บริษัทเอ็นอาร์ อินสแตนท์ โปรดิวซ์ จำกัด (มหาชน)
NR Instant Produce Public Company Limited

Annual Report

(Form 56-1 One Report)

สารบัญ

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NR Instant Produce Public Company Limited

Section 1 Business Operations and Performance

1. Structure and Operation of Corporate Group

1.1 Business Overview and Characteristic of the Company

NR Instant Produce Public Company Limited ("Company" or "NRF") was registered as a limited company on 30 December 1991 and later became a public company 16 December 2019, with a registering number 0107562000483. The Company's head office is at 99/1 Moo 4, Kaerai Sub-district, Krathumbaen District, Sumut Sakhon Province and the Bangkok office is at 518/5 Maneeya Centre Building 6th floor, Phloen Chit Road, Lumpini Sub-district, Pathum Wan District, Bangkok. It has a registered capital of 1,421,040,400.00 Baht in which 1,355,780,300 ordinary shares have been paid up at the price of 1 baht per share. The Company operates as a manufacturer and distributer of food seasoning, instant food, ready-to-eat food and drink, plant-based food, over 2,000 SKUs product and over 500 food ingredients, which can be divided into 3 main groups as follows:

1) Seasoning e.g., dipping sauce, seasoning sauce, salad sauce, chili sauce, food seasoning sauce, sauce, can and powder soup;

2) Ready-to-eat e.g., ready to cook rice and noodle, sauce containing both meet and plant-based food in a container which can be microwaved, instant beverage;

3) Non-food product in a V-shapes packaging e.g., hand alcohol gel in V-shapes packaging and the Company may sell other product e.g., cosmetics and other personal health care product.

The Company distribute its product to over 30 countries across the world e.g., America, European country which has high quality control on imported food, Asia, Oceania and Australia. The Company was among the first manufacture to receive certification on the food manufacturing quality from The British Retail Consortium (BRC) since 2004. Also, the Company has passed many quality certifications from the IFS Food, GMP, FDA Standard and many more.

On 31 December 2021, the Company's business can be divided into 3 groups from (1) Ethnic Food consisting of Original Equipment Manufacturing (OEM) business with an estimated of 63% of the revenue and NRF Brand Ethnic Food business including Por Kwan, Lee Brand, Thai Delight, Shanggie, DeDe and Sabzu with an estimated of 25.8% of the revenue (2) Plant-based Food which are business producing food from plant protein with an estimated of 7.8% of the revenue, and (3) Functional Product which are business producing functional product including non-food product in V-shapes packaging with the estimated of 3.4% of the revenue. The Company has a plan to expand into the food business e.g., Food Supplement by a joint investment with Boosted Ecommerce Inc. group [1] ("boosted") (please read further detain in Section 2.2.6 Future Project) The Company has its customer base in over 30 counties across the world e.g., America, England, German France, Australia, South Africa, Japan, China, Malaysia, etc. the Company's customers are big international company which has a long-lasting relationship with the Company for over 10 years.

In April 2017, Panthera Partner Company limited, which is a company in the business group pf Mr. Dan Pathomvanich, who is the CEO and Director of the Company, has become the shareholder of

[1] Boosted Ecommerce Inc. is a group of entrepreneurs and investor who aims to invest in branded e-commerce third-party seller or any product which has its own brand, sale on Amazon E-commerce and profit. The groups aims to develop, further grow and strengthen its business to overcome the expanding business of medium and small enterprises. https://boostedcommerce.com

the Company and is ready to set policy to make the Company the food producer of the future. The policy also aims to invest in food innovation for sustainability of the whole food industry ecosystem; make the Company into "The Purpose-Led Company"[2]- a company which moves its organization and band with a clear goal and perform its business for sustainability to make Company one of the first choice in manufacturing product for world class (instant) food company; majorly enhance growth rate of the Company by setting up strategy to expand into the Specialty Food. Specialty Food is popular across the world and has a high potential growth. Also, the characteristic of the food is unique, has high quality from the start of the ingredient selection process and do not emphasize on the producing large quantity but gives importance to the quality of the product at first. The Specialty Food which the Company is focusing on is manufacturing Thai Food, Ethnic Oriental Food, Plant-based Food and Functional Food.

One of the strategies in becoming one of the leading international food manufacturing industry is to introduce high quality and safe ingredient, continue expanding the manufacturing capacity at an international standard, develop product diversity and meeting the Food Mega Trend in the future especially plant-based and functional food. The Company is developing, adjusting, and increasing its capital to achieve such goal e.g., continuously research and develop new product, invest in manufacturer and distributor of plant-based food business, invest in ecofriendly and its usage accessible to all sex and ae container, invest in many funds e.g., Big Idea Venture and New Protein Fund I. These funds are for start-up company which produce plant-based food and Unovis and are world class Alternative Protein fund which invest in many companies producing alternative protein which has modern technology and innovation. Such investment will allow the Company to expand its business and gain access to modern innovation in the long term to prepare for the Food of the Future trend.

In January 2020, the Company invested 15% of the Company's paid-up capital in the amount of 30 million baht in ordinary shares of City Food Company Limited. On 30 November 2020 onward, the Company invested another 85% of the paid-up capital in the amount of 170 million baht. Therefore, City Food is a subsidiary company of the Company since 30 November 2020. City Food Company Limited is a manufacturer and exporter of seasoning under the brand of Classic Thai, soy milk under the brand Shinpo. It has 2 factories in Nakhon Pathom and Ratchaburi.

Company have invested through subsidiaries and associated company as follows:

Name of company		Type of business
1. Nove Foods Company Limited	Subsidiary	A company which invested in Plant Base business and invested in 25% of the paid-up capital of Plant and Bean Company Limited, UK.
2. NRF Consumer Company Limited	Subsidiary	A company which invested in Ecommerce business and invested in preferred share of 3.7% of paid-up capital of Boosted Ecommerce, Inc, USA.
3. Root the Future Company Limited	Subsidiary	A non-profit corporation to support and campaign for the protection of the environment.
4. City Food Company Limited	Subsidiary	A manufacturer and exporter of seasoning under the brand of Classic Thai and OEM at Nakhon Pathom factory and soy milk under the brand Shinpo at Ratchaburi factory.

[2] The Purpose- Led Company means company which operate its business with a purpose, moves its organization and band with a clear goal about developing and upgrading the organization, create sustainable benefit for interested parties and the world. The development Dimensions International (DDI) and EY have stated in the Global Leadership Forecast 2018 that Purposeful companies will have better performance than other companies in the market by 42%.

5.	Plant And Bean Ltd, UK	Associated	A manufacturer and distributor of Patty Burger sausage and mince which is all produced from plant or Plant Base.

1.1.1 Vision, Mission, Goal, and Strategy

- **Vision**

  "To make sustainable food experiences enjoyable while raising the quality of life for our stakeholders and in doing so make the world more sustainable one SKU at a time"

- **Mission**

  "Transform our food system for a more inclusive and sustainable world. The world will be better, our producers will be better, and our customers will be better"

- **Goal**

  "To create delicious and sustainable specialty food products that delight and enrich people's lives. We do this by developing innovative products that improve not just taste but is better for the consumer and better for the planet"

  1) The Company aims to increase the sale rate to an estimated amount of 3,000 million baht or about 3 times by 2023;

  2) The Company aims to increase important customer which import the Company's product by at least 10 customers every year; and

  3) The Company aims to be the leader in the international plant-base product manufacture industry.

Strategies

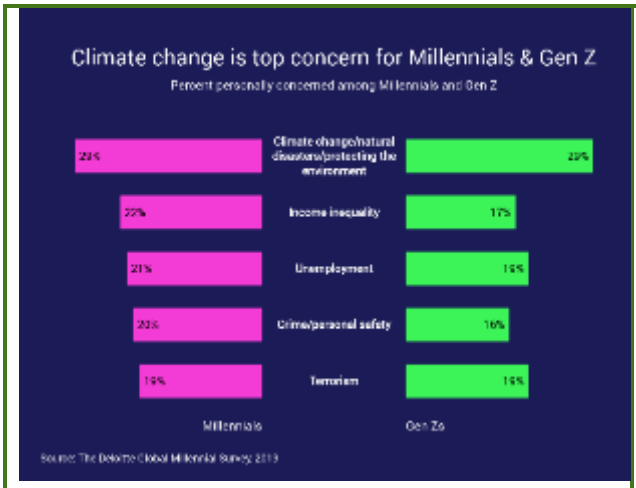
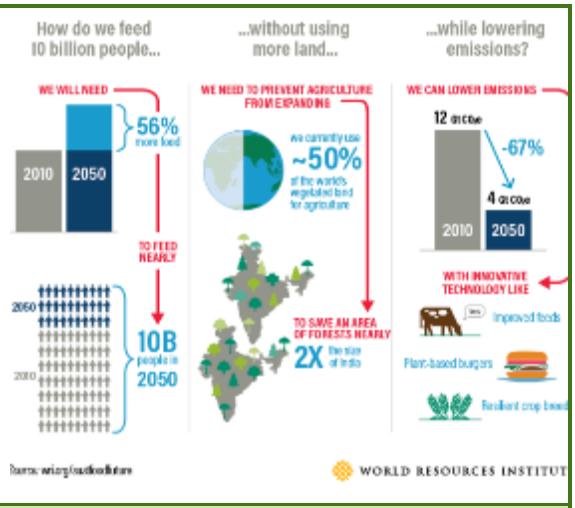
The Company aims to be one of the leading companies in the food industry which can serve the need of customers from medium, small, start-up and big international company in 3 food products including 1) Ethnic Food including Thai food and Ethnic Oriental Food e.g., products under the brand Por Kwan 2) Plant-Based Food which is protein from plant food e.g., sausage, beef mince, pork mince which are produced from plant 3) Functional product which is producing functional product business including non-food product in a V-shapes packaging.

The Board of Directors and the executives of the Company have jointly set up the strategy in operating the business to develop the Company to grow and achieve the following goals:

1.1.1.1 Becoming a company which can support Plant-Based Platform product

Plant-base product have been potentially growing from the healthy and wanting the see the world a better place trend (plant-base product produce less greenhouse gas than animal protein product because livestock produce large amount of methane gas). Customers look for food and drink which is beneficial to health especially the market in America, England, and European Country. It is predicted that in the year 2025, the plant-base product market in Europe and North America will substitute meat market ("Plant-based meat or Meat Substitute") by 2.4 million euro and 1.8 euro respectively with the

growth rate at 60 and 80 from 2018 to 2025 respectively (referring from Deloitte, Plant-base alternatives-Driving industry M&A, 2019). Between the year 2017 and 2019, the value of Meat Substitutes market grows at rate of 37.8% in America (2018- 16%, 2019-18%).[3] The situation of Covid-19 may be another factor that made consumer consume more protein from plant because some consumers believe that the virus originated from animal meat. Therefore, consuming protein from plant is safer. This made the sales of product from Plant-Based Meat higher than from Animal-Based Meat in America, especially in March 2020 (Source: SPINS, Plant Based Foods Association).

	
Consumers in the Millennials and Gen Z group worries about the environment	**Difficulty in production enough food for the world population, reducing the effect on the environment within 2050, and promotion on sustainable production and consumption**

Because the Company currently has the ability to manufacture plant-based food, e.g. instant food made from Jackfruit, Konjac, tomato, etc., in many favor and form, the Company aims to step up to be the leading company in plant-based food manufacturer industry in Thailand and internationally accepted in this industry. Therefore, the Company has a policy to jointly invest with international leading company to increase the Company's knowledge and expertise in producing plant-based food with an international standard, to keep up with the latest technology and new product. The guideline of the joint investment or the purchasing of businesses to support the Company's business are as follows 1) enhancing knowledge, expertise, technology in the invested business 2) accessing to new product

[3] The Good Food Institute (GFI) and SPINscan Natural and Specialty Gourmet (SPINS)

which enable the Company to be the leader of the market 3) promotion of the Company's reputation to make the Company more well-known 4) increase the path to access new market.

With the vision to become the leader in manufacturing plant-based food to support the current growing demand of plant-based food which is more than the supply (the Foxconn of Plant-based food), the Company have invested in companies and start-up company with the readiness in manufacturing and distributing plant-based food.

- **Dedicated plant-based food factory and research development department**

According to the report from the FAIRR investor network[4] in the year 2020. There are 1.1 million USD investment in the plant-based business which grew twice the size of the amount in the year 2019. Many big companies around the world and start-up companies aim to develop technology to use with ingredient and new product which has the similar favor and characteristic to natural meat. Generally, those big companies around the world, especially, start-up do not have their own dedicated plant-based food factory. From the current ability to produce plant-based food, the Company plans to expand the production to support the growing demand to consume plant-based food in many parts of the world which grew from 12.1 billion USD in the year 2019 to over 27.9 billion USD in the year 2025[5] and to product products for companies and start-up which the Company invested in through Big-idea Venture and New Protein Fund) by constructing dedicated plant-based food factory in Thailand and jointly invest with plant-based food manufacturer in England called the Brecks Company Limited ("Breaks").

On 13 May 2020, the Company have jointly invested with Brecks which is a company in England with an expertise in producing plant-based food for over 27 years e.g. producing sausage which is made from plant for leading coming in the plant-based industry and distribute such product across the world. The Company jointly invest with Brecks through as associated company of the Company called Plant and Bean Company Limited ("P&B"). The Company bought the 25% of the newly issue share in P&B in the amount of 5 million pound or 198 million baht so that such money can be used to buy a new factory in England and buy machine with higher producing capacity. Also, the Company has the right to buy another 25% of the newly issued share by 15 June 2020 in the price of 4 million pound. Such price may decrease if P&B cannot reach the set profit goal unless P&B can issue the newly issue shares to invest with the value above the price stated in contract. In doing the joint investment with Brecks, the Company have transferred all plant-based business, customer base, and manufacturing technology to P&B. Because P&B is in the process of choosing a suitable factory which can support the higher manufacturing capacity, P&B therefore lease a Brecks's former manufacturing

[4] FAIRR investor network consists of investors who focus to solve the problem of Environmental Social Governance of the Protein supply chain. There are around 40 investors namely PIMCO, Amundi, Northern Trust which has investment (Asset Under Management: AUM) with a total of 23 trillion USD.
[5] MarketsandMarket Analysis

factory until P&B can find a new suitable factory. The lease rate is 60,000 pound per year and paid 4 times per year. The lease contract last for 2 years and can be renewable for 2 years. The leaser may terminate the contract at any time by notifying the intention to terminate at least 3 months before the termination. Anyhow, to response to the increase production order of the customer in June 2020, P&B have used the money received from issuing newly issued shares to the Company in the amount of 0.8 million ponds to buy new machine to expand production capacity by 40% (increase to around 4,7000 ton). P&B have successfully purchased a new factory in January 2021 which is a factory producing sausages. Such factory can produce 55,000 ton of sausage and may expand its production capacity to 70,000 ton in 2021. The current stage is testing the product, applying for licenses, and expected to be able to manufacture product by March 2021. P&B plans to additionally raise fund from investor and use such money to expand the production capacity in America and Asia for sustainable growth e.g., have a production base which can manufacture product with the same standard which can support food network across the world for tax benefit (e.g., reduce import tax). The future increase in capital of P&B may affect the shareholding percentage of the Company in P&B in which the Company has a policy to hold the shareholding patio at no less than 40% of the total share of P&B.

Previously, Brecks's factory in England accept to produce plant-base product to many brans e.g., Quorn, the Vegetarian Butcher and Caldron Foods. The Company predict that the joint investment this time will provide the Company with an opportunity to learn and increase its expertise in production such product. It is an open opportunity for the Company to step up to become one of the biggest producers of such food in Thailand in the future.

- **Investment in The Meatless Farm Limited**

On 18 January 2019, the Company investment in The Meatless Farm Limited (Meatless Farm) which is a company incorporated in England and operates in Meat Substitutes business e.g., hamburger with simulated meat made from coconut oil, protein from rice and bean including radish which can give the same taste and texture as real meat product. The product of Meatless Farm is convenience, easy to consume and can be used to form many diverse menus. To create a good relation and open the opportunity for the Company, the Company has become a business partner with Meatless Farm. Therefore, the Company have invested in Loan Note Instrument of Meatless Farm and converted the ordinary share during January 2020. The Company hold 0.87% of Meatless Farm's share which is an investment to create good business relationship. This will create an opportunity for the Company to manufacture and distribute product in the future and receive information and knowledge as a shareholder should know. Currently, the Company is in the stage of negotiating with big retailer companies in Thailand so that it can distribute Meatless Farm product into the market. Anyhow, the

Company have introduced Meatless Farm's product at Icon Siam Bangkok during the previous Nine Emperor Gods Festival 2019 in which the Company have seasoned the product so that it is suitable for Thai consumer e.g., Deep-fried e-san spicy vegan ball, vegan tonkatsu, vegan mayonnaise cashew nuts, etc. The Company must be the distributor for Meatless Farm and in the long run be the manufacture in Thai and Asia market for Meatless Farm.

Meatless simulated meat for hamburger	**Meatless simulated mince meat**	**Meatless tonkatsu**	**Meatless Deep-fried e-san spicy vegan ball**

- **Investment in Big Idea Venture LLC and New Protein Fund I which is a fund focusing on investment in plant and cell protein business**

To be the leading plant-base food manufacturer, the access to technology and new customer from across the world, on 3 October 2019, the Company invested in Big Idea Venture LLC ("Big Idea Venture" or "BIV") and New Protein Fund I as an investor with no executive power. New Protein Fund I has the fund size of 1,5000 million baht. It was established by Mr. Dan Pathomvanich, who is the CEO and Director of the Company and has Big Idea Venture as the manager of the fund. New Protein Fund I is an Accelerator fund which support start-up business relating to plant-base food and give advice in conducting a successful business. It aims to invest in 100 start-up companies which now have invested over 30 start-up companies. Over half of those start-up companies already has sale revenue[6] e.g., Phuture Limited ("Phuture") (simulated pork) https://phuturemeat.com/ which has distributed to many restaurants in Singapore.[7] Because the Company invested as an investor with no executive power in Big Idea Venture, the Company has the right to present itself as the producer for the start-up companies that New Protein Fund invested in (Preferred Co-packer) when those start-up companies need a producer both for producer small testing the market scale and commercial scale. Such investment will open the opportunity for the Company to access to new technology which can be adapted to use in the Company in the future. This will increase the yield and capacity of production of the Company. Example of products of New Protein Fund I are Black Sheep Food, Phuture Meat, Eat Karanma, Confetti fine Foods. Currently the Company have entered into a hire to produce contract with Phuture Limited which is one of the start-ups in the New Protein Fund I.

