of 2.15% per annum.

In this regards, the Company must comply with the specific covenants such as to maintain interest-bearing debt to equity ratio in the annual consolidated financial statements through the terms of debenture etc.



Lease liabilities

The Group and the Company lease buildings, farms, machinery, utilities system and vehicles under various lease agreements for periods of 1 year to 15 years. Details were as follows:

Consolidated financial statements

	Buildings, building improvements and utilities system	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
	<i>(in thousand Baht)</i>				
2021					
Lease agreements with leasing companies and financial institutions	124,526	322,094	13,806	186	460,612
Lease agreements with other parties	2,368,138	-	466	94,823	2,463,427
Total	2,492,664	322,094	14,272	95,009	2,924,039
2020					
Lease agreements with leasing companies and financial institutions	143,062	498,940	19,348	1,126	662,476
Lease agreements with other parties	821,306	-	1,367	91,068	913,741
Total	964,368	498,940	20,715	92,194	1,576,217

Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Separate financial statements				
	Buildings, building improvements and utilities system	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles
				Total
2021				
Lease agreements with leasing companies and financial institutions	-	206,865	-	206,865
Lease agreements with other parties	3,730	-	466	17,427
Total	3,730	206,865	466	224,292
2020				
Lease agreements with leasing companies and financial institutions	-	349,051	-	349,051
Lease agreements with other parties	21,049	-	1,366	38,838
Total	21,049	349,051	1,366	387,869



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Notes to the financial statements

For the year ended 31 December 2021

Unutilised credit facilities

As at 31 December 2021, the Group and the Company had unutilised credit facilities totaling Baht 879 million and Baht 388 million, respectively (2020: Baht 3,685 million and Baht 1,148 million, respectively).

18 Provisions for employee benefit

The Group has defined benefit plans for employee's retirement based on the Labour law requirement of each country.

	Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Defined benefit plans	46,059	41,337	9,420	8,611
Total	46,059	41,337	9,420	8,611

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

	Consolidated financial statements		Separate financial statements	
<i>Present value of the defined benefit obligations</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	41,337	36,339	8,611	7,304
Recognised in profit or loss:				
Current service costs	5,016	5,225	1,148	1,164
Past service costs	-	-	-	-
Interest on obligation	1,028	943	234	204
	6,044	6,168	1,382	1,368
Benefits paid by the plan	(1,322)	(1,170)	(573)	(61)
At 31 December	46,059	41,337	9,420	8,611

	Consolidated financial statements		Separate financial statements	
<i>Principal actuarial assumptions</i>	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	2.50 - 3.48	2.50 - 3.48	2.80	2.80
Future salary growth	4	4	4	4
Turnover rate	0 - 39	0 - 39	17 - 39	17 - 39





Thaifoods Group Public Company Limited and its Subsidiaries

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For the year ended 31 December 2021

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

At 31 December 2021, the weighted-average duration of the defined benefit obligations were 9 years to 29 years (2020: 9 years to 29 years).

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.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	increase in assumption		decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate - 1%	(2,505)	(3,174)	2,913	3,795
Increasing of Future salary growth - 1%	4,370	3,986	(3,710)	(3,384)
Employee turnover - 20% of null hypothesis	(7,583)	(6,551)	12,314	10,392
<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	increase in assumption		decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate - 1%	(551)	(513)	621	579
Future salary growth - 1%	776	635	(696)	(571)
Employee turnover - 20% of null hypothesis	(2,592)	(2,128)	4,526	3,660



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Notes to the financial statements

For the year ended 31 December 2021

19 Share capital

		Consolidated/Separate financial statements			
	Par value	2021		2020	
	per share	Number	Amount	Number	Amount
	(in Baht)	of shares	(million shares/million Baht)		
Authorised					
At 1 January					
- ordinary shares	1	6,138	6,138	6,138	6,138
Decrease of authorised share capital	1	(531)	(531)	-	-
Increase of authorised share capital	1	561	561	-	-
At 31 December					
- ordinary shares	1	6,168	6,168	6,138	6,138
Issued and paid-up					
At 1 January					
- ordinary shares	1	5,608	5,608	5,608	5,608
Exercise of warrants	1	36	36	-	-
At 31 December					
- ordinary shares	1	5,644	5,644	5,608	5,608

Issue of warrants

At the annual general meeting of the shareholders of the Company held on 22 April 2021, the Company's shareholders approved the issuance and allocation of not exceeding 560.76 million units of warrants which is the right to purchase the newly issued ordinary shares of the Company No. 3 ("TFG-W3 Warrants") to the existing shareholders proportion to their respective shareholding without charge, at the allocation ratio of 10 existing ordinary shares with the par value Baht 1 per share to 1 unit of TFG-W3 Warrants (10:1). The exercise ratio is 1 unit of TFG-W3 Warrants to purchase 1 ordinary share with the exercise price of Baht 5.5 per share (except for the rights adjustment). The warrant will be expired within 3 years after the issuance of TFG-W3 Warrants. The Company issued TFG-W3 Warrants on 14 May 2021. The first exercise date will be on 30 November 2021.

Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Decrease and increase of authorised share capital

At the annual general meeting of the shareholders of the Company held on 22 April 2021, the Company's shareholders approved the decrease of the Company's authorised share capital of Baht 530.59 million (decrease from Baht 6,138.16 million to Baht 5,607.57 million) by cancelling 530.59 million unsubscribed shares of the Company with the par value of Baht 1 per share. The decrease of share capital was registered with the Ministry of commerce on 29 April 2021, and approved the increase of the Company's authorised share capital of Baht 560.76 million (increase from Baht 5,607.57 million to Baht 6,168.33 million) by issuing 560.76 million ordinary shares at the par value of Baht 1 per share, after decrease of authorised share capital by cancelling unsubscribed shares. The increase of share capital was registered with Ministry of Commerce on 30 April 2021.

During the year ended 31 December 2021, TFG-W3 were exercised and registered as issued and paid-up share capital of 36.4 million shares (equivalent to Baht 36.4 million) with the proceed of Baht 200.1 million (2020: nil)

Warrants TFG-W3

	2021	2020
	<i>(in thousand unit)</i>	
At 1 January	560,757	-
Less: Exercised during the period	(36,382)	-
At 31 December	524,375	-

Share premium

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

20 Legal reserves

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

The Company appropriated legal reverse for the year ended 31 December 2021 amounted to Baht 51.2 million (2020: Baht 81.0 million).



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

21 Segment information and disaggregation of revenue

Segment information

Segment information is based on core business operations of producing and distributing frozen and chilled chicken meat and products of chicken meat including producing and distributing swine and feed mill. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1: Poultry business

Segment 2: Swine business

Segment 3: Feed mill business

Segment 4: Others

The CODM considers the monthly performance of each reporting segment based upon profit before finance costs and income tax expense.

Disaggregation of revenue

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

Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Revenue and results, based on segments, in the consolidated financial statements for the years ended 31 December 2021 and 2020 were as follows:

	Poultry		Swine		Feed mill		Total		Others		Eliminate		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in million baht)</i>													
Revenue from external customer	16,643	16,309	9,517	9,501	6,958	5,222	33,118	31,032	1,705	307	-	-	34,823	31,339
Revenue from intra-group	13,718	13,238	2,715	2,044	14,035	12,169	30,468	27,451	366	245	(30,834)	(27,696)	-	-
Total revenue from sales of goods														
Profit (loss) from operation	30,361	29,547	12,232	11,545	20,993	17,391	63,586	58,483	2,071	552	(30,834)	(27,696)	34,823	31,339
after intra-group elimination and internal expense allocation	(1,052)	(135)	2,536	3,295	(8)	352	1,476	3,512	115	58	-	-	1,591	3,570
Finance costs													(493)	(370)
Income tax expense													(546)	(649)
Profit for the year													552	2,551

Assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2021 and 2020 were as follows:

	Poultry		Swine		Feed mill		Total		Others		Eliminate		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in million Baht)</i>													
Reportable segment assets as at 31 December	29,908	24,333	10,637	7,864	12,567	8,633	53,112	40,830	980	989	(18,525)	(15,728)	35,567	26,091
Reportable segment liabilities as at 31 December	20,199	13,793	7,429	4,560	9,950	5,558	37,578	23,911	119	128	(13,700)	(9,089)	23,997	14,950



Thaifoods Group Public Company Limited and its Subsidiaries

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For the year ended 31 December 2021

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

During the year 2021 and 2020, there was no single external customer that contributed 10% or more of the Group's total revenue.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for feedmill operations, farming, breeding animals, frozen and chilled productions etc. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Consolidated financial statements

Year ended 31 December	Promoted businesses		Non-promoted business		Total	
	2021	2020	2021	2020	2021	2020
			(in million Baht)			
Local sales	7,569	10,250	20,291	14,773	27,860	25,023
Export sales	4,757	4,202	2,206	2,114	6,963	6,316
Total revenue from sale of goods	12,326	14,452	22,497	16,887	34,823	31,339
Other income	12	130	671	388	683	518
Total revenues	12,338	14,582	23,168	17,275	35,506	31,857

Separate financial statements

Year ended 31 December	Promoted businesses		Non-promoted business		Total	
	2021	2020	2021	2020	2021	2020
			(in million Baht)			
Local sales	3,191	3,471	7,181	6,686	10,372	10,157
Export sales	3,016	2,933	2,100	2,020	5,116	4,953
Total revenue from sale of goods	6,207	6,404	9,281	8,706	15,488	15,110
Other income	-	86	2,615	2,277	2,615	2,363
Total revenues	6,207	6,490	11,896	10,983	18,103	17,473



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

22 Expenses by nature

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Changes in finished goods and work in progress	304,322	(161,418)	71,022	(224,809)
Raw materials used	21,867,157	18,490,093	10,908,683	11,464,821
Employee benefit expenses	4,148,392	3,752,451	2,192,381	1,984,937
Depreciation and amortisation	2,424,830	2,101,229	474,836	468,798
Transportation expenses	1,149,419	858,444	557,046	375,154
Factory supplies used	1,123,499	922,441	423,028	385,002
Rental and utilities expenses	1,010,903	986,597	399,886	428,317
Repair expenses	531,417	461,840	276,011	260,846
Examine analysis expenses	261,475	145,478	70,508	64,245
Idle cost	152,609	188,435	-	-
Wages and service fees	175,880	134,668	103,743	75,379
Recruitment expenses	65,210	68,504	37,638	36,803
Factory and office expenses	59,587	49,152	24,194	22,996
Advertising and sale promotion expenses	46,950	41,526	18,758	25,908
Professional fees	27,762	31,726	11,254	12,770
Bad debts	245	925	-	102
Others	247,494	127,878	59,730	18,898
Total cost of sales of goods and rendering of services, distribution costs and administrative expenses	33,597,151	28,199,969	15,628,718	15,400,167

Employee Joint Investment Program No.1 (EJIP#1)

The Company has appointed a local financial institution to manage the Employee and Employer Joint Investment Program No.1 (“EJIP”) and to be the representative in the trading securities to buy the ordinary shares of Thaifoods Group Public Company Limited (“TFG”) in the Stock Exchange of Thailand. EJIP is an investment program for accumulative buying shares of TFG, established to serve as another means for compensating the Company’s employees and subsidiaries effective for the period from December 2020 to November 2030.

During 2021, the Group and Company has contributed EJIP for its employees amounting to Baht 9 million and Baht 4 million, respectively (2020: Baht 0.5 million and Baht 0.2 million, respectively), which included in employee benefit expenses.



Thaifoods Group Public Company Limited and its Subsidiaries

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Defined contribution plans

During 2021, the Group and Company has contributed provident funds for its employees amounting to Baht 23 million and Baht 9 million, respectively (2020: Baht 17 million and Baht 6 million respectively), which included in employee benefit expenses.

23 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax				
Current year	399,811	534,481	-	-
	399,811	534,481	-	-
Deferred income tax				
Movements in temporary differences	145,809	(6,951)	(26,892)	7,451
Benefit of tax losses recognised	-	121,757	-	121,757
	145,809	114,806	(26,892)	129,208
Income tax expense (income)	545,620	649,287	(26,892)	129,208

Consolidated financial statements						
<i>Income tax</i>	Before tax	2021	Net of tax	Before tax	2020	Net of tax
		Tax expense			Tax expense	
Recognised in other comprehensive income						
Gains on land revaluation	193,419	(38,684)	154,735	11,983	(2,397)	9,586
Total	193,419	(38,684)	154,735	11,983	(2,397)	9,586

Separate financial statements						
<i>Income tax</i>	Before tax	2021	Net of tax	Before tax	2020	Net of tax
		Tax expense			Tax expense	
Recognised in other comprehensive income						
Gains on land revaluation	-	-	-	1,809	(362)	1,447
Total	-	-	-	1,809	(362)	1,447

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Notes to the financial statements

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Reconciliation of effective tax rate	Consolidated financial statements			
Applicable tax rate (%)	0	20	Others	Total
	<i>(in million Baht)</i>			
2021				
Accounting profit (loss) before income tax expense	(551)	1,514	135	1,098
Income tax at the applicable tax rates	-	303	8	311
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	6	229	-	235
Net	6	532	8	546
Reconciliation of effective tax rate	Consolidated financial statements			
Applicable tax rate (%)	0	20	Others	Total
2020				
Accounting profit before income tax expense	910	2,023	268	3,201
Income tax at the applicable tax rates	-	405	11	416
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	141	92	-	233
Net	141	497	11	649
Reconciliation of effective tax rate	Separate financial statements			Total
Applicable tax rate (%)	0	20		
	<i>(in million Baht)</i>			
2021				
Accounting profit (loss) before income tax expense	(167)	1,211	1,044	
Income tax at the applicable tax rates	-	242	242	
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	4	(273)	(269)	
Net	4	(31)	(27)	
Reconciliation of effective tax rate	Separate financial statements			Total
Applicable tax rate (%)	0	20		
	<i>(in million Baht)</i>			
2020				
Accounting profit before income tax expense	185	1,564	1,749	
Income tax at the applicable tax rates	-	313	313	
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	126	(310)	(184)	
Net	126	3	129	



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<i>Deferred tax assets and deferred tax liabilities</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Deferred tax assets	722,515	845,900	565,497	529,901
Deferred tax liabilities	(385,816)	(324,708)	(61,175)	(52,471)
Net deferred tax assets	336,699	521,192	504,322	477,430