[6] https://www.globalaginvesting.com/buhler-latest-investor-big-idea-ventures-50m-new-protein-fund/
[7] https://www.greemqueen.com.hk/malaysian-foodtech-phuture-foods-rolls-out-vegan-mince-in-singapore-restuants/

Artificial Lamb (The Black Sheep Food)	**Artificial Beef (Eat Karana)**	**Artificial Pork (Phuture Meat)**	**Snack from plant (Confetti fine Foods)**

- **Phuture Limited**

On 13 March 2020, the Company invested in an instrument to receive the right to convert ordinary share in the amount of 25,000 USD. Phuture Limited (“ Phuture”) https://phuturemeat .com/ is a start-up company which aims to develop simulated port which is produced from mainly soy bean’s protein. It is one of Food Tech start-up in Asia which has been interested by world class investment company. The Company have known Phuture Limited from investing with BIV. Currently, Phuture distribute product in many restaurants in Singapore. It has a plan to expand its business into China and Thailand and continually develop new product. Anyhow, the Company make such investment to build a business relation and opportunity to become the manufacturer for Phuture.

Example of food which use pork which is produced from plant “Phuture Mince”

1.1.1.2 Management of the impact on the environment, society and the economy including the promotion of good business management along to the whole life cycle of the product and service, which enable the Company to have new customers and retain current customer base (Win Customer with Sustainability)

From the year 2017, the Company have given importance to sustainable development and be responsible to the world by joining as a member of UN Global Impact. By joining, the Company promise to corporate according to the Sustainable Development Goals-SDGs which makes the Company reliable and support development activities for the Company in the long run.

The process products and services are handed to the consumer involve a continuous process from procurement, manufacturing, storage, transportation, and distribution which all together is called supply chain. The supply chain is deemed to have great importance in the operating a business relating

to food because the standard of the procurer and the quality of the ingredient has an impact to the customer in term of the hygiene, safety, and contaminant free and nutritionally correct. Because the Company greatly understand and have consider such importance, the Company has intense ingredient screening process, standard manufacturing process and safe transportation process. With the intention to be a part in the sustainable development of the supply chain, the Company have entered into a memorandum of understanding with Mahidol University. The Company sign such MOU with the intention to support agricultural products and food which is safe to the domestic and international customer so that it can be used as an important ingredient in manufacturing and processing food for domestic consumer and to further develop product for export in the future. The Company have initiated NRF Contract Farming project in which the Company have visited farmer, give marketing advice, recruiting farmer into the project to find experts in giving skills and knowledge, help with investment and jointly plan planting scheme from the start to the end process with farmers (e.g., setting soil and water system, harvest and sending to the factory process), continuously looking after farmer by giving advice on plant disease management and control. In doing so, Mahidol University will jointly give knowledge to farmer. The project will raise the quality of ingredient and product which will develop the quality of life for consumer and manufacturer for the achievement of sustainability in the whole supply chain goal.

With the promise to be responsible to the society and the public and developing farmer's life quality, the Company also focus on climate change which many organizations around the world give corporation. The Company, therefore, officially joined as a member of Un Global Compact and previously joined 1.5-degree pledge. Apart from these, the Company have joined the Carbon Nature project in 2019 to show the intention that the Company gives importance in reducing global warming. Currently, the Company is the first food manufacture in the private sector to be Carbon Neutral of Thailand. Therefore, the Company is able to adapt to the change in the industry which requires the indication of how much carbon will be released from producing a dish of food (carbon footprint) in the future. Because the process to indicate Carbon Footprint will use over 1 year, the Company believes to have prepared for the change and will be one of the first companies to receive benefit in term of business e.g., receiving new customers and opportunity to be hired to produce many types of product above the current customer.

1.1.1.3 Expanding the product under the brand belonging to the Company across Thailand and overseas (NRF Brand Go Global) and distributing through online platform (NRF E-commerce Platform)

- **Expanding the Company's product in Thailand**

Ethnic Food: Previously, the Company distribute product mostly for export and domestic customer purchase product of the Company to export it too. Most product of the Company will be exported to consumer in America and Europe which has high food quality inspection, thus prove that the quality and safety of the product of the Company is in an international standard. The Company, therefore, sees the opportunity to introduce product with export standard to Thai consumer. Because products generally distributed in Thailand have not been certified that such products are produced from ingredient which are not grown by using chemicals. Although some product has a label showing that it is safe for health e.g., organic or contaminant free, those products have a higher price than product produced from ordinary ingredient. The Company will start distributing product under the brand belonging to the Company in Thai market to make the Company's brand and reputation more well known by starting with seasoning product and dipping sauce under the brand Por Kwan and Sabu. The Company will develop the recipe to make the taste suitable for the market in Thailand, make sales through Traditional Trade, Modern Trade, and other marketing strategy to make the brand Por Kwan and Sabu more well known among Thai people.

Apart from that, the Company will expend product in V-Shapes e.g., hand cleaner sanitizer gel, seasoning, sauce, dipping sauce by using ingredient that the Company can produce by itself or through joint corporation with the Company's business partner who has top ingredient for Ethnic Food.

Plant-Based Food: Because the Company bought 100% of paid-up ordinary share in City Food Company Limited and the Company has the exclusive right to distribute soy milk under the brand Shinpo which has continuous growth in the soymilk market in Thailand, the Company believe that the Shinpo product has high capacity to compete with competitors. The Company plant to increate marketing in every channel e.g., Line, YouTube, and other social media. Also, the Company plan to increase the sale team for Shinpo's product which will enable the distribution through every sale channel e.g., Modern Trade, Traditional Trade including new form e.g., giving Francine.

- **Expanding the Company's product overseas**

Nowadays, although the Company has distributed its product to many continents around the world, the Company only has importer in some part of North America, Europe and very few importers in China. The Company, therefore, has the opportunity to expand its market into many more counties e.g., expand to a town where there are many Asian people residing e.g., Chicago, Seattle, and Miami. The Company plans to increasingly do marketing and support product sale under the brand belonging to the Company to make the brand more well known. The Company will use the data from previous order of the customers in analyzing to find new group and type of products in each country which seems similar and introduce it to new customer in the former country or in a new country through the meeting of customer in a food show overseas.

Apart from that, the Company has many business partners which can help distribute the Company's product into new countries or distribute more into the current country. For example, the Company successfully fund a Celebrity Chef who can help develop the Company's product to make it tasty for local people and help distribute the product in China. Also, in Europe, the Company sign an agreement with Asia Express, who is a big importer in Europe and distribute product under the brand Por Kwan in Austria, German, and Benelux, in which the Company plans to make a sale revenue of at least 2.3 million euro per yar to perform the contract e.g., receiving discount from the Company.

- **Expanding the Company's product Online (NRF E-commerce Platform)**

Currently, the Company has no online channel to distribute product of the Company. Therefore, intends to increase the produce distribution channel online to support the changing behavior of the consumer after the spreading of Covid-19. Also, the Company sees the opportunity to expand new product of the Company through investing in business which has product appealing to online customers so that it can boost the sale through online platform of the Company. The Company have invested in Boosted NRF Corporate USA through a joint investment with Boosted Ecommerce Inc. (Boosted), a professional manager with expertise in investment, in E-commerce business which has sale revenue on Amazon E-commerce marketplace on 31 January 2021.

Boosted is a start-up company in America (https://boostedcommerce.com/) incorporated on 26 December 2019 and lead by investor and manager with experience and expertise in investing and managing business:

1) **Charlie Chanaratsopon (Chairman)** Thai American entrepreneur and investor. He is the co-founder of Boosted Ecommerce where he used experience in branding, marketing strategy and supply chain to build a large, branded e-commerce platform in the future. Charlie is the founder and the director of Charming Charlie Brand (https://charmingcharlie.com/), which sells fashion product and accessories for women. In 2010, Charlie was ranked as Ernst & Young Entrepreneur of The Year and was ranked as "America's 40 Most Successful Young Entrepreneurs" by Forbes Magazine in 2015. Also, Charlie founded Quantor Capital (Multi-family office), a board member of Entrepreneurship program at Columbia University and a member of the Young President Organization. He graduated with an MBA from Columbia Business School.

2) **Keith Richman (CEO)** is a director of a listed company called several Nasdaq and of many companies such as Grubhub, The Meet Group, INC and Vostok New Ventures. He is also the founder of Voi Technology which is one of a start-up company in Europe operating e-scooter businesses. E-scooter is a scooter and electric bicycles for sharing in Sweden. The Company was able to raise 50 million USD in 2018 for expanding across Europe. He graduated with a B.A. in International Relations and M.A. in International Policy from Stanford University.

3) **Anton Von Rueden (President and COO)** has experience setting up eBay's in Austria and Switzerland, established Carfrogger which is an online platform for customers looking to customize their cars in their own unique way in 2012. He is also the General Manager of Global customer Service belonging to TechStyle Fashion Group which is an Online Shopping Fashion brand building platform with over 5 million members in 12 countries worldwide.

4) **Adam Epstein (VP of Merger and Acquisition)** has extensive experience in finance and investment at Lion Capital Private Equity (4.8 billion EUR total assets invested in Jimmy Choo, Weetabix Limited), Oaktree Capital Management (manages over 124.7 billion USD in investments and listed on the NYSE stock market) and Berenson & Company. Adam has experience in investing over 250 million USD and managing 2 billion USD fund. Adam graduated with an MBA from the Stanford Graduate School of Business.

5) **Drew Lessard (VP of Operation)** has over 5 years of management consultant experience at Kearney, which is a global management consulting Firm, in which he advises clients on business strategies, adjusting organization structure, post-merger integration, etc. He graduated with an MBA from Columbia Business School.

Business objectives and business plans

Boosted was established for the purpose of investing in businesses that has a sale revenue on Amazon e-commerce platform (Amazon third-party seller means seller on Amazon.com and not on Amazon.com, Inc.) From the Statista reports in quarter 2 in 2020, Third-party sellers accounted for approximately 53% of Amazon's sales, in which about three quarters of third-party sellers in 2019 has only 1-5 employees. Also, according to the survey on 1,046 third-party sellers of Jungle Scout in 2020, 86% of them was found to have profits, about 50% of them have monthly income from 5,000 USD or more, and about 10 % of them have monthly incomes over 100,000 USD.

In investing, Charlie and Adam will be the executives in market research and analysis, finding suitable businesses (sourcing), due diligence, negotiation in buying businesses (negotiation) and entering into contracts to buy businesses (Contracts). The investment is planned to acquire business with high growth potential at a value per relatively low cash-flow e.g., 3 times in which the former owner of the business will receive a return on the sale of the business partly in cash-50% of the agreed purchase price and the former owner of the business will be paid according to the profit that the business make at the rate and term agreed upon by the contract (earnout) for the remaining amount.

After investment, Boosted's management team which is led by Mr.Keith will continue to develop the invested businesses as follows

- Improvement on Supply chain system: As small and medium businesses are facing problem on the lack of cash flow and lack of credit; they are unable to make large amount of purchases. Also, the short payment terms increase the costs. The management on inventory logistics are often not managed effectively, resulting in high storage costs. As a whole, although fewer people contacted for a manufacturer causing the inability to receive the best price offer or the best quality product, etc. Boosted's management team would make an improvement to the supply chain.
- Business scale expansion (Scalability): The lack of funds, human resources, and experience in managing large businesses cause the business mom and pops and make it problematic in expanding the business.
- Online marketing: Boosted's experienced team will ensure that the investment in online media process in a sufficient and effective.
- Expansion to other channels and regions (Channel): Bringing popular products on Amazon.com to distribute in other marketplaces e.g. Shopify, Ebay, Walmart, etc.

Anyhow, the former owner's role is to administer Boosted's business and train its employees during the agreed period and it has to sign a non-competition contract during the agreed period.

Boosted plans to invest in around 100 diversified e-commerce businesses and brands to create the world's largest company producing consumption goods (The Modern Procter & Gamble) within four years and plans to register into any stock market in the future. Boosted has no track record, has invested in about 6 brands and is considering investing in additional brands in various businesses.

Boosted's Funding and the Company's Investment in Boosted's Preferred Shares

In January 2020, Boosted successfully raised approximately 5 million USD in Serie A funding from private fund investors. In September 2020, it can raise an additional 15 million USD fund by many investors e.g., Torch Capital, Cross Cut Venture, etc. The Company intends to invest in the preferred shares of Series A-1 in the amount of approximately 3 million USD or approximately 100 million baht. The Company will invest in Boosted through NRF Consumer Company Limited (NRF Consumer) (formerly Zabsu Company Limited) which is a subsidiary of the Company. The Company has already reserved investment money from the Company's operating cash flow in the total amount of 1 million USD or approximately 31 million baht to loan NRF Consumer to complete the payment of the said investment within the fourth quarter of 2020 (the Company expects NRF Consumer will have 4% shareholding if the preferred shares are converted to ordinary shares under the terms of the contract). Under the preliminary term of the agreement, NRF Consumer can exercise the right to convert preferred shares to ordinary shares of Boosted at any time in a 1: 1 ratio, unless such a portion is changed due to the split of share. The issuance of dividend stocks and the changes in Boosted's debt structure shall be based on the calculation method set out in the terms and conditions regarding preferred shares.

The importance of preferred share rights is having the right to subscribe for capital increase shares proportionally, voting right, although the shares are not yet converted, in the same way as ordinary shares. Also, in the event of liquidation e.g., a merger, NRF Consumer will receive the invested fund back before ordinary shareholders in the rates and conditions agreed. In doing so, NRF Consumer has signed a preliminary memorandum to invest in Boosted's shares and will enter into other relevant agreements.

The opportunity to invest with Boosted in building the Company's Ecommerce platform

NRF Consumer, a subsidiary of the Company has entered into a joint venture with Boosted Ecommerce, Inc. to set up Boosted NRF Corporation (Boosted NRF) on January 28, 2021 for the purpose of investing in branded e-commerce products on Amazon.com which has the product of Ethnic Food, Plant-based product and Functional Food that the Company has capacity to compete in. Those products should have good sales on Amazon's E-Commerce system and should be able to generate continuous profits. There will be clear criteria for choosing the investment so that the Company receive the most benefit.

In selecting businesses or brands to invest, the joint investment company will have a clear investment selection criteria in order to maximize the Company's benefits in the following way 1) it must be a company that is expected to have operating profit before depreciation, interest and tax (EBITDA) at least 0.3- 3 million USD; 2) The purchase price of the target business must not exceed 3.5 times of the initial investment, EV / EBITDA; and 3) Paying the first portion, 50-75%, of the investment in paid in cash and the other 25%-50% as earnout depending on the negotiation.

On 31 January 2021, Boosted NRF acquired intellectual property, trademark, Know-how in operating consumption business and other intangible assets relating to the operation of a business under the Prime Labs brand which is the leading functional product sold on Amazon.com platform. Prime Labs' main product is nutritional supplements which has been in the market for more than 5 years and has average sales revenue in the past 3 years of more than 8 million USD per year (or more than 240 million baht). Prime Labs's products began selling on Amazon.com for the first time in the year 2016 and currently has the accumulated review over 60,000 times and number 1 sales in the same category according to Amazon.com's rankings. Currently, two products (SKUs) are being sold in the United States.

The benefits that the Company will gain from investment

Boosted was established for the purpose of investing in businesses with a sale revenue on Amazon e-commerce platform (Amazon third-party seller meaning Amazon.com seller and not Amazon.com, Inc.), has high growth and profit which can be used to further develop on. The Company believe that the said investment will be another important channel to distribute products- which has been driven by changing consumer's behavior especially ordering product online; and to gain direct

access to information on consumer needs- which is the first time that the Company has real access to the information of the end consumer. Those information can be used further for marketing analysis and product development, which the Company expects to benefit from the investment as follows:

1) The investment in Boosted gives the Company and NRF Consumer access to e-commerce businesses information which are attractive to invest on Amazon.com where the Company has already competitiveness. Those products must have good sales in Amazon's E-Commerce system and generate continued profits. There will be clear criteria for selecting investments in order to maximize the benefits of the Company.

    - Bring the Company's products to sell on Amazon Market Place, which has a customer base. Therefore, the Company can offer products (Upselling) to them.
    - Having more products to present to the Company's customers who has constant demand for new products.
    - Having the opportunity to be the manufacturer of those products and if sales are high then is able to invest in a specific production line for that product.
    - Bring information, knowledge and experience gained from the joint investment to expand investment in Asia or Europe.

2) The Company and NRF Consumer can receive a return on their investment in the form of profit sharing or an increase in stock prices in the future if Boosted is successful in operating its business.

1.1.1.4 Capacity expansion and the development of production processes and technology to support the Company's growth (Digitalization of Production Process)

- **Expansion of production capacity**

In order to prepare sufficient production capacity in order to support the Company's future growth, the Company has planned to expand the production capacity in the form of purchasing machinery, acquiring business, hiring to manufacture, constructing factories on vacant land owned by the Company which is located behind the Company current factory. For the future production capacity expansion, the Company will consider the cost-effectiveness of each type of investment, operational suitability and production quality maintenance. The Company must choose the suitable capacity expansion method as soon as possible.

On 31 November 2020, the Company invested in 100% of the registered and paid-up ordinary shares of City Food Company Limited ("City Food") to increase production capacity, support the Company's growth and help strengthen the readiness for a more variety of food production services e.g. nut-free factories.

The Company has a project to build a factory specifically for plant protein in Thailand by using the knowledge and expertise gained from the joint investment with Brakes. Such knowledge and expertise can be used as a base for production and export of plant-based food in the Asian region.

- **Improving the production process for larger production quantities; using technology throughout the production chain to adapt to a smart manufacturing and increase efficiency and profitability (Smart production and Digitalize business process)**

The Company has consistently developed the production processes for better profitability e.g. investing in machine which can produce konjac noodle when the Company has an order in the amount that is worth the investment due to the popularity of konjac noodles in the United States and in Europe and trade war as most konjac is produced in China. The investment in the machine producing konjac noodles will not only allow the Company to produce more but also reducing the cost of raw materials. This is because the Company cannot manufacture konjac noodles itself in the past but order ready-made konjac noodles, bring them for seasoning and processing into different packaging and send them to the customers according to their orders.

For the long-term development of the production system, the Company has planned to develop the production system by adding technology that can track production and measure results from start to end of the production chain, be able to easily develop prototypes product e.g., 3D printing technology to fully support the digital age. Such plan aims to adapt into smart production within 3 years.