	Consolidated financial statements			
		(Charged)/Credited to		
	At	Profit or loss	Other comprehensive income	At
<i>Deferred tax</i>	1 January	<i>(in thousand Baht)</i>		31 December
<i>2021</i>				
<i>Deferred tax assets (liabilities)</i>				
Trade accounts receivable and advance payments to farmers	109,446	2,426	-	111,872
Inventories	8,285	(575)	-	7,710
Biological assets	54,776	(146,879)	-	(92,103)
Investment in joint ventures	(101)	501	-	400
Property, plant and equipment	(322,016)	(14,501)	(38,684)	(375,201)
Right-of-use assets	1,449	(260)	-	1,189
Intangible assets	(2,671)	-	-	(2,671)
Provisions for employee benefit	6,577	(132)	-	6,445
Forward exchange contracts	14,833	(16,720)	-	(1,887)
Marketable financial assets	-	30,331	-	30,331
Loss carry forward	650,614	-	-	650,614
Net	521,192	(145,809)	(38,684)	336,699

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		Consolidated financial statements		
		(Charged)/Credited to		
	At		Other	At
<i>Deferred tax</i>	1 January	Profit or loss	comprehensive income	31 December
		<i>(in thousand Baht)</i>		
2020				
<i>Deferred tax assets (liabilities)</i>				
Trade accounts receivable and advance payments to farmers	90,462	18,984	-	109,446
Inventories	1,073	7,212	-	8,285
Biological assets	69,856	(15,080)	-	54,776
Investment in joint ventures	(20)	(81)	-	(101)
Property, plant and equipment	(305,321)	(14,298)	(2,397)	(322,016)
Right-of-use assets	1,449	-	-	1,449
Intangible assets	(2,671)	-	-	(2,671)
Provisions for employee benefit	5,660	917	-	6,577
Forward exchange contracts	5,536	9,297	-	14,833
Loss carry forward	772,371	(121,757)	-	650,614
Net	638,395	(114,806)	(2,397)	521,192
	At	Separate financial statements		
	1 January	(Charged)/Credited to		
			Other	At
<i>Deferred tax</i>		Profit or loss	comprehensive income	31 December
		<i>(in thousand Baht)</i>		
2021				
<i>Deferred tax assets (liabilities)</i>				
Trade accounts receivable	8,513	(817)	-	7,696
Property, plant and equipment	(52,471)	(8,704)	-	(61,175)
Right-of-use assets	260	(260)	-	-
Provisions for employee benefit	1,353	161	-	1,514
Forward exchange contracts	(195)	6,181	-	5,986
Marketable financial assets	-	30,331	-	30,331
Loss carry forward	519,970	-	-	519,970
Net	477,430	26,892	-	504,322



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	At 1 January	Separate financial statements (Charged)/Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2020				
Deferred tax assets (liabilities)				
Trade accounts receivable	3,679	4,834	-	8,513
Property, plant and equipment	(39,758)	(12,351)	(362)	(52,471)
Right-of-use assets	260	-	-	260
Provisions for employee benefit	1,092	261	-	1,353
Forward exchange contracts	-	(195)	-	(195)
Loss carry forward	641,727	(121,757)	-	519,970
Net	607,000	(129,208)	(362)	477,430

The tax losses will expire during the year 2022 to 2027. As at 31 December 2021 the Group had temporary difference arising from the unutilised tax losses carry forward totaling Baht 3,293 million (2020: Baht 1,948 million) which have not been recognised as deferred tax assets in the consolidated statement of financial position totaling Baht 659 million (2020: Baht 390 million) because it is not probable that the Group will be able to utilise the tax benefit in the foreseeable future.

24 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit attributable to ordinary shareholders				
Profit attributable to ordinary shareholders of the Company (basic)	561,701	2,563,292	1,070,968	1,619,627
Ordinary share outstanding				
Number of ordinary shares outstanding at 1 January	5,607,573	5,607,573	5,607,573	5,607,573
Effect of exercise of warrants	1,495	-	1,495	-
Weighted average number of ordinary shares outstanding (basic)	5,609,068	5,607,573	5,609,068	5,607,573
Earnings per share (basic) (in Baht)	0.10	0.46	0.19	0.29



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

25 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2021				
Annual dividend 2020	22 April 2021	12 May 2021	0.055	308.4
Interim dividend 2021	13 August 2021	10 September 2021	0.050	280.4
				588.8
2020				
Interim dividend 2019	24 March 2020	10 April 2020	0.055	308.4
Interim dividend 2019 (special)	24 March 2020	22 April 2020	0.145	813.1
Interim dividend 2020	26 August 2020	9 September 2020	0.030	168.2
				1,289.7

26 Financial instruments

(a) Carrying amounts and fair values

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

	Consolidated financial statements						
	Carrying amount		Fair value				Total
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	
At 31 December							
2021							
Financial assets							
Investment in equity securities	1,343	-	1,343	1,343	-	-	1,343
Other financial assets							
Forward exchange contract used for hedging	42	-	42	-	42	-	42
Financial liabilities							
Debentures	-	4,569	4,569	-	4,406	-	4,406
Other financial liabilities							
Forward exchange contract used for hedging	33	-	33	-	33	-	33



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

At 31 December	Consolidated financial statements						
	Carrying amount		Total	Fair value			Total
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost		Level 1	Level 2	Level 3	
				(in million Baht)			
2020							
Financial assets							
Investment in unit trust - debt securities	20	-	20	20	-	-	20
Other financial assets							
Forward exchange contract used for hedging	1	-	1	-	1	-	1
Financial liabilities							
Debentures	-	3,569	3,569	-	3,520	-	3,520
Other financial liabilities							
Forward exchange contract used for hedging	75	-	75	-	75	-	75

At 31 December	Separate financial statements						
	Carrying amount		Total	Fair value			Total
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost		Level 1	Level 2	Level 3	
				(in million Baht)			
2021							
Financial assets							
Long-term loans to subsidiary	-	3,000	3,000	-	2,836	-	2,836
Investment in equity securities	1,343	-	1,343	1,343	-	-	1,343
Other financial assets							
Forward exchange contract used for hedging	2	-	2	-	2	-	2
Financial liabilities							
Debentures	-	4,569	4,569	-	4,406	-	4,406
Other financial liabilities							
Forward exchange contract used for hedging	32	-	32	-	32	-	32

Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

At 31 December	Separate financial statements						
	Carrying amount			Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
				(in million Baht)			
2020							
Financial assets							
Long-term loan to subsidiary	-	2,000	2,000	-	2,070	-	2,070
Other financial assets							
Forward exchange contract used for hedging	1	-	1	-	1	-	1
Financial liabilities							
Debentures	-	3,569	3,569	-	3,520	-	3,520

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

Type	Valuation technique
Investments in marketable equity securities classified as financial assets measured at FVTPL	Offer price from the Stock Exchange of Thailand as of the reporting date.
Investments in marketable unit trusts - debt securities classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date.

The fair value of investment in financial liabilities measured at amortised costs are calculated by discounted cash flows technique.



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(b) Financial risk management policies

Risk management framework

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

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

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

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade accounts receivables, other current receivables, advance payments to farmers, loans to subsidiaries and loans to customers.

(b.1.1) Trade accounts receivables, other current receivables and advance payments to farmers.

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

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivable and advance payments to farmers by establishing a maximum payment period of 4 months and 6 months, respectively, and outstanding trade receivables are regularly monitored. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable and advance payments to farmers are disclosed in note 6 and 9, respectively.



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(b.1.2) Loans

The Company considers that all loans measured at amortised cost have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Loans are considered to be low when the risk of default is low and the borrower has a strong capacity to meet its contractual cash flow obligations.

Information about the loan is disclosed in Note 4.

(b.1.3) Cash and cash equivalent and derivatives

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

(b.1.4) Guarantees

The Group's policy is to provide financial guarantees for subsidiaries' liabilities and farmers' borrowings from financial institutions which are for construction of poultry and swine coops to rear the Group's poultry and swine under memorandum of understanding with the financial institutions of poultry and swine contract farming projects. The Group has issued guarantees to certain banks in respect of credit facilities granted to seven subsidiaries and farmers (see in note 4 and 30).

(b.2) Liquidity risk

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

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



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Consolidated financial statements				
	Contractual cash flows				
			More than 1 year but less than 5 years	More than 5 years	
<i>At 31 December</i>	Carrying amount	1 year or less	<i>(in million Baht)</i>		Total
2021					
Non-derivative financial liabilities					
Trade payables	2,020	2,020	-	-	2,020
Other current payables	1,414	1,414	-	-	1,414
Borrowings from financial institutions	12,470	11,328	1,261	-	12,589
Lease liabilities	2,924	641	1,423	1,838	3,902
Debentures	4,569	142	4,801	-	4,943
	23,397	15,545	7,485	1,838	24,868
Derivative financial liabilities					
Forward exchange contracts					
- Cash outflow	32	32	-	-	32
	32	32	-	-	32
2020					
Non-derivative financial liabilities					
Trade payables	2,190	2,190	-	-	2,190
Other current payables	1,211	1,211	-	-	1,211
Borrowings from financial institutions	5,702	4,103	1,557	-	5,660
Lease liabilities	1,576	505	862	642	2,009
Debentures	3,569	120	3,839	-	3,959
	14,248	8,129	6,258	642	15,029
Derivative financial liabilities					
Forward exchange contracts					
- Cash outflow	75	75	-	-	75
	75	75	-	-	75

Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Separate financial statements				
	Contractual cash flows				
			More than 1 year but less than 5 years (in million Baht)	More than 5 years	
At 31 December	Carrying amount	1 year or less			Total
2021					
Non-derivative financial liabilities					
Trade payables	71	71	-	-	71
Other current payables	511	511	-	-	511
Borrowings from financial institutions	5,108	4,443	739	-	5,182
Borrowings from subsidiaries	2,217	2,217	-	-	2,217
Lease liabilities	224	117	102	-	219
Debentures	4,569	142	4,801	-	4,943
	<u>12,700</u>	<u>7,501</u>	<u>5,642</u>	<u>-</u>	<u>13,143</u>
Derivative financial liabilities					
Forward exchange contracts					
- Cash outflow	32	32	-	-	32
	<u>32</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>32</u>
2020					
Non-derivative financial liabilities					
Trade payables	133	133	-	-	133
Other current payables	361	361	-	-	361
Borrowings from financial institutions	2,740	2,166	648	-	2,814
Borrowings from subsidiaries	226	226	-	-	226
Lease liabilities	388	193	213	-	406
Debentures	3,569	120	3,839	-	3,959
	<u>7,417</u>	<u>3,199</u>	<u>4,700</u>	<u>-</u>	<u>7,899</u>
Derivative financial liabilities					
Forward exchange contracts					
- Cash inflow	1	1	-	-	1
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(b.3) Market risk

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

(b.3.1) Foreign currency risk

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



Notes to the financial statements

Consolidated financial statements

	2021			2020						
	United States Dollars	Euro	Vietnam dong	Japanese Yen	Total <i>(in million Baht)</i>	United States Dollars	Euro	Vietnam dong	Japanese Yen	Total
Cash and cash equivalents	56	-	12	-	68	10	-	73	-	83
Trade and other receivables	494	-	23	24	541	179	-	25	31	235
Advance payments to farmers	-	-	50	-	50	-	-	43	-	43
Short-term borrowings from financial institutions	(1,540)	(85)	-	-	(1,625)	(475)	-	-	-	(475)
Trade and other payables	(1,353)	-	(234)	-	(1,587)	(542)	(8)	(136)	-	(686)
Gross balance sheet exposure	(2,343)	(85)	(149)	24	(2,533)	(828)	(8)	5	31	(800)
Currency forwards purchases	4,003	26	-	-	4,029	3,885	-	-	-	3,885
Currency forwards sales	(2,639)	-	-	-	(2,639)	(166)	-	-	-	(166)
Net exposure	(979)	(59)	(149)	24	(1,163)	2,891	(8)	5	31	2,919

Separate financial statements

	2021			2020				
	United States Dollars	Euro	Japanese Yen	Total (in million Baht)	United States Dollars	Euro	Japanese Yen	Total
<i>Exposure to foreign currency at 31 December</i>								
Trade and other receivables	296	-	24	320	123	-	31	154
Short-term borrowings from financial institutions	-	(23)	-	(23)	-	-	-	-
Trade and other payables	-	-	-	-	-	(1)	-	(1)
Gross balance sheet exposure	296	(23)	24	297	123	(1)	31	153
Currency forwards sales	(1,888)	-	-	(1,888)	(166)	-	-	(166)
Net exposure	(1,592)	(23)	24	(1,591)	(43)	(1)	31	(13)

Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Thai Baht against all other currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

		Consolidated financial statements		Separate financial statements	
<i>Impact to profit or loss</i>	Movement (%)	Strengthening	Weakening <i>(in million Baht)</i>	Strengthening	Weakening
<i>At 31 December 2021</i>					
USD	1	10	(10)	16	(16)
<i>At 31 December 2020</i>					
USD	1	(29)	29	-	-

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and borrowings interest rates are mainly fixed (see note 17). So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Financial instruments with variable interest rates</i>				
Financial liabilities				
Long-term borrowings from financial institutions	<u>(654)</u>	<u>(907)</u>	<u>-</u>	<u>(1)</u>
	(654)	(907)	-	(1)



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

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Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements		Separate financial statements	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
Impact to profit or loss				
	<i>(in million Baht)</i>			
2021				
Financial instruments with variable interest rate	7	(7)	-	-
2020				
Financial instruments with variable interest rate	6	(6)	-	-

27 Capital management

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

28 Supplemental disclosures of cash flows information

Property, plant and equipment and other intangible assets paid by cash during the years ended 31 December 2021 and 2020 were as follows:

Property, plant and equipment	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Increases during the year	13	3,141,527	1,480,663	325,274	319,044
Add (less) - changes in payables		48,924	(25,096)	572	37,006
Purchase and paid by cash		3,190,451	1,455,567	325,846	356,050
Other intangible assets	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Increases during the year	15	35,479	30,370	10,958	4,480
Less - changes in payables		(165)	(3,502)	(315)	-
Purchase and paid by cash		35,314	26,868	10,643	4,480



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Capital commitments				
Buildings and equipment	1,308,498	817,223	34,132	55,618
Other intangible assets	9,126	8,054	-	-
Total	1,317,624	825,277	34,132	55,618
Other commitments				
Unused letters of credit for purchases of goods, raw materials, supplies and others	2,250,160	1,366,146	299	19,580
Purchase orders for goods, raw material, supplies and others	2,214,344	897,268	49,710	35,032
Total	4,464,504	2,263,414	50,009	54,612

30 Contingent liabilities

Farmers' borrowings guarantee commitments

As at 31 December 2021, the Group had commitments under memorandum of understanding with the financial institutions for poultry and swine contract farming projects. Under contract farming projects, the Group guarantee farmers' borrowings from financial institutions. The farmers' borrowings are for construction of poultry and swine coops to rear the Group's poultry and swine. The guarantees on outstanding farmers' borrowing principals amounted to Baht 42 million (2020: Baht 92 million).