1.1.1.5 Focusing on research and development; building and developing business relationships with business partners (Partnership) to increase business diversity by offering products, new packaging or services

The Company's research and development team has more than 20 years of experience in developing product for customers. The Company is committed to study the changes in consumer behavior in order to develop or invest in products or technologies that can increase business opportunities in expanding the Company's growth. For example, investing in V-shapes and plant-based businesses to support the growing population in millennial or Gen Me group, as well as the growing healthy and Earth caring trend of the consumer. This will be a major driver in the future growth of the food business. Also, entering into aging society is an important dynamic that has a broad impact to both to the global society and Thailand. In particular, Thailand has entered the aging society since 2005. The National Economic and Social Development Council stated that Thailand will completely enter the aging society in 2021 which is the second country of ASEAN after Singapore. The population aged 60 years and over will be at least 13 million people or 20% of the total population.

In addition, from the fact that company is one of the food manufacturers that focus on the development of a sustainable production chain including participating in many global organizations and investing in companies with technology in food production of the future, the Company has the opportunity to meet with many business partners who can develop in many areas in the future e.g., signing a production service memorandum of understanding with Griffith Food Thailand. The Collaboration with local and international partners to expand V-Shapes packaging markets e.g. Fluid Energy Group. The Company may develop further into the food, cosmetics, pharmaceuticals, and chemicals industries. Currently, the Company is in the process of negotiating with many business partners in many industries.

The Company believes being business partner with Fluid Energy will further enhance the recognition and popularity of V-shapes packaging which can increase business opportunities in the future.

1.1.2 Significant Changes and Developments

Brief explanation on the nature of business operation in the past year

The Company operates as a manufacturer, procurer and distributor of food seasoning products, instant food, seasoning for cooking, vegetarian meal without eggs and dairy, plant-based food and instant beverages in form of powder and water. The Company is committed to sustainably operate the business in order to be one of the leading company food manufacturers and distributors industry for sustainability, benefit of the producers and consumers, environmentally friendly, have production process that meets international standards, especially food safety.

The nature of business operation of the Company can be divided into 3 groups: Ethnic Food, Plant-based Food, and Functional Product, which are product hired to produce and under the Company's brand. The impact of COVID-19 is positive for the Company and the Company invested in an Ecommerce business on 31 January 2021 to mitigate business risks and provide another channel for distributing products through E-commerce.

The change in shareholding structure, management, or business operation; or other important events in the past 3 years

Since the establishment of the Company in 1991 with a registered capital of 10 million baht, NR Instant Produce Co., Ltd. started as a small business and carry-on production in a house. Then the Company expanded the business, started exporting to foreign countries in 1996 and becoming well known abroad under the brand "Por Kwan" with taste and quality that is pleasing to consumers.

In April 2017, Panthera Partners Co., Ltd. (a company which is intended to only invest in the Company Alone) has invested in the Company by purchasing all shares from existing shareholders and strengthen the Company's management team which is led by Mr. Dan Pathomvanich and new executives who has expertise and experience in operating food business for over 10 years. The main goal is to make the Company one of the leaders in the production of food products, seasonings and plant protein industry in Thailand and recognized for its international production quality standards and product diversity.

After Mr. Dan Pathomvanich and his team took over the administration, he had begun to modify the organization's management by implementing the internal control system in the management and implementing SAP system in the organization. He also established the Board of Directors and board committees for efficient and transparent administration. He led the organization with ESG so that the Company operate continuously and sustainably.

In October 2017, Panthera Partners Company Limited merged with the Company to establish a new company but still using the former name NR Instant Produce Company Limited.

In December 2019, the Company converted into to a public limited company with registered capital of 1,421,040,400 Baht.

On October 9, 2020, the Company started trading in stock market in the Stock Exchange of Thailand (IPO).

The history and important development of the Company can be summarized as follows:

Year	Development in brief
1991	• Established the Company called NR Instant Produce Company Limited with a registered capital of 10 million baht, by starting from being a small business, operated within the household and produce dry food and seasonings service.
1996	• First time exporting to major customer in USA
2001	• Started to export to the UK • Began to export products under the Company's brand, namely “Por Kwan”
2003	• Relocated the production base to Krathum Baen District, Samut Sakorn Province to increase production capacity and standard. It is the current location of the factory and has a production line consisting of 5 factories.
2004	• Invested the Company’s instant noodles business and fresh noodles which is one of the unique products of the Company.
2005	• Certified for the quality of food safety BRC from BRC Global Standards.
2014	• Has market share of 1,000 million baht.
2017	• April 2: Panthera Partners Company Limited acquired all shares of the Company from the founder of the Company.

Year	Development in brief
	• October 2: Panthera Partners Company Limited and the Company merged in which the newly established company retains the name of NR Instant Produce Company Limited. • 1 December: Installed SAP system to manage the Company's resources, information, and financial statements.
2018	• February: Started to invest in Nov Foods Company Limited. • March: The Company increased its registered capital by 400,000 shares at the par value of 100 baht and allocated 200,000 shares to Dusit Foods Company limited and allocated 200,000 shares to 4 other shareholders, totaling at 100 million baht. • March: Dusit Foods Company Limited, a subsidiary of Dusit Thani Company Limited (Public), acquired 2,452,076 ordinary shares with a par value of 100 baht per share from the existing shareholders and purchased 200,000 shares newly issued ordinary shares with a par value of 100 baht per share. As a whole, a total number of 2,652,076 shares or 25.9% of all Company's shares after the registration of the capital increase is completed. • June: The Company invested in Dusit Gourmet Company Limited to engage in sales and marketing for food product such as seasonings, sauces, and ready-to-eat food both domestically and internationally. The Company held 10% of the shares and Dusit Foods Co., Ltd. held 92.5% of the shares. • November: The Company received the Thai SELECT award which is an award given by the Ministry of Commerce for Thai food with Thai cooking method standard, using Thai ingredients and seasoning. • December: The Company entered into a memorandum of understanding with the Faculty of Medical Technology Mahidol University with the intention to jointly promote agriculture and food safety for both domestic and foreign consumers. This can be used as an important raw material in the production and processing food products for domestic consumption and to develop products for export in the future. • December: The Company cooperated with the Faculty of Medical Technology Mahidol University to supports farmers who do not have their own land in farming and growing plants that are chemicals free in Kanchanaburi province by providing technological support from the Faculty of Medical Technology, Mahidol University’s standardized laboratories in controlling the quality of cultivation on the 10-rai demonstration plot.

Year	Development in brief
2019	• January: The Company acquired shares of Sriracha Company Limited (currently Zabsu Company Limited) at the par value which is a company that has not yet operated any business. • May: The Company increased its registered capital by 18.00 million baht by issuing no more than 180,000 ordinary shares at the par value of 100 baht, dividing into: (1) allocating 135,000 newly issued ordinary shares with a par value of 100 baht per share to Black River Food 2 Pte. Ltd; and (2) allocating 45,000 newly issued ordinary shares with a par value of 100 baht per share to Mr. Damgeng Pathomvanich. • July: The Company relocated the noodle production which helped to increase the efficiency of the production process. • July: The Company invested in a 500,000-pound convertible bond issued by Meatless Farm. The convertible bonds can be converted to the issuer's fully paid shares according to the conditions. Also, the Company receives interest from holding such debt instruments. • October: The Company invested as a non-management investor in Big Idea Venture, which is a limited liability partner in New Protein Fund I. • November: The Company increased its registered capital by issuing 268,553 newly issued ordinary shares with a par value of 100 baht per share which is issued and paid-up. The newly issued shares are issued to the existing shareholders and such fund will be used to expand the Company. • December: The Company registered the (1) conversion into a public limited company and changed its name from “NR Instant Produce Company Limited” to “NR Instant Produce Company Limited (Public)” (2) changed the share’s par value from 100 baht per share to 1 baht per share (3) increased the registered capital in the amount of 355,260,100 baht from the original registered capital of 1,065,780,300 baht (one thousand sixty-five million seven hundred and eighty thousand and three hundred baht) to 1,421,040,400 baht (one thousand four hundred and twenty one million forty four thousand and four hundred baht) including other matters related to the transformation and preparation of the Company for listing on the Stock Exchange of Thailand. • December: The Company entered into a joint venture agreement with THE BRECKS COMPANY LIMITED by setting up a new joint venture company called P&B Company Limited. Such company will operate the business of

Year	Development in brief
	manufacturer and distributor of meat-free foods by using cereals and organic agriculture that provides protein nutritional substitutes. The joint venture will be subject to the preconditions specified in the agreement. • December: The Company entered into an agreement to purchase V-shape's packaging machinery. Under the contract, the Company will obtain the right of first refusal to provide the services for manufacturing products in V-Shapes packaging for the food, cosmetic, pharmaceutical and chemical industries and to be the distributor of machinery which the Company will receive commissions from sales in Southeast Asia.
2020	• January: The Company invested in 15% of the registered and paid-up capital ordinary shares of City Food Company Limited and entered into a production contract with City Food to increase production capacity and support the growth of the Company. • January: Dusit Foods Company Limited sold 204,047,175 shares of the Company to DPA Funds Company Limited which is a company in the Patomvanich family group, who is the Company's major shareholder. • January: The Company ordered a konjac producing machine from Japan to expand the production capacity of konjac products to support the continuous growing demand of the healthy food market. • February: The Company made additional investments in New Protein Fund I LP and Big Idea Ventures GP I, LLC for a total amount of 12,866 USD. • March: The Company has profit from selling Alcohol Gel in V-Shapes packaging for the first time. • March: The Company invested 25,000 USD in Phuture Limited which produce protein from plant company. • May: The Company invested 5 million in pound in 25% of ordinary shares of Plant and Bean Ltd, which is a company incorporated in Britain to expand the production of plant-based food. • June: The Company entered into a joint operation agreement with Fluid Energy. • August: The Company entered into a joint investment with Boosted to expand its business in E-commerce. • September: The Company changed the name of Zabsu Company Limited to NRF Consumer Company Limited.

Year	Development in brief
	• September: The Company established Root the Future Company Limited to conduct social activities to promote to people to eat more plant-based foods without seeking profit • October: The Company registered and traded its newly issued ordinary shares on the Stock Exchange of Thailand on 9 October 2020. • November: The Company acquired 85% of the ordinary shares of City Food Company Limited of the total registered capital which the Company originally hold 15% and increasing to holds 99.99% of the ordinary shares of City Food Company Limited. • December: The Company invested 3 million USD of the 3.7% of preferred share of Boosted Ecommerce, Inc 3.7% to invest in the Ecommerce Platform business.

1.1.3 The usage of fund received from fund raising

(1) As the Company offered the sale of 340,000,000 newly issued ordinary shares to the general public for the first time ("IPO") on 28 September to October 5 at the price of 4.60 baht per share which are ordinary share consisting of 290,000,000 new ordinary shares and 50,000,000 existing ordinary shares of DPA Fund S Limited. Also, the Company's newly issued ordinary shares were listed on the Stock Exchange of Thailand on 9 October 2020 in which the Company received 1,334 million baht after deducting the distribution fee, the distribution guarantee, and other related expenses from the sale. The Company received the remaining of 1,295 million baht from the offering of the newly issued ordinary in which the Company has used the proceeds received from the offering of the newly issued ordinary shares, ending 31 December 2020 as follows:

Objective	Plan of the usage of fund	Fund used between 6 October-31 December 2020	Available remaining fund on 31 December 2020
1. Repayment of long-term loans	972	972	-
2. Investment in project (Total)	188-328	204	119
2.1 Investment in City Food Company Limited expansion of production capacity	170	170	-

Objective	Plan of the usage of fund	Fund used between 6 October-31 December 2020	Available remaining fund on 31 December 2020
and domestic production base.			
2.2 Acquired plant-based food factory in England through the investment in Plant and Bean Limited.	18-158	-	119
2.3 Investing in Boosted Ecommerce Inc. to expand online business.	0-34	34	-
	Total	1,176	119

* Plan to use the proceeds according to item 2.2 to purchase a plant-based food factory in England through the investment in Plant and Bean. The amount filed with the Securities and Exchange Commission was 158 million baht, but the remaining amount from this offering of the newly issued ordinary shares was 119 million baht after deducting various related expenses (originally, the fund usage plan which will be used in future project proposed is the amount before deducting related expenses in offering of the newly issued ordinary shares). In this investment, the Company has paid in the form of a loan with interest charge to Plant and Bean Limited and will convert the loan debt into investment for another 25% when the conditions under the contract are fulfilled.

(2) The Company has not issued debt securities in the past year.

1.1.4 The representation/warranty that the Company has made in the registration statement and / or the conditions for authorization of the office

None

1.1.5 Name, Location of Head Office, Type of Business, Company Registration Number, Telephone, Fax the amount and type of total paid-up shares of the Company

Thai Name : บริษัท เอ็นอาร์ อินสแตนท์ โปรดิวซ์ จากัด (มหาชน)

English name	:	NR Instant Produce Public Company Limited
Registered Number	:	0107562000483
Characteristic of business	:	Operating as a manufacturer, procurement and distribution of food seasoning, instant food, seasoning for cooking food, vegetarian food without egg and dairy, plant-based food and instant drinking water and powder.
Address of head office	:	99/1 Moo 4, Kaerai sub-district, Krathumbaen district, Samut Sakhon province 74110
Telephone	:	(66) 34849576-80
Fax	:	034849586
Website	:	www.nrinstant.com
Registered capital (on 31 December 2020)	:	1,421,040,400 ordinary shares (one thousand four hundred and twenty one million forty thousand and four hundred shares) totaling at 1,421,040,400 baht (one thousand four hundred and twenty-one million and forty thousand and four hundred baht)
Paid capital (on 31 December 2020)	:	1,355,780,300 ordinary shares (one thousand three hundred and fifty-five million seven hundred and eighty thousand and three hundred shares) totaling capital at 1,355,780,300 baht (one thousand three hundred and fifty-five million seven hundred eighty and three hundred baht only)
Par Value	:	1.00 baht (one)
Initial name	:	NRF

1.2 Nature of business

Business overview

The Company operates as a manufacturer, procurement and distribution of food seasoning, instant food, seasoning for cooking food, vegetarian food without egg and dairy, plant-based food and instant drinking water and powder. The Company is committed to operating sustainably in order to be one of the leaders in food manufacturers and distributors industry sustainably, be good to producers and consumers, environmentally friendly. Also, the Company aim to have a production process that meets international standards, especially food safety, such as food safety standards from BRC or The British

Retail Consortium,[8] the International Food Standards for food production safety IFS (International Food Standards)-which are established by the retailer of Federal Republic of Germany[9], France,[10] the inspection standards for imported food of U.S. FDA (Food and Drug Administration) etc. The product of the Company is not only safe but also diverse with more than 2,000 SKUs and more than 500 recipes.

The Company has 2 factories located at 99/1 Moo 4, Khaerai sub-district, Krathumbaen district. Samut Sakhon Province, namely the factory for the production line and the factory for the production of sauces and seasoning. The City Food Company Limited is a manufacturer and exporter of Thai chili paste, seasonings, chili sauce, chicken sauce under the Classic Thai brand, soy milk under the Shinpo Brand which a factory with an international safety standard system located in Nakhon Pathom Province and Ratchaburi Province

The nature of the Company's business operations can be divided into 3 groups as follows:

1) <u>Ethnic Food group</u>

1.1 OEM / Private Label business

The Company provides food seasoning, ready-to-cook food, ready-to-eat food, vegetarian food and instant drinking water and powder producing service. The Company is capable to meet the needs of customers in term of having a wide variety of products. The Company's team has more than 20 years of experience, especially in the research and development department which have accumulated experience in developing new flavors and packaging according to the needs of each customer within a short period of time. The Company's products have more than 2,000 SKUs, more than 500 recipes, over 200 customer's brands and variety of packaging. Also, the production line of the Company is flexible in term of production scale according to customer requirements in both small and large quantities, to long-term production contract and to production order on a one-time basis (most of them are made to order on a time-to-time basis according to the nature of the food production industry). The Company's clients have a long-standing relationship with the Company. They are in more than 25 countries, such as the United States and countries in Europe where these countries are rigorous in inspecting the quality of imported food. The Company is one of the first manufacturers to receive a quality certificate from BRC (The British Retail Consortium) since 2004. Since then, the Company has passed many quality inspections e.g., IFS Food, GMP, FDA Standard. The Company has client both with and without a contract. An example of entering into a production contract or agreement with a big new customer which specifies the type and amount of production, e.g., Griffith Food Company Limited (Thailand)-

[8] This is due to the integration of large retail organizations such as Tesco, Sainsbury's, Iceland Foods, Waitrose, Safeway, The Co-operative Group and Asda Stores which decrease the complexity in the assessment of entrepreneurs wishing to ship to UK retail organization that use their own brand (house brand)
[9] HDE - Hauptverband des Deutschen Einzelhandels e.V., Germany or The Central Association of the German Retail Trade http://www.einzelhandel.de
[10] FCD-Federation desentreprises du Commerceet de la Distribution, France, http://www.fcd.asso.fr/

This company is a food vendor in a wide variety of products, focuses on healthy products and has the parent company in the United States. The contract is a joint development of formulas and packaging aims to meet the needs of consumers as much as possible. Also, the Company entered into an agreement with a food developer and manufacturer in Australia to develop ready-to-eat food in environmentally friendly packaging (Bagasse). Moreover, the Company entered into a memorandum of agreement to produce konjac noodle with one of the leading distributors of konjac noodles companies in the USA for a period of 3 years according to the quantity of production and the minimum price agreed.

1.2 Product under the Company's brand and the Brand Ethnic Foods (Company's subsidiary)

The Company offers food products under the Company's brand with a unique flavor and meets consumer preference for both traditional local products, e.g., products under the Por Kwan brand, and modern flavors and packaging, e.g. as products under the Thai Delight brand and Sabzu brand. With the quality of raw materials and production processes that meet international standards, the Company produces and distribute various food products under the brand of the Company at a total of 6 brands are as follows:

Product under the Company's brand	Characteristic of product
Por Kwan 珀宜	Por Kwan is the Company's first brand. The Company intends to offer international quality products through products e.g., Tom Yum seasoning, Thai seasoning, dipping sauce, curry paste, etc. The products under the brand of Por Kwan reflects the traditional taste and taste appealing to consumers which has been recognized for more than 30 years.
Lee BRAND	Lee Brand is a brand that the Company focuses on offering local food seasoning products in the Asian region, instant soup and other products with unique flavors according to typical dishes from the Asian region. Such unique favor is suitable for cooking food from countries with Asian origin e.g., chili sauce, black pepper sauce, teriyaki sauce, yakitori sauce, etc.
Thai Delight	Thai Delight is a brand that the Company is committed to providing ready-made food products that do not require seasoning. Not only there is Thai food, but also dishes from other Asian countries e.g., green chicken curry, and pad Thai in modern packaging and can be microwaved.