31 Events after the reporting period

- 31.1 On 14 January 2025 the Company issued of Baht 900 million unsubordinated, unsecured debentures 1/2022 in registered name from, which offering for institutional investors and high net worth investors. Maturity date will be on 14 January 2025 with bearing interest at the fixed rate of 4.25% per annum.
- 31.2 T Paragon Holding Co., Ltd., ("TPH") the Company's subsidiary, has increased authorised share capital amounting to Baht 200 million, by increasing the authorised share capital from Baht 700 million to Baht 900 million, and called for fully paid-up share capital at 50% of Baht 100 million. The subsidiary has registered the increase authorised share capital with the Ministry of Commerce on 20 January 2022.
- 31.3 Thai Viet Corporation Joint Stock Co., Ltd. ("TVC"), the Company's foreign indirect subsidiary, has called up the remaining value of share capital of Baht 50 per share for 2,000,000 common shares. The Board of Directors of the Company has approved the subsidiary (T Paragon Holding Co., Ltd.) to pay for ordinary shares of TVC totaling of Baht 100 million on 27 January 2022.



Thaifoods Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

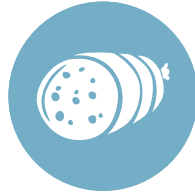
- 31.4 At the Board of Directors' meeting of the Company held on 24 February 2022, the Company's Board of Directors approved the declaration of the annual dividend of Baht 0.04 per share for 5,644 million ordinary shares, totaling Baht 225.76 million, from the operating results for the year 2021 and unappropriated retained earnings as at 31 December 2021. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.

32 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2020 have been reclassified to conform to the presentation in the 2021 financial statements. The reclassifications are as follows:

	2020		
	Consolidated financial statements		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
Statement of financial position as at 31 December			
Marketable financial assets	-	20,000	20,000
Other current financial assets	21,083	(20,000)	1,083
Short-term borrowings from financial institutions	3,376,964	203,742	3,580,706
Trade accounts payable	2,228,941	(38,485)	2,190,456
Other current payables	1,376,236	(165,257)	1,210,979
		<u>-</u>	





Part 4

Enclosure

- Enclosure 1** Details of the Board of Directors, Executives and Company Secretary and Bookkeeper
- Enclosure 2** Details of the Directors of Subsidiaries and Affiliates
- Enclosure 3** Details of Head of Internal Audit and Head of Compliance
- Enclosure 4** Information of Appraised Value Asset
- Enclosure 5** Corporate Governance Policy and Code of Conduct
- Enclosure 6** Report of the Audit Committee

Enclosure 1

Details of the Board of Directors, Executives and Company Secretary and Bookkeeper

Details of the Board of Directors, Management and Company Secretary as of 31 December 2021

Mr. Weerasak Ungkajornkul
Chairman of the Board of Director/ Independent Director

Age	73 Years
Highest Education	Bachelor's Degree in Law (Honor Degree), Thammasart University
Experience	
2020 - Present	Chairman of the Board of Director/ Independent Director, Thaifoods Group Public Company Limited
2014 - Present	Independent Director, Thaifoods Group Public Company Limited
2014 - 2020	Audit Committee, Thaifoods Group Public Company Limited
2009 - 2013	Director/ Legal Advisor, Law for Life Company Limited
Director program and other training course	<ul style="list-style-type: none"> Director Accreditation Program (DAP), Class 79/2009, Institution of Directors Association
Year of Directorship	7 Years
Position in others listed Company	None
Position in Non-Listed Company	None
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	None



Mr. Winai Teawsomboonkij
Director/ Chairman of Executive Committee/ Chief Executive Officer

(The director who authorized to sign) Appointed as director on August 18, 2014

Age 59 Years

Highest Education Diploma in Agriculture Economics, Kasetsart University

Experience

2001 - Present	Director/ Chairman of Executive Committee/ Chief Executive Officer, Thaifoods Group Public Company Limited
2016 - Present	Director, Goldern Shine Company Limited
2016 - Present	Director, Speed Force Company Limited
2014 - Present	Director, Newsaga Company Limited
2014 - Present	Director, Star Capital (HK) Limited
2014 - Present	Director, Norcot Holdings Limited
2014 - Present	Director, NEWSAGA Limited
2014 - Present	Director, Newstar Victor Company Limited
2014 - Present	Director, T Treasury Company Limited
2014 - Present	Director, Thaifoods's subsidiaries and associated

Director program and other training course • Director Certification Program (DCP), class 169/2013, Institution of Directors Association

Year of Directorship 7 Years

Position in others listed Company None

Position in Non-Listed Company Director, Goldern Shine Company Limited
 Director, Speed Force Company Limited
 Director, Newsaga Company Limited
 Director, Star Capital (HK) Limited
 Director, Norcot Holdings Limited
 Director, NEWSAGA Limited
 Director, Newstar Victor Company Limited
 Director, T Treasury Company Limited
 Director, Thaifoods's subsidiaries and associated

Nature of relationships between director/management None

No. of shares held as at December 31, 2021 1,006,224,717 shares or equivalent to 17.83% of total Company's share.

Mr. Phet Nantavisai
Director/ Chief Operating Officer

(The director who authorized to sign) Appointed as director on November 12, 2018

Age	37 Years
Highest Education	Master's Degree, Business Administration, NIDA Business School
Experience	
2021 - Present	Chief Operating Officer, Thaifoods Group Public Company Limited
2018 - Present	Director, Thaifoods Group Public Company Limited
2018 - Present	Director, Thaifoods's subsidiaries and affiliate
2016 - 2021	Executive Vice President Farm Unit and Quality Development, Thaifoods Group Public Company Limited
2012 - 2016	Deputy Managing Director (Swine Business, Research and Development), Thaifoods Group Public Company Limited
2010 - 2011	Farm Manager, Thaifoods Group Public Company Limited
Director program and other training course	<ul style="list-style-type: none"> • Director Certification Program (DCP), class 160/2019, Institution of Directors Association • Seminar "Animal Nutrition and Feed Formulation" at Kasetsart University
Year of Directorship	3 Years
Position in others listed Company	None
Position in Non-Listed Company	Director, Thaifoods's subsidiaries and associated
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	199,388 shares or equivalent to 0.00% of total Company's share.



Ms. Siriluck Tangwiboonpanich
Director/ Chief Financial Officer

(The director who authorized to sign) Appointed as director on February 5, 2019

Age	41 Years
Highest Education	Master's Degree, Business Administration (Finance), Kasetsart University
Experience	
2021 - Present	Chief Financial Officer, Thaifoods Group Public Company Limited
2018 - Present	Director, Thaifoods Group Public Company Limited
2018 - Present	Director, Thaifoods's subsidiaries
2017 - 2021	Assistant Vice President Accounting and Credit, Thaifoods Group Public Company Limited
2016 - 2017	Accounting Senior Manager, Thaifoods Group Public Company Limited
2014 - 2015	Accounting Manager, Thaifoods Group Public Company Limited
Director program and other training course	<ul style="list-style-type: none"> Director Accreditation Program (DAP) 169/2020, Thai Institute of Directors
Year of Directorship	3 Years
Position in others listed Company	None
Position in Non-Listed Company	Director, Thaifoods's subsidiaries
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	113,263 shares or equivalent to 0.00% of total Company's share.

Mr. Prasit Wasupath Independent Director

Appointed as director on April 28, 2016

Age	67 Years
Highest Education	Master Business Administration, Ramkhamhaeng University
Experience	<p>2019 - Present Independent Director, Thaifoods Group Public Company Limited</p> <p>2016 - Present Director, Thaifoods Group Public Company Limited</p> <p>2021 - Present Director, Rajavej Ubolrachathani Company Limited</p> <p>2016 - Present Audit Committee/ Independent Director, Sirivej Medical Company Limited</p> <p>2015 - Present Audit Committee/ Independent Director/ Nomination and Remuneration Committee, Ubon Bio Ethanol Company Limited</p> <p>2016 - 2019 Director/ Executive Director, Thai Credit Guarantee Corporation</p> <p>2014 - 2019 Chairman of the Board of Director, Krung Thai Leasing Company Limited</p> <p>2010 - 2019 Director/ Nomination and Remuneration Committee / Audit Committee, Krungthai ZMICO Securities Company Limited</p> <p>2015 - 2016 Specialist in SME, Krung Thai Bank Public Company Limited</p> <p>2012 - 2014 First Senior Executive Vice President/ Business Center Group, Krung Thai Bank Public Company Limited</p> <p>2011 - 2014 Director, Krung Thai Asset Management Public Company Limited</p> <p>2011 - 2012 First Executive Vice President/ Business Center Group, Krung Thai Bank Public Company Limited</p>
Director program and other training course	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) 147/2017, Thai Institute of Directors • Role of the Chairman Program RCP 36/2016, Institution of Directors Association • Corporate Governance for Capital Market Intermediaries-CGI, Class 2/ 2015 • Financial Executive Development Program (FINEX XVII) Class 17/August 2008 • Modern Management Strategy for KTB's Executives Class 1 (July 2007)
Year of Directorship	6 Years
Position in others listed Company	Audit Committee/ Nomination and Remuneration Committee/ Independent Director, Ubon Bio Ethanol Company Limited
Position in Non-Listed Company	<p>Director, Rajavej Ubolrachathani Company Limited</p> <p>Audit Committee/ Independent Director, Sirivej Medical Company Limited</p>
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	None



Mr. Weidt Nuchcharoen
Chairman of Audit Committee / Independent Director

Appointed as director on August 18, 2014

Age	68 Years
Highest Education	Master's Degree in Thammasat Business School, Thammasat University Bachelor's Degree in Faculty of Economics (Agriculture) and Business Administration, Kasetsart University
Experience	
2014 - Present	Chairman of Audit Committee/ Independent Director, Thaifoods Group Public Company Limited
2021 - Present	Director, Union Auction Public Company Limited
2021 - Present	Chairman of the Risk Management Committee/ Audit Committee Director/ Independent Director, Micro Leasing Public Company Limited
2020 - Present	Expert Financial Advisory Center (TCG F.A. Center)
2020 - Present	Executive Director, Union Auction Public Company Limited
2018 - Present	Chairman of Audit Committee Director/ Chairman of Nomination and Remuneration Committee/ Independent Director, WHA Utilities & Power Public Company Limited
2018 - Present	Chairman of Director, Hinsitsu (Thailand) Company Limited
2017 - Present	Chairman of Director, Siamrajathane Public Company Limited
2017 - Present	Chairman of Director/ Chairman of Audit Committee/ Independent Director, Siam Technic Concrete Public Company Limited
2017 - Present	Advisor, Dhipaya Insurance Public Company Limited
2017 - Present	Chairman of Director, Thai Techno Glass Group Company Limited
2015 - Present	Expert/ Advisor, Small and Medium Enterprise Development Bank of Thailand
2018 - 2019	Director, Srisawad Finance Public Company Limited
2017 - 2019	Director, Raimon Land Public Company Limited
2015 - 2019	Director, Srisawad Power Public Company Limited
2016 - 2018	Director, Provincial Waterworks Authority
2016 - 2018	Expert, The Market for Alternative Investment
2015 - 2018	Director, Zoological Park Organization of Thailand
2015 - 2018	Director, Forest Industry Organization
2015 - 2017	Director, Dhipaya Insurance Public Company Limited
2015 - 2017	Director, Right Livelihood Foundation

**Director program and
other training course**

- Role of Chairman Program (RCP), Class 31 year 2013, Institution of Directors Association
- Commercial Credit Skills Assessment Program, Year 2007, Chulalongkorn University
- Top Executive Program in Commerce and Trade (TEPCOT), class 3/2010, Commerce Academy, University of Thai
- Financial Executive Development Program, Class 14/2005, The Thai Institute of Bangkok and Finance Association (FINEX)

Year of Directorship

7 Years

Position in others listed Company

Director, Union Auction Public Company Limited
Chairman of the Risk Management Committee/ Audit Committee Director/ Independent Director, Micro Leasing Public Company Limited
Executive Director, Union Auction Public Company Limited
Chairman of Audit Committee Director/ Chairman of Nomination and Remuneration Committee/ Independent Director, WHA Utilities & Power Public Company Limited
Chairman of Director, Siamrajathanee Public Company Limited
Chairman of Director/ Chairman of Audit Committee/ Independent Director, Siam Technic Concrete Public Company Limited
Advisor, Dhipaya Insurance Public Company Limited
Chairman of Director, Thai Techno Glass Group Company Limited

Position in Non-Listed Company

Expert Financial Advisory Center (TCG F.A. Center)
Chairman of Director, Hinsitsu (Thailand) Company Limited
Expert/ Advisor, Small and Medium Enterprise Development Bank of Thailand

**Nature of relationships between
director/management**

None

**No. of shares held as at
December 31, 2021**

None



Mr. Assanee Subvanich Audit Committee/ Independent Director

Appointed as director on April 29, 2019

Age	72 Years
Highest Education	Master of Business Administration, Kasetsart University Bachelor's Degree in Law (Honor Degree), Thammasart University
Experience	<div> <div>2020 - Present</div> <div>Audit Committee, Thaifoods Group Public Company Limited</div> </div> <div> <div>2019 - Present</div> <div>Independent Director, Thaifoods Group Public Company Limited</div> </div> <div> <div>2014 - Present</div> <div>Director's Advisor, Krungthai Zmico Securities Company Limited</div> </div> <div> <div>2018 - 2019</div> <div>Advisor, Thai Appraisal Foundation</div> </div> <div> <div>2013 - 2014</div> <div>Director, KTB Leasing Company Limited</div> </div> <div> <div>2009 - 2012</div> <div>Director, KTB Law Co.,Ltd.</div> </div>
Director program and other training course	<ul style="list-style-type: none"> • Director Certification Program (DCP), Class 114/2009, Thai Institute of Directors Association • Balanced Scorecard Course, Training Center, Krungthai Bank Public Company Limited • Marketing Director Course, Thammasat University • Designing The Micro Finance Program, Training Center, Krungthai Bank Public Company Limited • Program for Senior Executives on Justice Administration, Class 8, Office of the Judiciary • Audit Committee Program, Class 44/2013, Thai Institute of Directors Association • Corporate Governance for Capital Market Intermediaries, Class 2/2015, Thai Institute of Directors Association • IT Governance and Cyber Resilience Program, Class 7/2018, Thai Institute of Directors Association
Year of Directorship	3 Years
Position in others listed Company	None
Position in Non-Listed Company	Director's Advisor, Krungthai Zmico Securities Company Limited
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	None