Product under the Company's brand	Characteristic of product
	The Shanggie brand consists mainly of semi-cooked food seasonings and soups which will be Thai food and other food from the Asian region as well. It is brand considered as a choice for foreign customers and consumer only e.g. pickled ginger for sushi, pho, wonton soup, etc.
	The DeDe brand consists of a wide variety and instant drinking water in both powder and water. With the unique taste, it is tasty for international consumers e.g. coconut water, Thai tea, bubble milk tea, etc.
	Sabzu is a brand that the Company intends to offer a new type of product that has chili as its main ingredient, namely, healthy seasoning dipping products e.g. Sriracha sauce, Jaew sauce, Chicken dipping sauce, etc., and chili in a form of a snack.
	Thai classic brand is a brand of City Food Company Limited which focuses on traditional Thai food by offering international quality products through products such as Tom Yum seasoning, Thai seasoning, dipping sauce, curry paste, etc. The products under the classic Thai brand reflect the traditional taste, is taste appealing to consumers and has been recognized for more than 20 years.
	Passaya brand is a brand of City Food Company Limited which focuses on the traditional Thai food and presenting its product with international quality products through various products e.g. Tom Yum seasoning, Thai seasoning, dipping sauce, curry paste, etc.
	The Shinpo brand is a soymilk beverage brand of City Food Co., Ltd.

2) Plant-Based Food Group

Currently, the Company produces and distributes food with sustainable and environmentally friendly plant protein by using raw materials from plants such as jackfruit, konjac, eggplant, beans, chili, etc., to produce healthy food and vegetarian food. Example of products include artificial fish fillet shirataki, rice ball topped with artificial eel, artificial tuna onigiri, artificial minced pork and various ready meals. The recent investment in the plant-based protein food business has increase the Company's products such as plant-based sausage (P&B), ground meat from plants (Meatless Farm), ground pork from plants (Phuture) and Shinpo soy milk etc. Although at present, sales of the plant-based business are small which comprise of two large customers with an average sales volume of approximately over 1 million USD, there is a good growth trend according to the loving one's health and the environment

trend. In 2019, the Company entered into an agreement to product konjac noodles service with one of the leading distributors of konjac noodle companies in the United States for a period of 3 years according to the estimated production amount of 15 million pieces at a minimum agreed price. The growth of plant-based business has approximately 3 times the average annual growth of current sales. However, the performance of the contract depends on the contracting party. Anyhow, such distributor of konjac noodle company is the Company's customer who has had a relationship with the Company for many years till now. Currently, the machine used to product Konjac noodle are ready for production in the second quarter of 2021.

3) Functional Product group

In addition to a wide variety of food products and international quality, the Company is also committed to creating products that provide convenience for consumers (Functional products) e.g., business that products product performing specific functions including non-food products in packaging that is consumer and environment friendly (V-Shapes). In the future, the Company plans to expand to food products as well e.g., food supplement, etc. Through a joint investment with Boosted in December 2020, the Company has entered into a contract to purchase V-shape packaging production machine and V-shape packaging technology, which is a convenient packaging and suitable for consumers of all ages including the sick and disabled people, with the service providers of machinery and V-shape packaging innovation. Under the contract, the Company receives the right of first refusal from service providers of machinery and V-shape packaging innovation in providing V-shape packaging service for the food, cosmetic, pharmaceutical, and chemical industries in the Southeast Asian market. In 2020, the Company entered into an agreement with VSRL to grant the right of first rejection ("ROFR") to the Company to purchase machinery, equipment, and V-Shape's packaging to manufacture products of Fluid Energy Group Company Limited ("FLUID"). Product of Fluid is a chemical product (Sanitization) to distribute and support marketing of V-Shapes packaging to customers in the country as follows:

- Canada ("Territory 1")
- Kuwait, Bahrain, Qatar, United Arab Emirates, Saudi Arabia and Oman ("Territory 2")
- United States ("Territory 3") In Territory 3, the Company did not receive ROFR

The Company entered into a Consortium Agreement with FLUID to support the agreement that the Company entered into with VSRL in granting ROFR in Territory 1 and 2 as above stated and will receive royalty fee from FLUID Canada.

1.2.1 Profit Structure

Type of product	2017		2018		2019		2020	
	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)
Sales revenue	1,048.2	99.0%	1,124.0	98.7%	1,111.1	99.2%	1,408.3	97.5%
1) Ethic Food group	955.2	90.2%	1,059.2	93.0%	1,033.7	92.3%	1,251.5	86.7%
1.1) OEM	642.6	60.7%	733.4	64.4%	729.9	65.2%	888.3	61.5%
1.2) Product under the Company's brand	312.6	29.5%	325.8	28.6%	303.8	27.1%	363.3	25.2%
2) Plant-Based Food Group	93.0	8.8%	64.8	5.7%	77.4	6.9%	109.3	7.6%
3) Functional Product Group	-	0.0%	-	0.0%	-	0.0%	47.5	3.3%
Profit from the exchange rate	-	0.0%	5.8	0.5%	-	0.0%	0.4	0.0%
Other profit /1	10.9	1.0%	8.8	0.8%	8.6	0.8%	35.6	2.5%
Profit after reduction of lose from the exchange rate	1,059.1	100%	1,138.6	100%	1,119.7	100%	1,444.3	100.0%
Exchange rate (baht per USD)[11]	35.36		32.24		30.82		31.74	

Remark /1 Other profits include profit from income tax card compensated from the export, incoming interest etc.

Type of product	2017		2018		2019		2020	
	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)
Sales revenue	1,048.2	99.0%	1,124.0	98.7%	1,111.0	99.2%	1,408.3	97.5%
1) Foreign country	828.4	78.2%	942.8	82.8%	921.7	82.3%	1,189.5	82.4%
1.1) North America	290.1	27.4%	368.5	32.3%	350.4	31.3%	468.5	32.4%
1.2) Europe	362.2	34.2%	353.9	31.1%	372.8	33.3%	432.5	29.9%
1.3) Asia	128.1	12.1%	110.5	9.7%	101.6	9.1%	180.1	12.5%
1.4) Oceania and Africa	48.0	4.5%	109.9	9.7%	96.9	8.7%	108.4	7.5%
2) Domestic/1	219.8	20.8%	181.2	15.9%	189.3	16.9%	218.8	15.2%

[11]Average exchange rate of the Company's account

Type of product	2017		2018		2019		2020	
	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)
Profit from exchange rate	0.0	0.0%	5.8	0.5%	0.0	0.0%	0.4	0.0%
Other profit/2	10.9	1.0%	8.8	0.8%	8.6	0.8%	35.6	2.5%
Total profit	1,059.1	100%	1,138.6	100%	1,119.6	100%	1,444.3	100%

Remark /1 Most of domestic customer of the Company are exporter.

/2 Other profits include profit from income tax card compensated from the export, incoming interest and etc.

Type of product	2017		2018		2019		2020	
	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)
Company's product sales revenue	739.0	70.5%	755.7	67.2%	739.3	66.5%	865.0	61.4%
(1) Food assembles and seasoning	309.2	29.5%	368.3	32.8%	371.8	33.5%	495.8	35.2%
(2) Ready-to-eat food and drink	0.0	0.0%	0	0.0%	0.0	0.0%	28.0	2.0%
(3) Non-food in V-shape	0.0	0.0%	0.0	0.0%	0.0	0.0%	19.5	1.4%
Total	1,048.2	100.0%	1,124.0	100.0%	1111.1	100.0%	1,408.3	100.0%

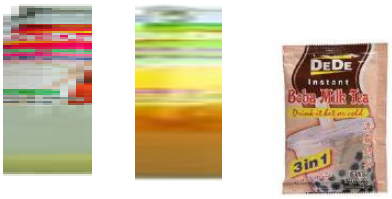
1.2.2 Information relating to product

1.2.2. (1) Characteristic of product

A. <u>Ethnic Food group</u>

1) OEM

The Company engages in the business of OEM in food and beverage products for both domestic and foreign customers which is mostly for export. The Company has the ability to produce a wide variety of products, including (1) seasoning for assembly food (2) ready-to-cook and ready-to-eat food (3) beverage and others. The Company can present the wide range of products with more than 2,000 SKUs from 3 product categories.

Example of Company's product according to the categories	
Seasoning	**Ready-to-eat**
For example, Pad Thai sauce, chili paste, seasoning for curry e.g., red curry seasoning, green curry seasoning, etc., and instant seasoning e.g. Thai Tom Yum seasoning, etc.	Pad Thai, stir-fried noodles with various flavors e.g., stir-fried hokkien noodles with satay sauce, Stire-fried hokkien noodle with teriyaki sauce, curry on rice e.g., green curry on rice and red curry on rice, etc.
	กลุ่มเครื่องดื่มและอื่น ๆ 
Also, various seasoning sauces e.g., chicken dipping sauce, plum dipping sauce, seasoning for assembling food such as fish sauce, soy sauce, etc.	Instant drinks e.g., coconut water, aloe vera juice, etc., ready-to-drink drink e.g., Thai tea, bubble milk tea, etc., salad dressing and pickled ginger, etc.

Example of the Company's packaging	
Container for eating noodles Size 330 gram	Minced crab meat or minced shrimp can Size 160 g. And 400 g.
Powered seasoning can Size 227 gram and 1,000 gram	Soup cans Size 400 g, 794 g, and 1,200 g.
Powered seasoning bag Size 45, 75 gram and 100 gram	Squeezable plastic bottles Size 245 ml, 500 ml, And 720 ml.
Standing transparent bag for curry paste size 100 x 145 x 30 mm and for rice and noodles size 140 x 185 x 40 mm	Stand-up aluminum bag size • 100 x 155 x 30 mm for sauce • 120 x 180 x 35 mm for coconut milk and sauces • 140 x 210 x 40 mm for curry sauce

Example of the Company's packaging	
Glass jar Size 144 ml, 225 ml and 454 ml	Glass bottle size 100 ml, 200 ml, 300 ml, 500 ml and 700 ml.
 	Single-use packaging for sauces or raw materials. • 40x50mm (0.2-0.9 ml) • 50x50mm (0.3-1.1 ml) • 40x80mm (0.5-1.5 ml) • 50x80mm (1-4 ml) • 60x100mm (2-10 ml) • 85x100mm (5-20 ml) • 100x100mm (10-30 ml)

2) Products under the Company's brand

The Company produces and distributes products under the brand of the Company to both domestic and foreign customers. Each brand of Company reflects the Company's intention to offer products with traditional flavors in the same way as Asia dishes, taste that is appealing to consumers and new flavors and packaging according to the needs of new consumers of the millennial group. The product must also maintain the quality that meet international standards. In addition, the Company is in the process of issuing new products in V-shape's packaging under the Company's brand new.

The Company's current brand is as follows:

i. **Por Kwan:** Por Kwan is the Company's first brand. The Company intends to offer international quality products through products e.g., Tom Yum seasoning, Thai seasoning, dipping sauce, curry paste, etc. The products under the brand of Por Kwan reflects the traditional taste and taste appealing to consumers which has been recognized for more than 30 years.

ii. **Lee Brand:** Lee Brand is a brand that the Company focuses on offering local food seasoning products in the Asian region, instant soup, and other products with unique flavors according to typical dishes from the Asian region. Such unique favor is suitable for cooking food from countries with Asian origin e.g., chili sauce, black pepper sauce, teriyaki sauce, yakitori sauce, etc.

iii. **Thai Delight:** Thai Delight is a brand that the Company commits to providing ready-made food products that do not require seasoning. Not only there is Thai food, but also

dishes from other Asian countries e.g., green chicken curry, and pad Thai in modern packaging and can be microwaved.

iv. **Shanggie:** Shanggie brand consists mainly of semi-cooked food seasonings and soups which will be Thai food and other food from the Asian region as well. It is brand considered as a choice for foreign customers and consumer only e.g., pickled ginger for sushi, pho, wonton soup, etc.

v. **DeDe:** DeDe brand consists of a wide variety of and instant drinking water in both powder and water. With the unique taste, it is tasty for international consumers e.g., coconut water, Thai tea, bubble milk tea, etc.

vi. **Sabsu:** Sabzu is a brand that the Company intends to offer a new type of product that has chili as its main ingredient, namely, healthy seasoning dipping products e.g., Sriracha sauce, Jaew sauce, Chicken dipping sauce, etc., and including chili in a form of a snack.

Type of product	2017		2018		2019		2020	
	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)
Revenue from the sale of product under the Company's brand								
(1) Por Kwan	210.6	67.4%	198.8	60.9%	192.8	63.5%	228.2	62.8%
(2) Lee Brand	72.9	23.3%	92.5	28.4%	71.9	23.7%	78.1	21.5%
(3) Other	29	9.3%	34.9	10.7%	39.0	12.8%	57.0	15.7%
Total	312.5	100.0%	326.2	100.0%	303.8	100.0%	363.3	100.0%

Examples of products under the Company's brand

Por Kwan

Lee Brand

Examples of products under the Company's brand	
Thai Delight	**Shanggie**
DeDe	**Sabzu**

(B) <u>Plant-based Food Group</u>

The Company offers plant-based food products such as jackfruit ready meals, jackfruit beef made from jackfruit, sushi, vegetarian eel, tuna sushi. Spicy Noodles Pad Thai Invasion Noodles Japanese invasion noodles, sausages made from plant proteins and Meatless Farm products that the Company will sell in Thailand.

Examples of food products made by plant proteins		
Barbecue meat made with jackfruit	Sausages made from plants [12]	Eel sushi and tuna onigiri made from eggplant
Meatless meat lump for hamburger	Shirataki or Konjac	Meatless Minced meat

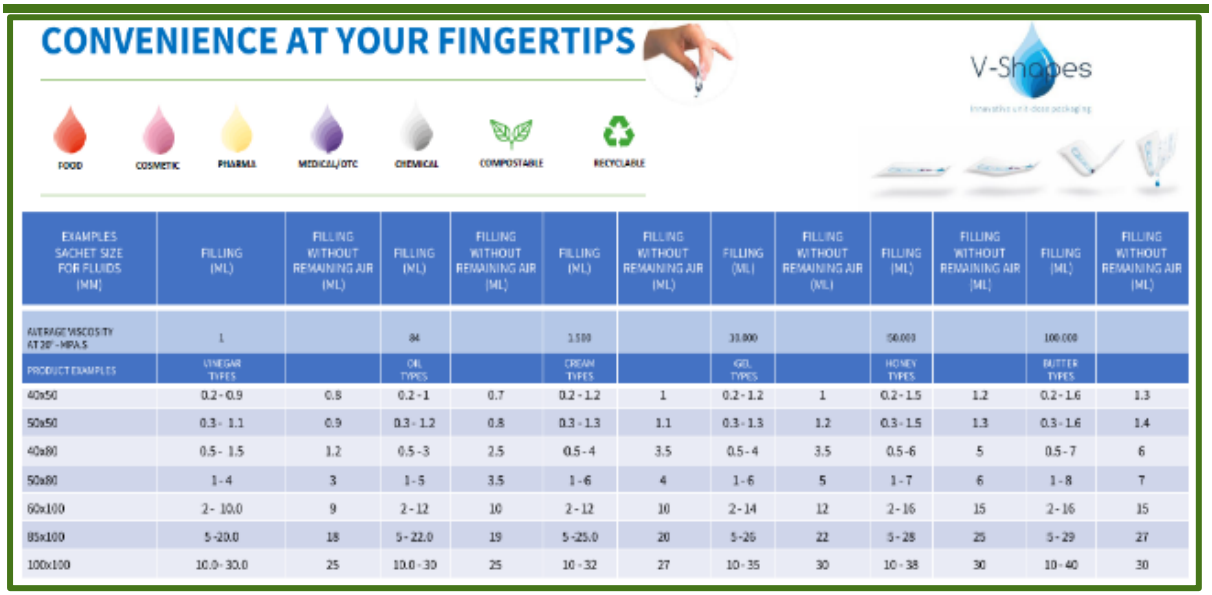
C. Functional Product Group

It is a product that performs a specific function including non-food products in packaging that is consumer friendly and environment (V-Shapes). In the future, the Company is committed to expand the revenue of products in packaging V-shapes both for food and non-food under the Company's brands or in collaboration with local and international partners such as pharmaceuticals and supplements, honey, sauces, etc.

[12] Currently, the products are manufactured by Breaks and transferred to Plant & Bean Base Company Limited

Sample user-friendly packaging

SDB



EXAMPLES SACHET SIZE FOR FLUIDS (MM)	FILLING (ML)	FILLING WITHOUT REMAINING AIR (ML)	FILLING (ML)	FILLING WITHOUT REMAINING AIR (ML)	FILLING (ML)	FILLING WITHOUT REMAINING AIR (ML)	FILLING (ML)	FILLING WITHOUT REMAINING AIR (ML)	FILLING (ML)	FILLING WITHOUT REMAINING AIR (ML)	FILLING (ML)	FILLING WITHOUT REMAINING AIR (ML)
AVERAGE VISCOSITY AT 20° - MPA.S	1		84		3.500		30.000		50.000		100.000	
PRODUCT EXAMPLES	VINEGAR TYPES		OIL TYPES		CREAM TYPES		GEL TYPES		HONEY TYPES		BUTTER TYPES	
40x50	0.2 - 0.9	0.8	0.2 - 1	0.7	0.2 - 1.2	1	0.2 - 1.2	1	0.2 - 1.5	1.2	0.2 - 1.6	1.3
50x50	0.3 - 1.1	0.9	0.3 - 1.2	0.8	0.3 - 1.3	1.1	0.3 - 1.3	1.2	0.3 - 1.5	1.3	0.3 - 1.6	1.4
40x80	0.5 - 1.5	1.2	0.5 - 3	2.5	0.5 - 4	3.5	0.5 - 4	3.5	0.5 - 6	5	0.5 - 7	6
50x80	1 - 4	3	1 - 5	3.5	1 - 6	4	1 - 6	5	1 - 7	6	1 - 8	7
60x100	2 - 10.0	9	2 - 12	10	2 - 12	10	2 - 14	12	2 - 16	15	2 - 16	15
85x100	5 -20.0	18	5 - 22.0	19	5 -25.0	20	5 -26	22	5 - 28	25	5 - 29	27
100x100	10.0 - 30.0	25	10.0 - 30	25	10 - 32	27	10 - 35	30	10 - 38	30	10 - 40	30

1.2.2. (2) Marketing and Competition

A. Marketing of important products and services and B. Competitive conditions

Marketing & Sales

1. Develop new product regularly

The Company has the policy to continuously develop new food product each year to serve the consumer's demand in term of health and sustainability. The result of which is all new product without modifying from the existing product or improving it. Development of new product comes from collaboration between the Company and the customer in an attempt to create new goods and product suitable for each festive season or market trend and in prompt response to the conversion of customer's demand. In addition, the collaboration between the Company and customer is the main factor to promote good business relationship with the customer.

The Company trust that it can develop new product in the fast pace and regularly. The Company has variety of products, more than 2,000 SKUs, more than 500 formula, 200 brands, and more than 20 research and development personnel together with flexible production line that can manufacture variety of product in either small batch or mass production. The benefit of being able to manufacture each category of product in small amount enable the Company to manufacture more variate of new products. This allows the customer to test the market and expand customer base. At the same time, the Company

can get access to retail and start-up customer. This also can reduce risk incur from the change of raw material price, season, economic situation, and industry as the Company can release the new product to the market instantly.

With flexible production line, the Company can manufacture product in small batch with Global Standard for Food Safety (BRC). This is different from other small manufacturers which is the Company's great advantage to get diversity of customer, from conglomerate to retail and start-up. Especially with small purchase order, the Company can earn more profit than mass production.

2. Brand Development

The Company aims to develop product under the Company's brand rather than doing an OEM because the Company can manage selling price and currency and also earn higher profit. Our promotion plan is to make our product different from others, for example, healthier seasoning sauce, i.e., Sri Racha sauce, Jaew Isarn sauce, Chicken sauce, or snack made from Jalapeno which also got better flavor. In addition, the Company plans to export product that is popular in one country to sell in another country that have similar type of customers.

3. Increase sales among current customers and increase customer base in existing countries and piercing into new market in new country

The Company plan to market both for OEM and product under Company's brand through various channel such as exhibition, social media using data analysis from our long experience in doing business which enable us to collect data from purchase order for each country. The Company then can analyze customer demand and consumer behavior in each region around the world, both type of product, flavor, and size of product. The Company then can develop and improve the product suitable for demand of consumer in each region. For example, consumption demand in America for noodle, and demand for healthy noodle in Europe such as noodle made from Konjac. Moreover, consumers in America need a good quality, fresh, new, and safe noodles, therefore, they avoid consuming noodle from some manufacturer because of health reason. This is the reason why the Company aim to develop noodle product such as konjac, and other kind of noodle in response to demand of consumer in America. Noodle product produced by the Company is high quality, fresh, new, and safe for consumer which meets the demand of consumer in America. The Company also holds a trade promotional program with the importer to make them interested in purchasing and be distributors of the Company to the end customers (Trade Promotion).

4. Managing environmental, social, and economic impacts, including promoting good governance during the production process of products and services (Sustainability Supply Chain)

Throughout the years, the Company has focused on stakeholder from upstream to downstream as well as customers, to provide them good products and services, and gain their trust in the product and the Company's manufacturing process that meets standard and with social responsibility.

The quality of the raw materials that will be used in the production of the product is particularly important because it will directly affect the quality of the product in terms of taste and safety for consumption. The Company collaborated with both the government sector and various universities to study and develop farming to be modernized and obtain products without using chemicals in cultivation (Safe Food), which will play an important role in enhancing product quality and standards leading to promoting the image of the product and increasing sales and income of the Company, as well as providing health and safety to consumers. At Kanchanaburi It is a project that the Company has collaborated with the government and the Faculty of Medical Technology, Mahidol University to

support farmers who do not have land for agriculture in safe farming. It is supported by technology from a standard laboratory of the Faculty of Medical Technology, Mahidol University for cultivating quality control on an area of about 10 rai. In addition to paying attention to quality from the upstream (production area), the Company also cares about Thai farmers who produce raw materials for the food industry. From this project, the Company expand it to NRF Contract Farming in selecting farmers with expertise in safe farming and want to improve quality of life to both wealth and sustainability but lack of funding, the Company initiate the project with the first group of farmers from 2 families on the piece of land of 18 rai. After the implementation of the project for 8 months, we found that the farmers have a better quality of life and have long-term sustainability with the price pledging scheme. Also, the Company walking and growing together with the farmers having good quality of life and obtaining good quality of raw materials with good care from the beginning to manage land condition, set up water system, seed selection to care during planting, harvesting, selecting agricultural product, and send it to the factory.

The Company plan to use such agricultural produce as raw material of products under the Sabzu brand. This project represents strong intention to help farmers to live a better life by sustainable farming and the Company benefits as raw materials used in production are pesticide free and with safe food standard.

The Company plans to help the farmer's family by developing sustainable supply chain. In this future project, the Company plans to expand to different areas. Aside from focusing on quality, the Company will also focus on innovations that create good productivity such as soil test with reasonable price.

With the determination to be responsible for society and the public, in addition to improving the quality of life of farmers, the Company is interested in climate change that many organizations around the world have joined together. The Company started by becoming an official member of UN Global Compact and most recently joined 1.5-degree Celsius pledge.

To complete such intention, the Company has installed LED bulbs and Solar roof which is anticipated to be completed within February 2020, and the Company had implemented Carbon Neutral project in 2019 to reinforce its intention to become an institution who cares about the globe. Currently, the project has started and is in the process of calculating the green-house gas value assessment. The project is anticipated to be completed in April 2020.

The Company trusts that being a sustainable manufacturer and being environmentally friendly shall lead the Company to become a pioneer that adheres to sustainable concept choose to do business with.

5. World Trade Exhibition

The Company has attended food and beverages exhibitions constantly, both locally and internationally such as Thai Fex held in Thailand, Anuga held in Germany, SIAL held in France, Foodex Japan held in Japan, and Fancy Food Show held in USA. In such trade exhibitions, there were venues to share vision of being a sustainable manufacturer and be responsible to farmer, consumer, and the environment, including cooking demo using product under company's brand together with importer. In addition, the Company has joined exhibition held by Department of Export Promotion regularly to create Brand Awareness for the Company's product.

6. Long-term Manufacturing Contract

With the international standard of manufacturing and popular as OEM manufacturer, many customers are interested in signing long-term contract with the Company.

7. Using trade representative for distribution in each country

Most customer of the Company is the top-rank importer and distributor in each country or reginal. With good business relationship and trust gained from them, the Company can introduce both OEM and house brand product that we could expect the popularity in such country. We use our selling data to analyze. This help both customer and Company to keep up with the trend of product and not missing the business opportunity. These companies play an important role to enhance our business competition through multi-channel of product distribution to the consumers.

8. Expansion of Online channel

The Company wants to expand trade channel to online trade in respond to consumer's behavior that tremendously changed after the COVID pandemic as the Company foresee the opportunity to increase selling volume of popular product online. The Company started negotiating with investors and professional management to set up the Company to operate in business of Ethnic Food, Plant-based Food, Functional Food, and Pet Food.

9. Pricing Policy

Pricing policy for house brand

The Company set the product price by targeted customer on the Value For Money basis and capable to compete in the market.

Pricing policy for OEM

Most OEM price depends on the negotiation with the customer. The Company will determine on cost of production, exchange rate and market competitiveness.

The Company has studied and create cost structure and compare market price regularly. The Company is planning to sell in Baht currency more as the Company is planning to sell locally and in neighbor countries to mitigate currency exchange risk.

10. Type of customers and targeted customers

Company has variety of group of customers as we have different kind of product and selling channel. Customers of the Company are divided into 5 groups.

(1) Traditional Trade: This group of customer is small traditional shop. End customer is the local people who like the taste of Company's products.

(2) Modern Trade of big retail store abroad: This type of customer shall distribute of products to general consumers and restaurant that use of our product in cooking food, for example Walmart and others.

(3) Supermarket such as Seven Eleven: Products that can get to this type of customer are mostly cooking sauce, instant food and ready-to-eat food.

(4) Food Service: This type of customer buys product to produce food.

(5) Online customer: This type of customer is mostly the tourist that used to come to Thailand and loves Thai food. This type of customer pays more attention to quality and cleanliness of product rather than price. This kind of demand fit our products well because our products are in high quality that attract foreign customer for long time.

In the past year, there is only 1 customer with the sale volume of 12% of the total sale. And top 10 of customer can make sale volume at 57% of overall sale.

11. Distribution and distribution channels

All the Company's products are exported to the international market at the moment. The distribution channel can be categorized into 3 categories 1) Agent, the customer is introduced to the Company by the agency in return of commission. The sales from the agent are recognized as 6-8% of the total sales in the year 2562 up until May of 2563 2) Importer, customer that ordered the finished product and order to produce under the brand of the Company to be sold in supermarket or superstore in many areas which is recognized as 77-79% of the total sales in the year 2562 up until May of 2563 3) Trader, local customer that buy products from the Company to resale or export the product which is recognize as 14-15% of the total sales in the year 2562 up until May of 2563.

Even though the Company sold the products through the above channels, the Company continues to develop the recipe of the product and packaging alongside the end of chain supermarkets such as Walmart which has a quality control and assurance process before purchasing the product. The process proves the ability of the Company to develop the product. Moreover, as a standard, big retailers will develop a process of quality checking of suppliers which will take around 6 months, so rarely switches suppliers. In the year 2019, the Company started doing business with Asia Express, the biggest strategic dealer and distributor of the Company in Europe to distribute the product under the brand name "Por Kwan" which belongs to the Company.

The Company is the dealer of "Shinpo" soya milk via modern trade channel. The Company plans to expand into traditional trade including franchising it, using our good relationship with the local retailer.

Industry Condition

Global Economy Overview

With the large scale of supporting measures from the government sector and release of the lock down, the world economy began to improve bottoming out and investors are starting to own more risky assets. After the number of COVID-19 infections has decreased in Thailand, the government sector has developed a large supporting measure and started to lessen the lock down. Therefore, businesses started to recover bottoming out and the capital is starting to shift back to the emerging market (EM) especially in government bonds which have a lower risk than stock market. SET index of many countries started to increase and some increased higher than before the outbreak e.g. U.S. stock market (NASDAQ), China stock market (Shanghai), and Korean stock market.

Even then, EIC has analyzed 3 important factors that impact the economy trend and global financial market in the remaining quarter of 2020. The number of COVID-19 cases started to increase in many countries after the lockdown which can impact the recovery of the world's economy. Even though the world's economy has reached the lowest point, the recovery in the next phase may slow down (stalling economic recovery). The EIC has analyzed 3 important factors that impact the economy trend and global financial market in the remaining quarter of 2020.

1. The lockdown measure in many countries may strengthen again after the increase in intensity of COVID-19 outbreak which may cause the economic recovery in the next period to slow down.

2. Support measure of the government is starting to expire or loosen while the income and employment rate is still lower than standard.

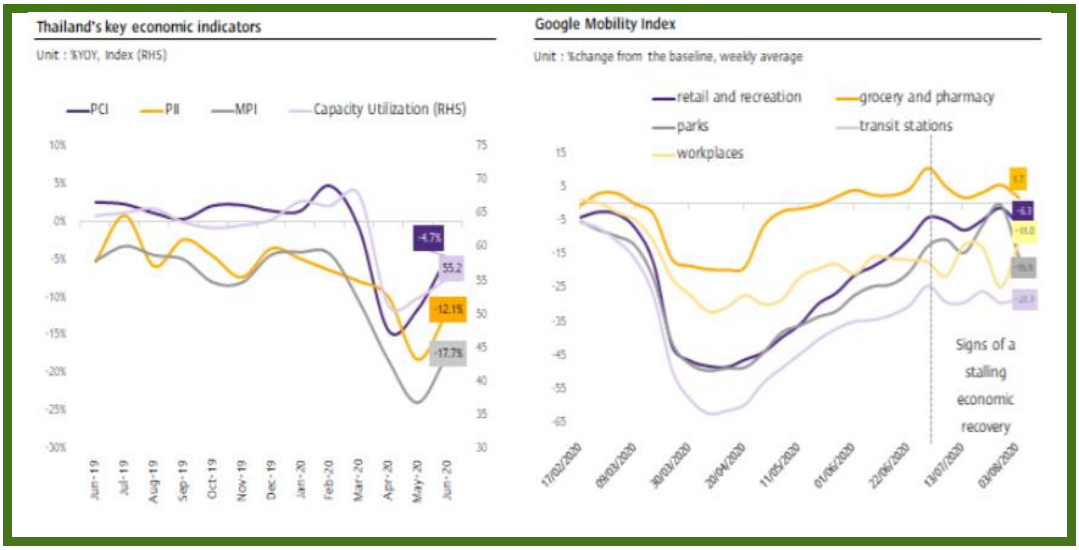
3. The new U.S. president election in November can lead to the change in tax policies, international trade, and the U.S. economy.

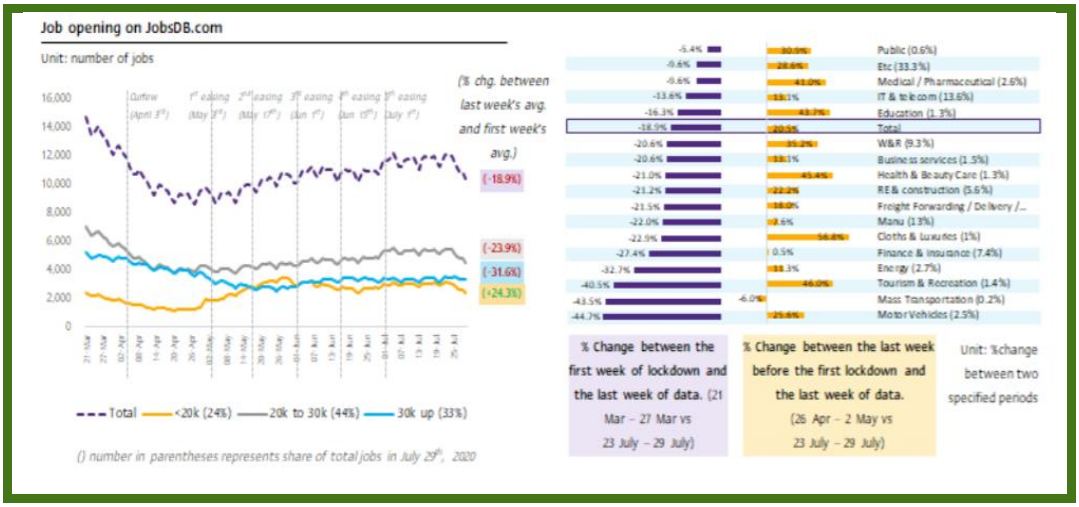
(Source: SCB Economic Intelligence Center 3August 2020)

Thai Economy Overview

Thai economy in the second quarter of the year 2020 has detract by about -12.2% YOY which is considered a large retraction similar to second quarter of 1998 with the Tom Yum Kung crisis (-12.5% YOY) or is the largest retraction in 22 years. The retraction was due to impact of COVID-19. In the first half of 2020, Thai economy contracted by -6.9% YOY, while a seasonally adjusted quarter-to-quarter contraction (% QoQ sa) showed a three-quarter contraction. In 2/2020, the Thai economy contracted as much as -9.7% QoQ sa.

During the rest of the year, EIC predicts that the Thai economy will improve gradually while having high low-side risk. The new data suggest that Thai has gone beyond the lowest bottomed out and is improving which the retraction of points will be most negative in the April - May which is the period with the strictest lock down policy. However, when the policy is released, many business pointers will improve in June. However, when analyzing the Google Mobility Index in July, the result suggests that the recovery slows down (stalling economic recovery) similar to the data from a job recruitment site JobsDB.com that gives the same intuition for the month of July. The jobs recruitment is getting stable after the bottomed out low. (Source: SCB Economic Intelligence Center, 17 August 2020)





Remarks: Information is in the range of 21 March - 29 July 2020, the total number of announcements is 1.04 thousand positions.
(Source: SCB Economic Intelligence Center 17 August 2020)

Food & Beverage Industry Outlook

In the year 2019, we predict that the food industry will have a slow growth rate of 3.14% YOY from the year 2018 with an overall growth rate of 4.43%. The growth of the micro economy and growth of the tourist and service industry increases the demand of processed livestock, processed seafood, processed fruits, and vegetable oil. Moreover, the demand of trade partner countries has increased continuously especially in frozen chicken, processed chicken, processed cassava, fresh and frozen durian, jasmine rice, raw rice, and canned Tuna. The non-alcoholic beverage in the year 2019 was predicted to slowdown in growth of 0.88% YOY from the year 2018 which has a growth rate of 0.95% YOY. Following the growth of micro economy, tourist and service industry, and border trade have increased the demand of non-alcoholic beverage (energy drink, mineral water, and tea) which expand into the export of the beverage to country in CLMV which is Thai's trade partner.

For the year 2019, the food and beverage industry are predicted to have slow growth rate as the impact from the following factors:

1. The demand of processed livestock from trader partner countries is still in good standing from frozen chicken and processed chicken exported to Japan, Netherland, and South Korea and is a growing trend which will yield growth benefits for players in the supply chain of food and healthy beverage.

2. The healthy lifestyle trend today shifts the consumer to buy more healthy food and beverages that are safe, increasing the demand for healthy food and beverage in the country which will yield growth benefits for players in the supply chain.

3. Thai food products such as fresh fruit, processed fruits have gained an advantage from the trade war between the United States and China. The products have a chance to replace products from the U.S. in the Chinese market due to china's policy of increasing the tax rate for products from the U.S. Moreover, processed livestock and processed seafood products gain benefits from the decrease of international import tax from China.

4. The United States has adjusted the human trafficking level of Thailand from Tier 2 to Tier 2 (watch list) which will improve the image of Thai products especially seafood product.