Mr. Udomsak Nitimontree
Audit Committee/ Independent Director

Appointed as director on March 24, 2020

Age	73 Years
Highest Education	Bachelor's Degree in Law, Thammasart University
Experience	
2020 - Present	Audit Committee/ Independent Director, Thaifoods Group Public Company Limited
2008 - 2020	Judge of the Constitutional Court
2006 - 2008	Judges of the Supreme Administrative Court
Director program and other training course	<ul style="list-style-type: none"> Director Certification Program (DCP), Class 184/2021, Thai Institute of Directors Association
Year of Directorship	2 Years
Position in others listed Company	None
Position in Non-Listed Company	None
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	None



Mr. Sugun Thampon
Senior Assistant Vice President Slaughterhouse and Sausage Factory

Age	40 Years
Highest Education	Bachelor's Degree, Industrial Engineering, Engineering, Burapha University
Experience	
2018 - Present	Senior Assistant Vice President Slaughterhouse and Sausage Factory, Thaifoods Group Public Company Limited
2017 - 2018	Assistant Vice President Slaughterhouse (Prachinburi) and Sausage Factory, Thaifoods Group Public Company Limited
2015 - 2017	Factory Manager, Slaughterhouse (Prachinburi), Thaifoods Group Public Company Limited
2004 - 2015	Production Manager, Charoen Pokphand Foods Public Company Limited
Director program and other training course	None
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	123,725 Shares or equivalent to 0.00% of total Company's share



Mr. Santi Wutisela
Assistant Vice President Poultry Farm Business

Age	58 Years
Highest Education	Bachelor's Degree, Poultry Science, Maejoo University
Experience	
2016 - Present	Assistant Vice President Poultry Farm Business, Thaifoods Group Public Company Limited
2013 - 2015	Assistant Managing Director, Broiler and Hatchery Business, Thai Foods Poultry Farm Company Limited
2012 - 2013	General Manager, Broiler and Hatchery Business, Thai Foods Poultry Farm Company Limited
Director program and other training course	<ul style="list-style-type: none"> • Arbor Acres training school in U.S.A.
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	98,768 Shares or equivalent to 0.00% of total Company's share



Mr. Patipan Chaipanya
Assistant Vice President Animal Health Business

Age	50 Years
Highest Education	Bachelor's Degree, Veterinary Medicine, Khon Kaen University
Experience	
2016 - Present	Assistant Vice President Animal Health Business, Thaifoods Group Public Company Limited
2014 - 2015	Senior Manager, Research & Development Business, Thaifoods Group Public Company Limited
Director program and other training course	None
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	92,732 Shares or equivalent to 0.00% of total Company's share

Mr. Narongrit Khwuankhwaisap
Assistant Vice President Swine Farm Business

Age	58 Years
Highest Education	Bachelor's Degree, Animal Science, King Mongkut's Institute of Technology Ladkrabang Bachelor's Degree, Business Administration (Marketing), Sukhothai Thammathirat Open University
Experience	
2010 - Present	Assistant Vice President Swine Farm Business, Thaifoods Group Public Company Limited
1996 - 2009	Assistant Managing Director, Agrithai and Consultant Company Limited
Director program and other training course	<ul style="list-style-type: none"> • Entrepreneurship : Management of Innovation, Jan - Mar 2012 • Sasin Graduate Institute of Business Administration of Chulalongkorn University
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	99,878 Shares or equivalent to 0.00% of total Company's share



Ms. Patrapan Rungcharoen
Assistant Vice President New Product Development

Age	40 Years
Highest Education	Ph.D. in Agro-Industrial Product Development, Agricultural - Industry, Kasetsart University
Experience	
2019 - Present	Assistant Vice President New Product Development, Thaifoods Group Public Company Limited
2017 - 2019	Assistant Vice President Feed Mills Business, Thaifoods Group Public Company Limited
2016 - 2017	Feed Research and Development Senior Manager, Thaifoods Group Public Company Limited
2014 - 2016	Feed Research and Development Division Manager, Thaifoods Group Public Company Limited
Director program and other training course	None
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	84,372 Shares or equivalent to 0.00% of total Company's share

Mr. Pichet Mongkolsirawatana
Assistant Vice President Animal Feed Business

Age	53 Years
Highest Education	Bachelor Degree, Animal Science Kasetsart University
Experience	
2020 - Present	Assistant Vice President Animal Feed Business, Thaifoods Group Public Company Limited
2017 - 2019	Senior Feed Mills Sale Division Manager, Thaifoods Group Public Company Limited
2015 - 2017	Feed Mills Sale Division Manager, Thaifoods Group Public Company Limited
1992 - 2015	Division Manager, Krung Thai Foods Public Company Limited
Director program and other training course	None
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	95,398 Shares or equivalent to 0.00% of total Company's share

Mr. Panya Sakunchot
Assistant Vice President Further Factory

Age	47 Years
Highest Education	Master of Business Administration, Business Administration, Stamford International University
Experience	
2019 - Present	Assistant Vice President Further Factory, Thaifoods Group Public Company Limited
2017 - 2018	Senior Manager Further Factory, Thaifoods Group Public Company Limited
2014 - 2016	Factory Manager, Thai Union Manufacturing Company Limited (Samutsakorn)
2012 - 2014	QA/QC Assistant Manager, GFPT Nichirei (Thailand) Company Limited (Chonburi)
Director program and other training course	None
Nature of relationships between director/management	None
No. of shares held as at December 31, 2021	97,399 Shares or equivalent to 0.00% of total Company's share

Attachment 2

Details of the Directors of Subsidiaries and Affiliates

Company Name	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Mr. Winai Teawsomboonkij	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Phet Nantavisai	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Ms. Siriluck Tangwiboonpanich	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Puchong Prommachart																									
Ms. Sopacha Apichartvorasilp						/								/	/										

Note : / = Director

Subsidiaries company means a significant subsidiaries, having income more than 10% of total revenue according to the consolidated income statement of the latest fiscal year or having the parent company holding more than 50% of the total voting rights.

For the affiliate Company will be shown in the section of Directors, Executives and persons with controlling authority related to Thaifoods Group Public Company Limited.