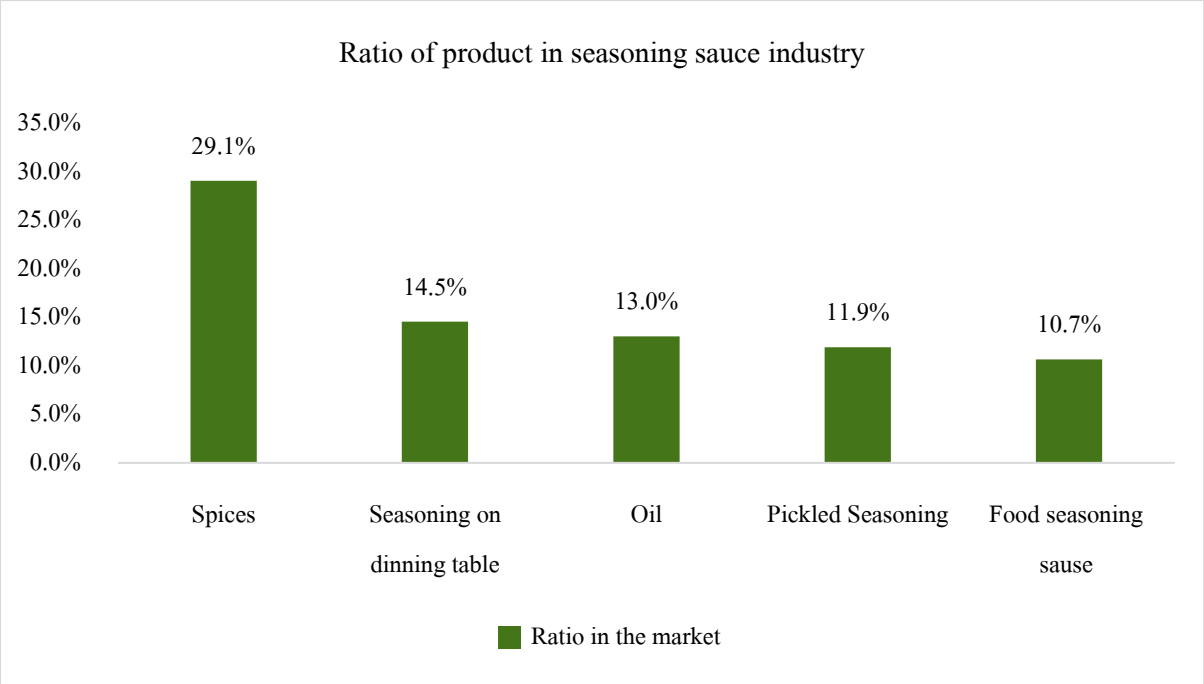
5. Supporting policies from the government such as Food Innopolis, SEX, and EFC has increased the growth for demand of food and beverage inside the country and around the border making the player in the supply chain has a chance to grow along with it.

6. (Source: GSB research data from second quarter of 2019)

Because the Company operate business related to food production, instant food, seasoning, vegetarian food without eggs and dairy and plant-based protein supplements with a focus to export to foreign countries. The Company is expected to benefit from support from the food industry.

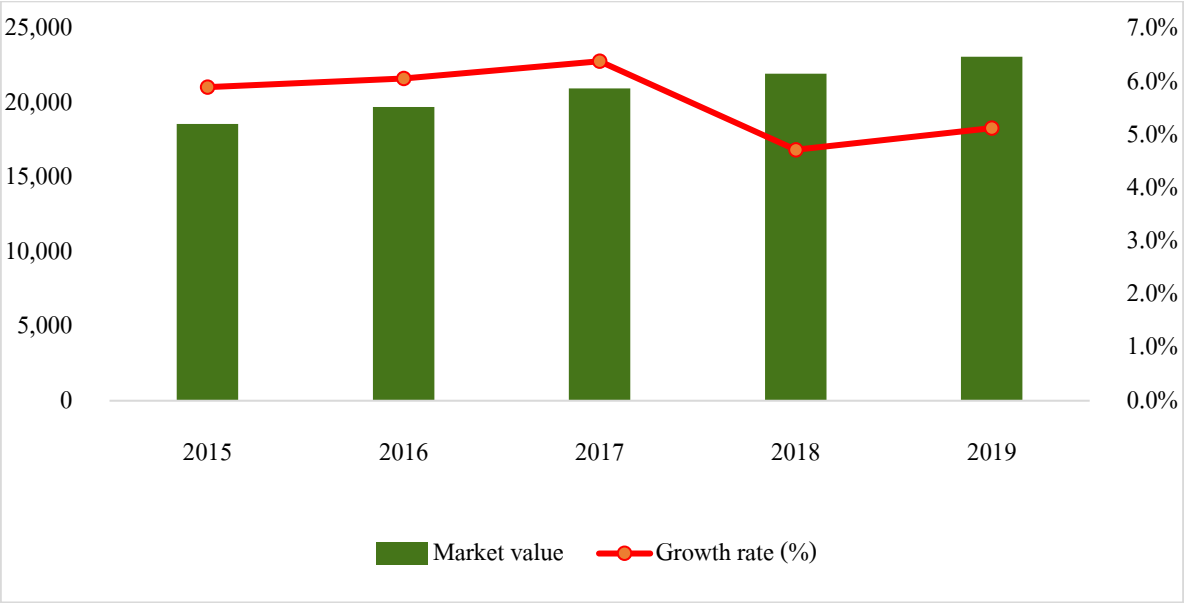
Overview and Trend of Seasoning Sauce Industry

Seasoning sauce industry in the global market in 2018 has a new product growth rate of 20.6% from previous year. The type of product that is most popular is seasoning condiments. The portion of global seasoning sauce of 2018 is show below:



The type of product that is second to first popular is spices with 29.1%, table seasonings with 14.5% mainly ketchup, chili sauce and other sauces. The third in line is oil with 13% followed by pickled seasonings, and seasoning sauce with 11.9% and 10.7% respectively. Products from the seasoning sauce industry that are preferred by consumers are salty flavor seasoning with 24.8% from other flavors followed by sauce with garlic as an ingredient with 23.2%. Other than that chili, black and white pepper, soy sauce, herbs, has a ratio of 21.7%, 21%, 20.8% respectively. Most products from the seasoning sauce industry are being sold most in India with 8.8% with the US being the second with 7.9% and Thailand being number 19 with 1.6%. The seasoning sauce brands with the most sales are HEINZ, Knoss, Great Value and others. The market of seasoning sauce in Thailand in the year 2018

has a total value of 21,982 million Baht which has grown from the previous year by 4.7%. The Thai's seasoning sauce industry has continually grown from the past market value in the graph shown below:

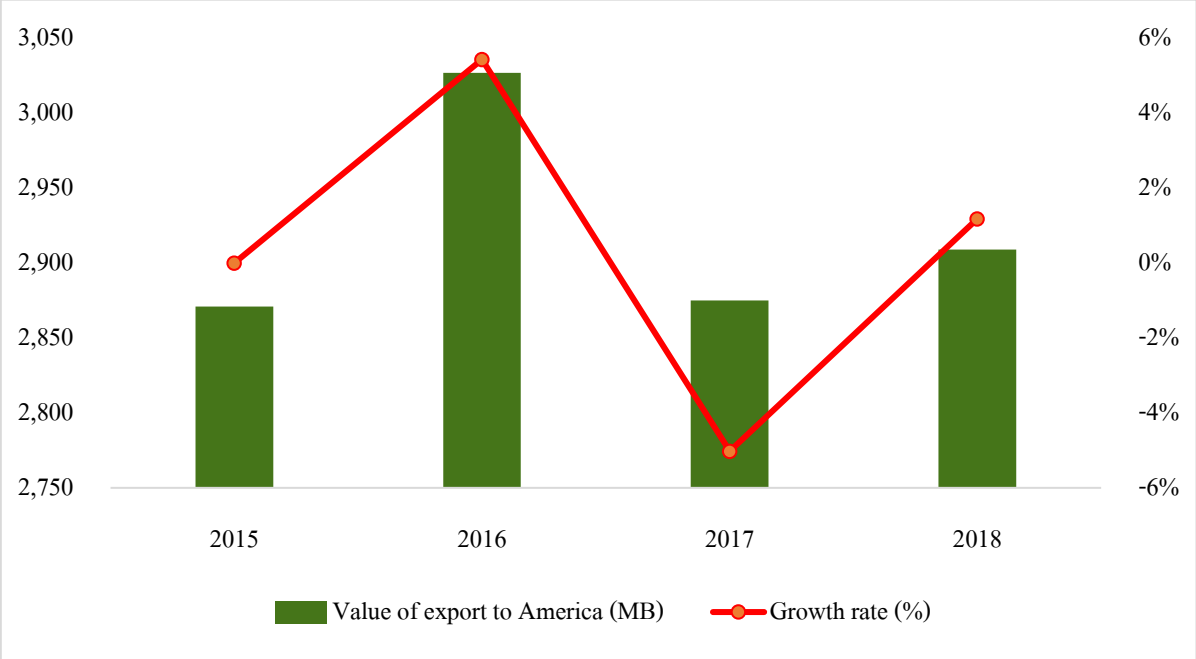


In the year 2015, the Thailand market value of seasoning sauce has a value of about 18,603 million bath which is the growth rate of 5.9% compared to the year 2016. The seasoning sauce market of Thailand has a value of 19,731 million Baht which has grown 6.1% from the previous year with the value of only 1,128 million Baht with most of the growth stems from the internal competition of the industry in 2017. The market value of the industry is at 20,991 million Baht with a growth rate of 1,260 million Baht with majority of the growth stems from market mechanisms. The year 2018, the seasoning sauce industry is valued at 21,982 million Baht with a growth rate of 4.7% or 991 million Baht compared to last year which stems from market mechanisms and economy standing and Thai Industry.

Source: Mintel

Overview and Trend of Seasoning Sauce of American Continent

In the year 2018, the seasoning sauce industry in American continent was valued at 18,600 million dollars with a trend of increased demand, especially plant-based and organic sauce. This trend stems from an increase in healthy trends in America which drives the population to turn away from consumption of food that has negative effects on their health. Moreover, the seasoning sauce market has many immigrants and locals that want to try new tastes from the immigrated population which makes sauces from Asia and Mexico. Prescient & Strategic Intelligence forecast that the market will have an average growth rate of 3.3% between the year 2019 to 2024. Moreover, the trend of the seasoning sauce industry in America will have a rapid growth rate from the increase of Ethic Food and healthy food. The products that Thailand exports to America in the year 2015 - 2018 has an export value of 2,800 - 3,100 million Baht with the details in the graph below.

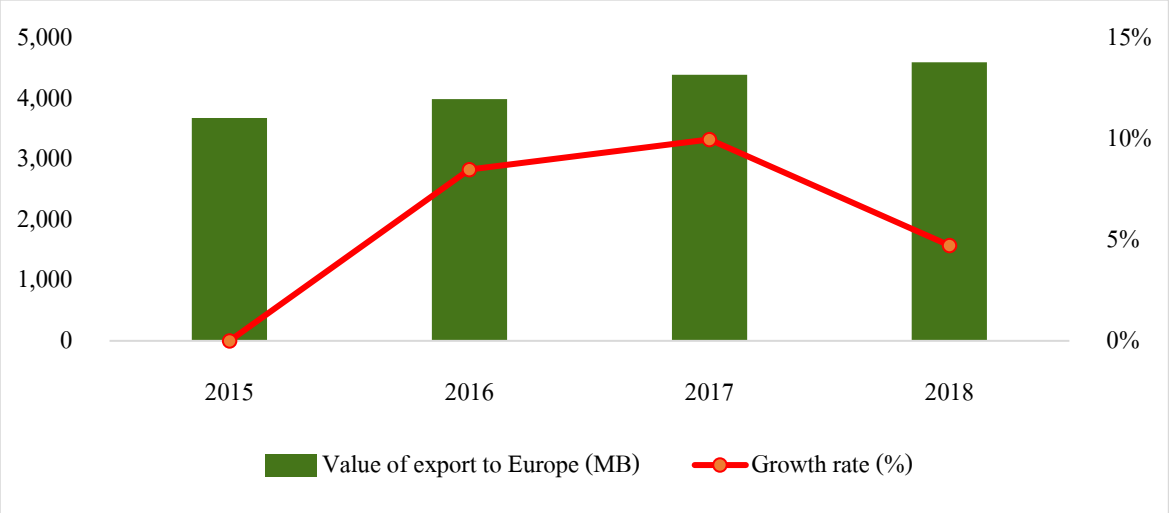


In the year 2015, Thailand has an export of seasoning product to America in the value of 2,871 million baht. In 2016, the export of seasoning product to America was 3,027 million baht or a percentage growth from the previous year at 5.4%. However, in 2017, export of such product to America decreased to 2,875 million baht or a decrease from the previous year by 5.0%. In 2018, Thailand has an increase in export of seasoning product to America to 2,990 million baht or an increase rate of 1.2%. The overall export of seasoning product to America seems quite stable with an average increase growth at 0.3%. Therefore, export of seasoning sauce from Thailand to America may increase according to the condition of the economy and seasoning sauce industry of America.

Source: Prescient & Strategic Intelligence and Department of International Trade Promotion

Overview and Trend of Seasoning Sauce of European continent

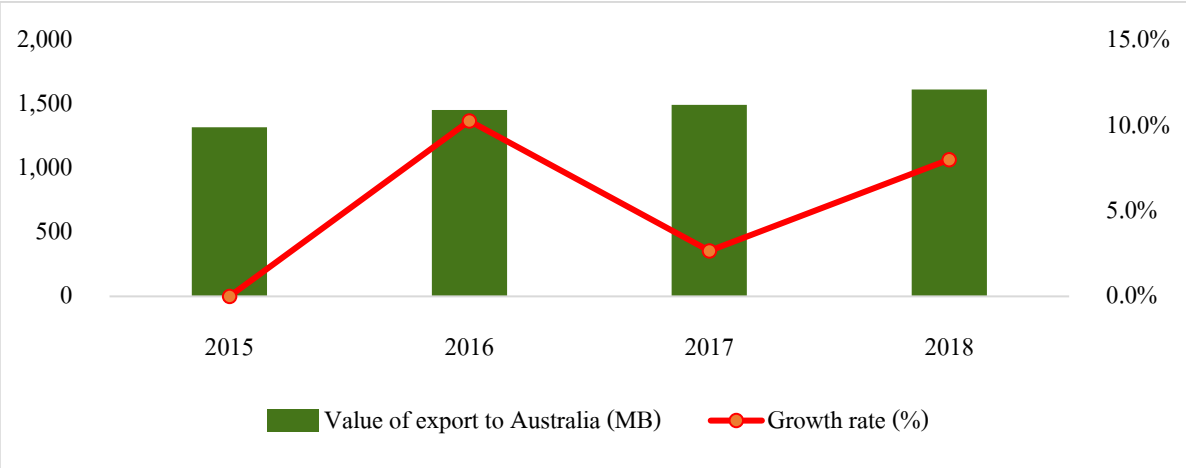
In 2019, the seasoning sauce industry in European continent has a market value of 26,288 million USD. The overall of the seasoning sauce industry in European continent has a growing a popularity in the product of seasoning sauce with gluten protein as it is good for health and still maintain a good taste. The increase popularity is because of the changing habits of the consumers that focus more on their health. Therefore, the demand of healthy seasoning sauce increased. According to Inkwood Research, the export of seasoning product to European continent from Thailand has an estimate value of 3,500-4,600 million bath between 2015 to 2018 with the detail according to the below graph:



In 2015, the value of export of seasoning sauce to European continent was 3,683 million baht and in 2016 was 3,996 million baht or an increase rate of 8.5%. In 2017, the export of seasoning sauce to European continent was continuously growing from the previous year with an export value at 4,395 million baht which is an increase rate from the previous year of 10%. However, in 2018, the export value of seasoning sauce to European continent slowed down with an export value of 4,603 million bath or an increase rate of 4.7%. Anyhow, the value of export to European continent may increase or decrease in the future depending on the condition of the economy and industry.

The overview and Trend of Seasoning Sauce in Australia

In 2019, the seasoning sauce industry in Australia has a market value of 1,776 million USD. Statista website predicted that seasoning sauce industry in Australia will have a continuous growth with an increase rate in the next year 3 year at an average of 2.4%. The export of seasoning sauce from Thailand to Australia between 2015 to 2018 has an export value at an estimate of 1,300-1,700 million baht with the detail according to the graph below:



Thailand's seasoning sauce exports to Australia in 2015 amounted to Baht 1,322 million and the 2016 seasoning sauce export to Australia increased to Baht 1,458 million. However, in 2017, Thai condiment exports to Australia slowed the value of exports, with a delivery value of 1,497 million baht, or a 2.7 percent growth rate, which was significantly lower than the previous year. For 2018, the value

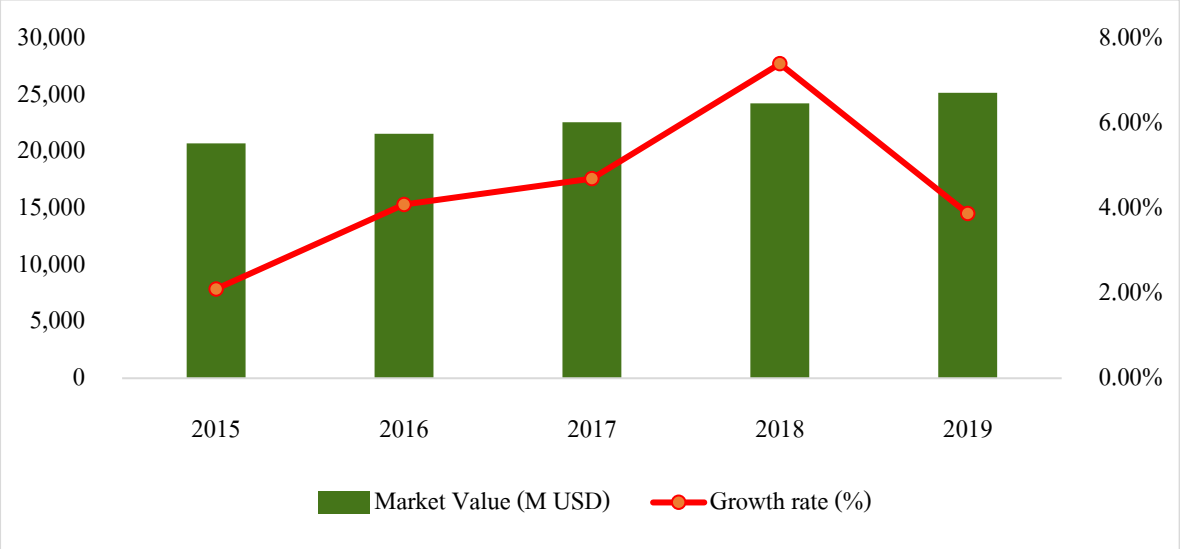
of exports to Australia began to grow by 1,617 million baht, or 8.0 percent growth. Overall, exports of seasoned sauces to Australia over the past four years have averaged growth of 5.2 per cent compared to the average growth expectations of the seasoning sauce industry over the next three years at 2.4 per cent.

Source: Statista and Department of International Trade Promotion

Overview and Trends of Asia's Seasoning Sauce Industry

As of 2018, the Asian seasoning sauce market has a market capitalized at approximately US $25.183 million, up from 7.4 per cent last year.

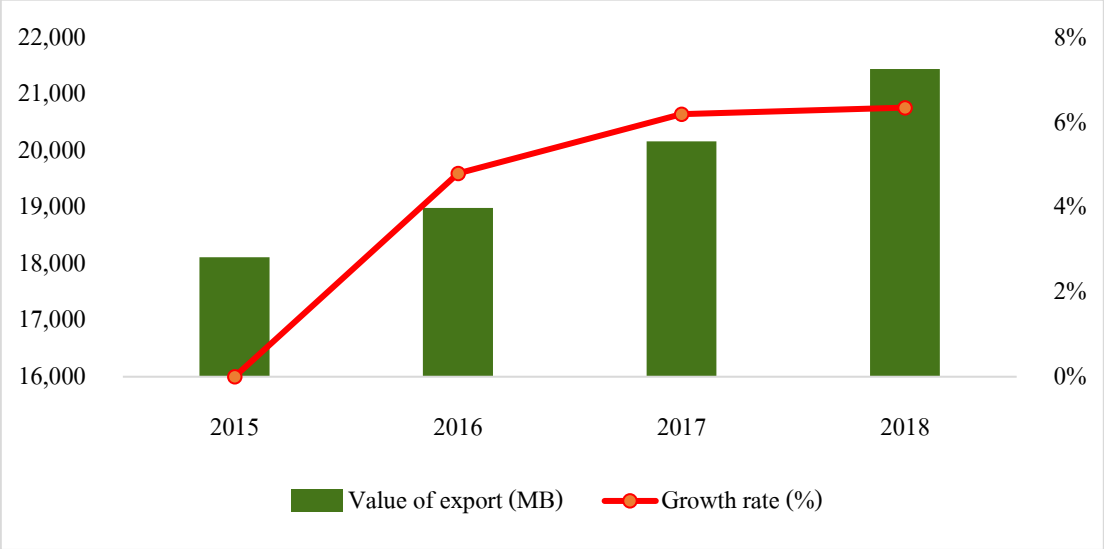
The Asian seasoning sauce industry market is growing at a relatively low level. The details are as follows:



As of 2015, the Asian Sauce industry has market value at 20.713 million USD. The growth rate was 2.1% from the previous year. In 2016 the Asian sauces industry has a market value of 21,560 million USD, which has an increased value from the previous year of approximately US $ 847 million, or equivalent to a growth rate of 4.1%. For the year 2017, Asian market of the seasoning sauce industry continues to grow with value of US $ 22,573 million, which has an increased value from the previous year for US $ 1,013 million, or 4.7% growth. For the year 2018, the Asian market sauce industry is valued at US$ 24,243 million, which was the highest growth during the past three years, with the market value increasing from the previous year for US$ 1,670 million, representing 7.4% growth rate.

Overview and trends of the seasoning sauce industry of Thai exports

Industry conditions such as sauces and condiments for cooking for export during 2015-2018 has the export volume at approximately 140,000 - 220,000 metric tons, with the export value of approximately Baht 18,000 - 22,000 million. Thai sauce types are growing steadily every year and have been growing steadily in their export volumes as detailed in the graph below.



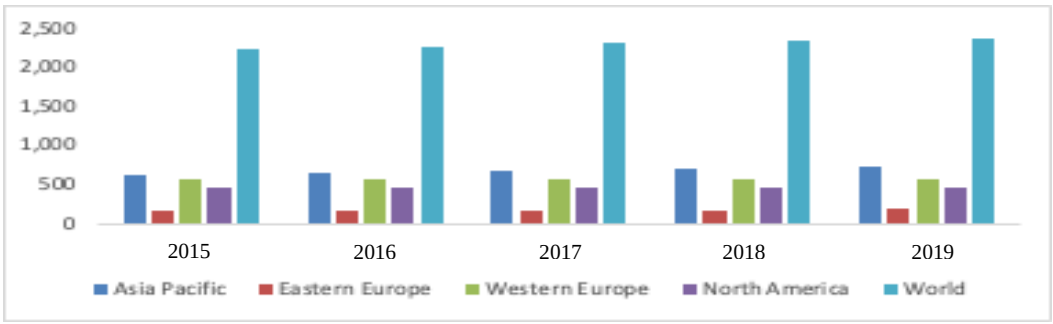
For the year 2015, the Thai seasoning sauce export market is valued at Baht 18,120 million. In 2016, Thai seasoning sauce export market was valued at Baht 18,991 million, which increased from the previous year for Baht 871 million or 4.8% growth. For 2017, the Thai seasoning sauce export market is valued at Baht 20,170 million, which has an increasing value from the previous year by Baht 1,179 million, or equivalent to 6.2%. a percentage. However, in 2018, the value of Thai seasoning sauce export market has grown at a constant rate. The market value is Baht 21,453 million or equivalent to a growth rate of 6.4 %, which has slowed down compared to the past figures. However, the export value of Thai seasoning sauce has started to slow down. May be as a result of the appreciation of the Baht at the end of 2018.

Overview and trends of the instant food industry

In 2019, the value of the world instant market is valued at approximately US$ 2,368 billion, 1.6% growth from 2018 and is expected to grow 2.3% per year (CAGR) until 2024. During 2015 and 2019, the global market value is growing at a rate of 1.4% per year (CAGR). The Asia Pacific's market is growing the fastest with the growth rate of 3.5% per year (CAGR). While in Eastern Europe, Western Europe and North America, the growth rate was 2.3%, 0.1% and -0.2%, respectively.

Diagram showing the value of the instant food market from 2015 - 2019 (unit: billion USD)

In the past, during 2015-2018, the value of Thai instant food exports to the world market was approximately Baht 36,000 - 43,000 million per year, with a 4.5% annual growth rate (CAGR) from 2015.

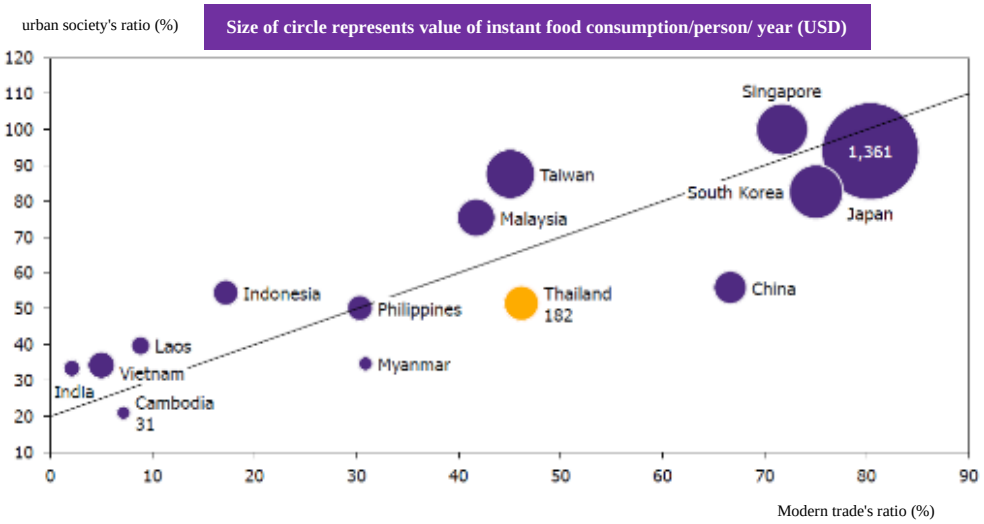


The value of the Thai instant food market in 2020 is likely to grow by 5 % to Baht 4.8 billion from Baht 4.6 billion in 2019, with the main supporting factors still from products with a healthy image. Premium products and products that meet consumer behavior in terms of convenience and speed (Microwave food) with positive factors from:

- The expansion of the urban society and the modern retail store that grows in line with the domestic economy.
- Increase in middle to high income consumers
- The expansion of online sales channels

While the negative impact of the global economy, which has slowed down from the trade war. (May indirectly affect consumer spending)

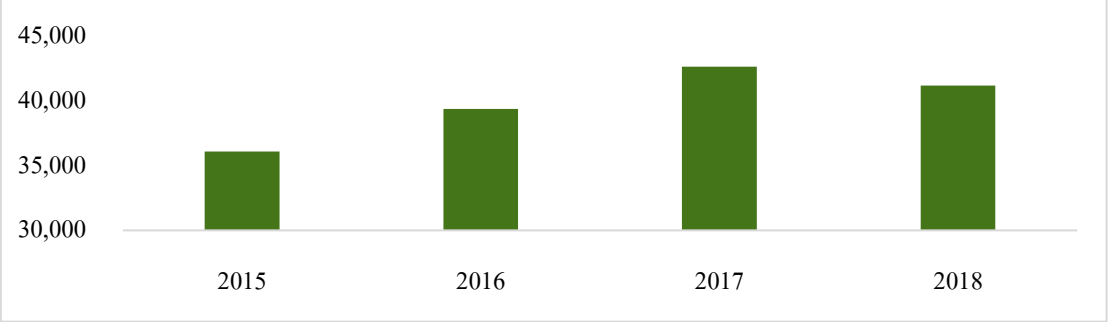
For the medium term, the instant food market in Thailand is likely to grow continuously in line with economic growth. We found that the microwave food is outstanding because it is growing at an accelerated rate, while other products are growing at a slower rate. The penetration of niche consumers has not yet been popular. It will be an important strategy for businesses to expand their market base further.



The diagram shows the expansion of urban society affecting the growth of the deli industry in 2018.

Source: Bloomberg and Economic Intelligence Center (EIC), Siam Commercial Bank Public Company Limited.

Diagram showing the value of Thai instant food exports (unit: million baht)



Source: Department of International Trade Promotion

Overview and Trends of the Food Industry Specialty Food

The Specialty Food is a specialty food such as a product of high grade and excellent quality, and its appearance is superior to conventional food products. It is also unique that the manufacturing process is exclusive to some part of the world. An example of a specialty food is Italian balsamic vinegar that use a specific grape as a fermentation raw material to obtain a strong vinegar. In addition to this, spicy and exotic food is considered a specialty food, which is an opportunity for small and large food manufacturers to be able to successfully penetrate the specialty food market and exports the specialty food to different continents around the world. The trend of the specialty food industry in the market has grown significantly. In 2016, the specialty food market was worth Baht 3.6 trillion and it has grown to Baht 4.0 trillion in 2017 or 9.8%. In 2018, the food and beverage market of this type is worth Baht 4.5 trillion or 9.8%. Most specialty food are made from plants, i.e. milk made from plants, and the Tofu made the most sales in the market. In addition, most of the current specialty food markets have a distribution channel through general department stores or convenience stores, followed by restaurants. The only specialty food sales channel that has just emerged is online sales. Currently, the percentage of sales through department stores or general stores is up to 76%, followed by restaurants at 22% and online only 2 percent. The trend of the specialty food market is expected to grow steadily according to behavior of consumers who still focus on consumption food cooked with fresh ingredients, healthy food, including high quality frozen food with great taste, especially it is good for health. Specialty food market continues to have a strong demand as manufacturers of this type of food produce more new products. It is expected to continue to grow at around 5% to 6% as the market has more channels and opportunities for new products especially for products made from plants.

Source: Specialty Food Association By Mintel 2019 – 2020 Edition

Trends in the Specialty food industry

Specialty Food is likely to become the main driver of the global food industry development. It is unique, rich in quality with a carefully selected process. Without focusing on producing in too high volumes, manufacturer focus on the quality of the product which is popular with both consumers and retail seller. As a result, specialty food is one of the fastest growing food businesses in the US market with sales volume of $ 158.4 billion, 10.7 percent growth from 2017. Foodservice and Online Retail Channel are the largest growth at 12.8% and 132.5%, respectively. Special food grew three times faster in general food products because of recent consumption behavior of consumer. Currently, there is an important condition for consumption, i.e. taste and food quality, where specialty food meets this criteria. According to consumer demand, especially Gen-Z and Millennials, at present, Specialty Plant-based Food and Beverages has sales of approximately US$ 5 billion, and Refrigerated Plant-based Meat Alternative has grown 110% during 2017-2019. As for the Global Specialty Food market, it is expected to grow from $165.06 million in 2019 to $209.47 million in 2023 (average 6.1% annual growth).

Source: The State of the Specialty Food Industry, 2020-2021 Edition and Research and Markets

Overview and trends of the ethnic food industry

Most Ethnic Food is the food of foreigners. Now US consumers turned to pay more attention to food of foreigners, such as Asian food, Mediterranean diet, Hispanic food and adapted to blend with local cuisine. The global ethnic food market was valued at Bah 1.2 trillion in 2018, with a market share by continent divided into 31.9%, Europe 27.8%, America 26.0%, Asia and others 14.3%. The main

reason for the growth of the ethnic food market is due to the immigration of immigrant groups. In addition, a group of workers in the United States. In addition, the growing population of adolescents who follow world trends and enjoy experimenting with different types of food. As a result, the demand for Ethnic Food is increasing, Mordor Intelligence predicts that the ethnic food market will grow by Baht 2.3 trillion baht, with an average growth of 11.8% as of 2024.

Ethnic food industry trends

Today, the Ethnic Food industry is one of the megatrends in the world's food consumption market. Today, the global food market has changed. Today, many consumers have weight problem. Many consumers are entering old age. There are many foreign and cultural consumers, and consumers who love nature and the environment. Nutritionists and food market experts believe that these will influence the demand for food consumption, as a result of the growing trend of the Ethnic Food industry. Another reason for the growth trend of the Ethnic Food industry is the popularity of food from foreign immigrant living in that country, such as Asian food, Mediterranean diet, Hispanic food that have been adapted and mixed with local food. Halal food are becoming increasingly popular and entering the mainstream consumer market for safety reasons. According to Research and Market, the global ethnic food market was valued at US$ 36,481.1 million in 2018 and is projected to see steady growth at average rate at 11.8% until 2024, due to the increasingly high immigration rates in many countries and the increasing knowledge and understanding of consumers. This creates a growing demand for ethnic food in many countries around the world.

Overview and Trends of Plant-based Food Industry

Today, people who consume plant-based food are spread across several regions of the world, about 750 million people, or 10 percent of the world's population. The EU and North America markets, especially the US, are viable markets and trend leaders in which food products, including various forms of plant-based food products, have been developed and launched in such markets with a significant increase. The plant-based food market has grown rapidly over the past five years as a result of the global Mega Trend in health. Therefore, people's dietary habits have changed. In addition, there is an expanding consumer segment of vegan food and plant-based in many parts of the world. Various forms of food, including plant-based products, are developed, and marketed in these markets which increase rapidly. The first growth driver of the plant-based food market was driven mainly by the restaurant service sector. In particular, the world's largest American fast food restaurant chain is ready to bring both plant-based and synthetic menus to the market simultaneously in 2019. In both the US and EU markets such as Burger King, Dunkin 'Donuts, McDonald's, KFC, as well as Swiss global food giant such as Nestle and consumer products such as Unilever, offer a wide range of meat substitutes and have taken over the retail market share of plant-based food.

Moreover, the number of vegan food products and plant-based foods released in the markets from 2014-2018 showed that the world vegan and vegetable protein market grew by as high as 31%, with European countries being the main food market that is the largest in the world. There are 9,396 products released in the market or can account for 60%, followed by North America, with 15 %, the Asia Pacific accounted for 13%, Latin America with 7%, and the Middle East and Africa with a proportion of 4%.

Source: Research and Development Department, Food Institute

Trends in the export of plant-based meat industry

Currently, the world market value of Plant-based meat is less than 1% of the world meat market value. The global market value of plant-based milk represents 13% of the world milk market value. Beginning in 1999, the US milk Company, Silk Soy milk has begun packaging, which makes it easier to consume resulting in highest growth. Therefore, it is expected that the market value of Plant-based meat will grow in the same way that Plant-based milk is when consumers have easier access to the product and products taste even better.

In the US, there is the same industry growth trend as the world. Plant-based food sales in 2019 amounted to US $ 5.0 billion, an 11% growth from 2018, mainly driven by plant-based dairy sales growth and plant-based meat

(Source: SPINSscan). Natural and Specialty Gourmet)

The trend of consumers is becoming more and more important to buy healthy and environmentally conscious food. This includes reduced meat consumption through taste, quality, price, product accessibility. It will support the growth of alternative meat products Beyond Meat and Impossible Foods in the United States. It has made people more interested and accepting of plant-based foods, likely to be the most in demand. In countries developed by Markets and Markets, plant-based meat was predicted to be worth an estimated $ 27.9 billion in 2025, growing an average of 15% annually from 2019.

E-commerce Market Industry Trends

From the lockdown policy in many countries including Thailand, causing economic activity to be disrupted, people cannot travel to shop for groceries, markets, and department stores as usual. It has had a profound effect on the way people live their lives that are beginning to change. Many people have begun to experiment and become regular users of the online shopping service, although the lockdown session has eased. To avoid traveling by yourself in crowded areas, information from the website https://www.ihdigital.co.th/thailand-e-commerce-2020/ points out that various factors contributing to the expansion of E-commerce in Thailand are as follows:

- Policy Thailand 4.0: Policy of the Thai Government aiming to develop the country in various fields. This development includes the development of digital industries that has many direct benefits to E-commerce and promote E-commerce to reach the people of Thailand thoroughly as well. Some examples that can be seen clearly are Prompt Pay (Prompt Pay).
- Internet usage behavior of Thai people: The statistics in this area of Thai people are very interesting because the number of communication devices that can connect to the internet in Thailand is 93.39 million more than the country's population of 67.98 million people. Combined with the average daily internet usage time of Thais up to 9 hours, businesses that open e-commerce stores have a very high opportunity to reach customers online.
- COVID-19 epidemic: In terms of this factor, nobody wants this to happen. But when the epidemic actually spreads, its impact on businesses was enormous. Revenue from the storefront dropped drastically. Until the stores have to shut down both temporarily and permanently, many businesses turn to digital channels to open e-commerce stores to create income streams and grow business even in times of challenging situations.