- | | |
|--|--|
| 1. Thai Foods Poultry Farm Co., Ltd. | 14. Food Blessing (1988) Co., Ltd. |
| 2. Thai Foods Contract Farming Co., Ltd. | 15. FBC EXIM Co., Ltd. |
| 3. Thaifoods Further Co., Ltd. | 16. Thai Foods Fresh Market Co., Ltd. |
| 4. Thai Foods Swine Farm Co., Ltd. | 17. Money Hub Services Co., Ltd. |
| 5. Thai Foods Swine International Co., Ltd. | 18. Logis Boy Co., Ltd. |
| 6. Thai Viet Corporation Joint Stock Company | 19. Thaifoods Nucleus Genetics Co., Ltd. (Affiliate Company) |
| 7. Thai Process Foods Co., Ltd. | 20. SEVEN FOODS Company Limited (Affiliate Company) |
| 8. Thai Foods Feed Mills Co., Ltd. | 21. TF Tech Holding Co., Ltd. (Affiliate Company) |
| 9. Thai Foods Research Center Co., Ltd. | 22. TF Tech Co., Ltd. (Affiliate Company) |
| 10. Ayothaya Agri Tech Co., Ltd. | 23. TF Tech Power Co., Ltd. (Affiliate Company) |
| 11. T Paragon Holding Co., Ltd. | 24. Genepeutic Bio Co., Ltd. (Affiliate Company) |
| 12. Thai Foods Green Energy Co., Ltd. | 25. Swine Property Co., Ltd. (Affiliate Company) |
| 13. Thaifoods Service and Supply Co., Ltd. | |



Enclosure 3

Details of Head of Internal Audit and Head of Compliance

1. Head of Internal Audit

1) The person had assign to be head of internal audit

Name : Ms. Pattama Hongsittiwongse
Position : Internal Audit Division Manager

2) Education

- Master degree in faculty of commerce and accountancy, Chulalongkorn University
- Bachelor degree in faculty of commerce and accountancy, Chulalongkorn University
- Certified Public Accountant (CPA) No. 10298, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King

3) Work experiences

Period	Position	Company
2016 - Present	Internal Audit Division Manager	Thaifoods Group Public Company Limited
2016 - 2016	Deputy Department Manager - Group Performance Controlling	Thai Union Group Public Company Limited
2014 - 2016	KPI Budgeting and Process improvement Division Manager	Thaifoods Group Public Company Limited
2011 - 2014	Internal Audit Manager	Minor Global Solutions Limited, a subsidiary of Minor International PCL. ("MINT")
2006 - 2010	Senior Auditor	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

2. Head of Compliance

1) The person had assign to be head of compliance

Name : Ms. Oranuch Pensirivorasap
Position : Compliance, Corporate Governance, Risk Management and Legal Division Manager

2) Education

- Master degree in faculty of law - Washington University, U.S.A.
- Master degree faculty of law - Assumption University



3) Work experiences

Period	Position	Company
2016 - Present	Compliance Division Manager Governance Division Manager Risk Management Division Manager Legal Manager	Thaifoods Group Public Company Limited
2014 - 2015	Company Secretary	Thaifoods Group Public Company Limited
2014 - 2016	Senior Legal Manager	Thaifoods Group Public Company Limited
2004 - 2009	Lawyer	Sonton LLM Co., Ltd., and C & K Advocates and Solicitors Co., Ltd.

Scope of duties and responsibilities of Head of Compliance

Head of Compliance has duties and responsibilities such as being the center of corporate governance of in conformity with the laws, objectives, rules and policies and requirements of relevant departments. In this regard, the Board of Directors has approved the compliance policy by requiring the Board of Directors, the Board of Audit Committee, Managements or employees has a duty and the responsibility to study and understand the law including the rules related to the job responsibilities and strictly comply with the rules and regulations.



Enclosure 4

Information of Appraised Value Asset

Information of Appraised Value Asset

-None-



Enclosure 5

Corporate Governance Policy and Code of Conduct

Please see Corporate Governance Policy and Code of Conduct at

https://www.tfg.co.th/en/sustaibability/cg/policy__th

https://www.tfg.co.th/en/sustaibability/cg/code__of__conduct__th



Enclosure 6

Report of the Audit Committee

To: The Shareholders

The Audit Committee of Thaifoods Group Plc. (“the Committee”) was appointed by a resolution of the Board of Directors and consists of three independent directors. Mr. Weidt Nuchjalearn was appointed as the Chairman of the Committee while Mr. Assanee Subvanich and Mr. Udomsak Nitimontree were appointed as members. The Secretary to the Committee is Miss Pattama Hongsittiwongse, who also serves as Internal Audit Division Manager of the Company.

The Committee performed its duties and responsibilities as assigned by the Board of Directors and as set forth in the Audit Committee Charter. The Committee gave precedence to found good internal control framework and operation system, including review suitable corporate governance, adequacy of risk management, efficiency and effectiveness of internal control.

During 2021, the Committee held a total of 5 meetings. In addition to regular meetings with the Internal Audit Office, the meeting was held with the Risk Committee Significant activities carried out by the Audit Committee during 2021 are summarized below:

- 1. Financial Statements Review:** The Committee reviewed the quarterly and annual financial statements of the Company including the Company’s connected transactions or any transactions which may give rise to any conflicts of interest. The Committee worked with the Company’s management, internal auditors and external auditors to consider significant accounting estimates, policies, the Management Discussion and Analysis (MD&A) and disclosure of information in the notes of financial statements to ensure that the reports were timely, accurate and reliable as well as in compliance with the Thai Financial Reporting Standards (TFRS) and the Securities and Exchange Commission’s standards. Moreover, the Committee held a private meeting with the external auditors without the Company’s management to consider risk based audit plan and accuracy and reliability of the Company’s financial statements, and to ensure that the external auditors had preserved their independence.
- 2. Internal Control Systems and Internal Audit Review:** The Committee reviewed the assessment result of the internal control system reported by internal auditor on a quarterly basis and found that the internal control system of the Company was appropriate and fit for purpose for the Company’s business operations which in line with the external auditor’s opinion that there was no irregularities were found in the Company’s financial statements.

In relation to the internal audit work, the Committee reviewed and approved the internal audit plan, reviewed results of full audit reports, follow-up audit reports and their agreed improvement actions. The Committee provided recommendations and monitored significant issues to ensure sufficient and appropriate internal control system and good corporate governance.





3. **Risk Management Review:** The Committee reviewed adequacy and effectiveness of the Company's risk management system which may be trigger from inside or outside the Company. The Committee also reviewed risk management policy and monitored progress of risk management plan and its actions to mitigate significant risk to acceptable levels as per the Company's risk appetite on a quarterly basis and gave suggestions on the improvement of the work.
4. **Good Corporate Governance Review:** The Committee reviewed the Company's operations in compliance with the securities and exchange laws, regulations of the SET and rules, regulations related to the Company's business and Code of Conduct. In addition, the Committee reviewed the Company's connected transactions or any transactions resulting in a conflict of interest, by assigning Compliance Division to make a quarterly compliance report to the Committee
5. **Consideration for Appointment of External Auditor for the year 2022:** The Committee had worked with the Management team to consider selection of external auditors and audit fees for the year 2022 through auditors' experiences, knowledge, independence and reasonable proposed fees. After which the Committee agreed to recommend the Board of Directors to propose in the Annual General Meeting of Shareholders to appoint auditors from KPMG Poomchai Audit Ltd. The proposed auditors are Mr. Veerachai Ratanajaratkul, Certified Public Accountant (CPA) Registration No. 4323 and/or Ms. Sujitra Masena, CPA Registration No. 8645 and/or Ms. Nareewan Chaibantad, CPA Registration No.9219 wherein anyone is eligible to conduct audit engagement and express opinion on the financial statements of the Company for the year 2022.

In summary, the Committee fully performed its duties independently by using knowledge, abilities and prudence in providing opinions and creative recommendations for the fair benefit of all interested parties. The Committee view that the Company's financial statements were correct and reliable in compliance with the financial reporting standards and the generally accepted accounting standards. The Board of Directors and all managements' goal is to achieve the Company's target and also focus on effectiveness, transparency and reliability of corporate governance and sufficiency and efficiency of internal control system.

On behalf of the Audit Committee

Thaifoods Group Public Company Limited

(Mr. Weidt Nuchcharoen)

Chairman of Audit Committee





Thaifoods Group Public Company Limited

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