For the e-commerce market trends in the United States of the past 5 years, from 2014 to 2018, the total amount of e-commerce transactions in the US market has grown from approximately US $ 300

million in 2014 to approximately US $ 500 million in 2018 at an average annual growth rate of 14%. With the long-standing popularity of online ordering in the US, this directly affected the traditional trade like Brick and Mortar stores in the United States, closing rapidly, with more than 10,000 closed stores in 2019. (Source: https: //www.businessinsider).com / stores-closing-in-2019-list-2019-3)

In addition, according to the Global Ecommerce 2020 Report, the overall outlook for the 2020, global e-commerce market will reach a total value of approximately US $ 3.914 trillion. There are five areas to be on concerning Global e-commerce markets in 2020 are as follows:

1. China will be the country with the largest retail market in the world and will overtake the United States this year.
2. Even though sales of the e-commerce giant Amazon have grown significantly during the Covid period, Amazon has not been able to penetrate the Canadian market as it should due to slow delivery times.
3. During the COVID situation, e-commerce businesses in the United States and France tend to improve. But after the COVID situation eased, the physical stores are still not recovering.
4. The mobile phone sales in Germany are growing at an unprecedented rate. And more than half of UK e-commerce sales come from mobile phones especially smartphones.
5. Delivery of products including ordering and paying for products online and then picking up the products at the store (click-and-collect) grew tremendously in England.

(Source: https://brandinside.asia/global-ecommerce-2020-report/)

1.2.2.(3) Procurement of products or services

Procurement of raw materials

The Company procures raw materials including fresh, dry, food compound, and packaging from domestic manufacturers and distributors, whereby the Company has a policy to procure raw materials from multiple trading partners in order to reduce the risk of reliance on any trade partner. Sometime the Company is required to import packaging and/or raw materials used in production from abroad according to customer specifications.

Raw materials that the Company used for manufacturing products can be divided into 2 groups as follows:

1) Raw materials used in production

The raw materials used in the production include fresh and dry ingredients, and food condiments. Most of the raw materials are agricultural products such as chili, lemongrass, lime, garlic. The Company's main raw materials, including agricultural products, have production quantity that is uncertain, and the shelf life is not very long. Therefore, the Company has strictly planned production and schedule for receiving these raw materials in order to maintain the quality of the raw materials used in production. This will directly affect the quality standards of the Company's products. In general, the Company will keep raw materials for 3 to 7 days. The Company will use the reference price from the middle price of Srimuang market and Thai market, which is a

medium-sized dry market and large fresh fruits in Ratchaburi province. The Company will buy mostly from distributors, where the Company normally specify quality, we need.

2) Packaging

The Company will order packaging of any size and type according to the order of the customer, mostly being purchased from local distributors and partly order from an overseas supplier. This will happen only if there is a specific requirement of the customer. Most of which are orders from domestic manufacturers.

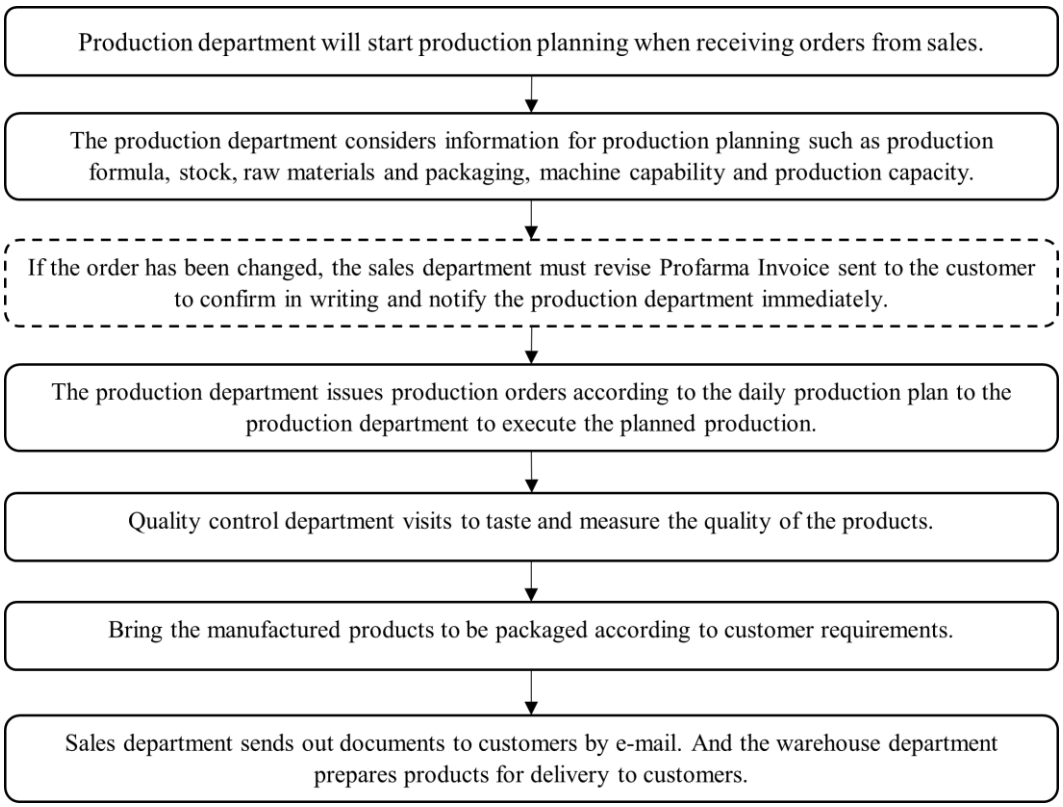
The Company procures both groups of raw materials from multiple producers or distributors in order to reduce the risk of reliance on a particular manufacturer and supplier. The Company consistently and continuously buys from the same manufacturer and supplier and build a good relationship with each other. As a result, the Company has never encountered a shortage of raw materials in production which cause significant impact on its business operation.

3) Production and production control

In the year 2020, average production rate of the Company is approximately 111% of the total production capacity of approximately 14,677 tons per year, and production at our 2 factories are for production of noodle, sauces and seasonings.

4) Production process

Generally, the Company produces products mainly according to customer orders (Made to order). Only some parts of the Company manufactured to stock the products for sale to large retailers and general retailers, both domestically and internationally. The production department will plan the production together with the sales department and the raw material purchasing department in order to make the production more efficient, achieve production goals and able to deliver products within the time agreed upon with the customer. The Company has the following production steps:



The Company's production department and production control are one of the most important aspects of our operations that will directly affect the quality standard of the product. With great care, the Company pays attention to the production process and production control so that all employees can work at their best efficiency. The Company has divided into 5 sub-departments of production as follows:

1) **Powder product line production department.** This production line produces various powdered products such as seasoning powder, instant beverage powder, etc. It also includes the process of mixing various powdered components, packing products in sachets and boxes with automatic machines and manual labor.

2) **Noodle production department.** This production line produces various types of noodle products such as Hokkien noodle, etc. In this line, there is a production process starting from mixing flour, rolling up fluff, seasoning and packing into packaging as a finished product ready for delivery to customer.

3) **Line production department** prepares raw materials and produces frozen products. This production line will receive the imported raw materials and put them into the raw material preparation process so that they can be produced in the next step. Starting from the cleaning, trim the raw materials before sending to the production process of various products in other production lines. In addition, this line also produces frozen products.

4) **Production line of various spices, curry paste.** This production line mainly produces curry and sauce products. By starting to receive raw materials that have been prepared from the production department, raw material preparation lines, ground, seasoning, packaged and sterilized. Before forwarding to prepare for delivery to the customer.

5) **Labeling and Packing Line Production Department.** This production line will carry out labeling, packing of products from other lines in order to be ready for delivery. It will receive products from powder production lines and various curry and sauces lines.

5) Production control procedure

The Company is committed to producing products that meet the safety food standards (Safe Food). They are mainly exported to European countries and the United States. This is a group of countries that are very strict in terms of product quality and safety of imported food products. Therefore, the Company has a quality control policy at every stage of production to ensure that every product produced by the Company for customers will pass international standards.

- Quality of raw materials used in production.

Raw materials used in the production comprise of fresh and dry material and food condiments. The Company will specify quality of all kinds of raw materials to set a standard for selecting raw material's suppliers for the Company. In addition, the production control department uses a random method to bring raw materials to inspect in the laboratory to prevents substandard raw materials from being introduced into the production process and to maintain the quality of raw materials from distributors. In the event that the production department or the production control department finds that the raw materials received from the supplier are not of the agreed quality, the Company will return all substandard raw materials. And have the distributor to deliver the new lot promptly. If that supplier is unable to deliver the substitute raw materials on time, the

Company will order additional raw materials from other suppliers from the list of qualified suppliers.

- Product quality

The production control department will inspect the quality of products during the production line using sampling methods to perform physical checks including color, size, temperature, humidity and contamination and chemical, taste, humidity, pH and testing for microorganisms, including checking the information on the product label to be complete and correct.

Warehouse and transportation

Because the Company's products are food and seasoning, so there is no policy to keep raw materials and finished products for long at the factory. Most of the Company's raw material storage would be dry raw material, seasoning and packaging. The Company will contact the suppliers on a daily basis in order to identify raw materials that need to be delivered to the factory according to the production plan. For finished products and packaging, the Company will contact the shipping company for delivery to the port immediately.

The Company uses FOB (Free on Board) terms of delivery, in which the Company, as a seller, has the duty to deliver the goods to the port of origin. After that, it is the buyer's responsibility to transport the goods from the port of origin until the destination specified by the customer. By transporting the products to the port of origin, the Company will hire a transport company to do it. Most of the products of the Company will be delivered to Lam Chabang Port.

Related laws and regulations

Related laws and regulations in Thailand

Food law

The Food Act 2522 (including its amendments) ("Food Act") is the main law governing the Company's products. According to the provisions Food Act, the term "food" includes food or life support that people eat, drink, or bring into the body by any means or in any form. The Food and Drug Administration and the Food Committee are the departments responsible for overseeing the implementation of the Food Act.

Licensing and production

Under the Food Act, food entrepreneurs wishing to set up factories to produce and distribute food must obtain a food production license. In which to obtain a food production license, food manufacturers are required to submit documents, including a layout plan of the manufacturing plant, for approval from the Food and Drug Administration. After that, the Food and Drug Administration will inspect the production facilities. And if the manufacturing plant is in accordance with the criteria of the Food and Drug Administration. the Food and Drug Administration will issue a food production license. The food production license expires on December 31 of the third year from the year of issue and can be renewed for a period of three years at a time.

In addition, regulations of the Ministry of Public Health require food manufacturers to comply with Good Manufacturing Practice, and food manufacturers must be certified that food manufacturers have complied with relevant regulations and criteria.

Good Manufacturing Practice specifies general guidelines for food production processes such as (1) Every step-in food production requires good sanitation controls from the inspection. Raw materials and ingredients in food production, transportation, production arrangements, packaging, food storage. (2) food handling equipment must be made of non-reactive materials that may be harmful to consumers and (3) all workers must wear clean and appropriate clothing at all times.

Registration and type of food

The types of food produced at most food factories must be registered with the Food and Drug Administration. Registered food in Thailand is divided into 4 types:

Category 1: Specific Controlled Food is food which must be registered its recipe. The production of specially controlled food must comply with food standard quality requirements, packaging specifications, and labeling, as well as other criteria related to good manufacturing methodology.

Category 2: Food defines a quality or standard, i.e. food whose quality and label must meet the requirements related to quality standards. Food manufacturers must apply for food registration with the Food and Drug Administration. (Including beverages in a sealed container)

Category 3 Foods that need to be labeled are foods that require rules or regulations to be labeled in order to avoid misunderstandings or misleading consumers (i.e. packaged foods, irradiated foods, chewing gum, bread, and seasonings in sealed containers)

Category 4 : A typical food is a food which is not one of the foods mentioned above. This type of food includes raw food, cooked food, processed or unprocessed food. This type of food, which is not produced from a food factory, does not require registration or license application. But for food factories, there must still be a license to produce food.

However, general food production is controlled and monitored for hygiene, safety, labeling and advertising.

Company's products such as chili sauce, ketchup, instant tea powder, and ready-made tea is classified as a quality or standard food (Category 2), including sauces in a sealed container. And ready-to-eat ready-to-eat foods are classified as foods that need to be labeled (Category 3) under the Food Act. Therefore, it must comply with the requirements under the Food Act and must be registered with the Food and Drug Administration as well, in accordance with the notification of the Ministry of Public Health regarding related food categories.

Label and Advertising

Labeling regulations require that food in containers is labeled and labeled with detailed information as required by applicable regulations. In addition, any product having the following characteristics shall be labeled in accordance with the labeling standard regarding the nutritional value of the nutrition labeling regulations, this includes (1) foods with nutritional claims (2) foods that use nutritional value in the promotion (3) foods that identify the consumer groups in sales promotion or (4) other food as specified in the notification of the Food and Drug Administration with the approval of the Food Committee, provided that the labeling must be in accordance with the relevant laws and announcements.

The labeling of food in containers manufactured for sale in Thailand must be written in Thai. And at least there must be a statement showing details as specified by the Ministry of Public Health, which includes the name of the food, food serial number, name and address of the manufacturer, warnings or messages as required by applicable regulations, expiration date, amount of packaged food,

including essential ingredients of that food. In addition, food labels must have the following characteristics:

- It is not false or deceitful, causing unreasonable beliefs or misleading in essence.
- Do not display food names, food components, food ratio, quantity of food or display properties of food that is false or is a deceit to believe.
- Do not display text, names, pictures, artifacts, marks, or trademarks that make it understood that there is an ingredient in the food although there is not such an ingredient or there is but insufficient content in the food.
- Do not resonate with words or statements that convey the merits, qualities, properties which are exaggerated or false or deceptive, causing unreasonable belief.
- It is not contrary to the good culture and morals of Thailand, or to destroy the value of the Thai language.
- Do not promote or may create conflict, divide, or negative impact, directly or indirectly on society, culture, morals, traditions, or behaviors involving sex, language and violence.
- For labeling of food produced for export, the message may be displayed in any language. But at least the country of origin must be specified, food serial number, or the number of food production premises, or name and location or either of them.

Public Health Law

Public Health Act 2535 (as well as its amendments) ("Public Health Act") aims to take care of public health, with the Public Health Committee overseeing the Act. Public Health committee will regulate matters related to public hygiene such as setting up a market, as well as food distribution and food storage locations, sewage, and waste management, building hygiene, causing a nuisance to the nearby residents, operations that are hazardous to health, etc. The supervision of each matter related to public hygiene is different, for example.

(A) Establishment of food selling places and food storage places. In the event of an establishment of a food distribution, place or a food storage facility within a building or an area with an area of more than 200 square meters, a permit from the local official must be obtained prior to the establishment. And if such area does not exceed 200 square meters, it must notify the local official to obtain a certificate of notification before the establishment.

(B) Conducting business that is harmful to health. The activities that are hazardous to health are detailed as specified in the notification of the Ministry of Public Health, together with the local provisions, such as businesses related to food production, or various kinds of sauces. If any person conducts a business that is harmful to health, must obtain a license from the local official before conducting such business.

Business operation of the Company such as the establishment of a food storage facility and the business operation that is harmful to health is related to the health of the people under the supervision of the Public Health Act. In addition, in operating business, it must be aware of not causing a nuisance that will cause trouble to the residents nearby as well, for example, refrain from doing any action that may cause noise, odor or dust causing harm to health.

The Company has been authorized. And has received all the licenses for the Company's business operation and has continuously renewed such licenses. As of the date of this report, all licenses remain in effect.

Regulations on establishments for export

Regulation of the Department of Livestock concerning Obtaining and Issuing Certification for GMP System and HACCP System at the business operation place for Export B.E. 2562 has an objective to supervise company's business that export livestock product to other countries. It requires the exporter to have its establishment place neat and tidy up to international standard. The competent authority has authority to issue the certificate, for example, the certification of cold storage establishments, frozen warehouses (Cold Storage) which will have specific criteria for such establishments regarding matters such as general cleanliness., inspection of refrigeration, air conditioners, frozen product box shelves, including attire of the staff, etc.

Consumer Protection Act

The Consumer Protection Act 1979 (as well as its amendments) ("Consumer Protection Act") aims to specify the rights of consumers and the obligations of the manufacturers or service providers in order to maintain fairness for consumers. The Consumer Protection Act sets rules to protect the rights of consumers.

The Damages Arising from Unsafe Products Act

The damages arising from Unsafe Products Act 2008 ("Unsafe Product Liability Act") aims to remedy those who have received damage from unsafe products by stating that the word "Operator" means the manufacturer, the hired person, the importer and the seller who cannot identify the manufacturer, employer to produce or possible importers who uses the name Trade name Trademark, mark, text or display in any way in a manner that gives the impression that it is the manufacturer, employer to produce or importer. The operator has liability under the Act for damages arising from unsafe products. The injured person can sue the operator under the liability act for damages arising from unsafe products without proving that the damage was caused by the actions of any operator. The injured person just needs to prove that they have been damaged by unsafe products. Damage from unsafe products means damage from manufacturing or design defect, or damage from the operator not prescribing how to use the product, warnings or product information or defined incorrectly, not clear, regardless of the condition of the product, usage, characteristics, and normal storage of such products.

The operators are not liable for such damage if they can be proven that the product is not unsafe or if the victim already knows that the product is unsafe or that the damage is caused by incorrect usage or storage in accordance with the instructions used, the method of retention of warnings or information about products that the operator has determined correct and reasonably.

However, the definition of entrepreneur under the Act is broadly defined which gives consumers the right to prove that the damage is caused by any operator. Therefore, it is the duty of each operator prove that he is not liable.

Factory Act

According to the Factory Act 2535 (including as amended) ("Factory Act"), the term "factory" refers to a building, place or vehicle using machines with a total power of fifty horsepower, equivalent of fifty horsepower or more, having fifty workers or more, using machines or not to engage in factory business, in accordance with the type or kind of factory prescribed in the Ministerial Regulation of the Department of Industrial Works which is an agency under the Ministry of Industry responsible for overseeing various factories and supervising their operations efficiently and is responsible for supervising operations in accordance with the Factory Act and relevant rules.

Competition Act

The Trade Competition Act 2017 (“Trade Competition Act”) is a law governing and preventing the monopoly of business operators, including reducing or limiting the competition in the business operation by stating that the word "Business operator" means supplier, manufacturer for sale, person ordering or importing into the kingdom for distribution, buyers for the manufacture or resale of the product, or service providers in business. The Trade Competition Act establish measures for controlling the pricing and purchase of goods or services, other commercial terms as well as the acquisition of all assets or businesses or parts of business etc.

Due to the nature of the business of the Company that conducts business of OEM, it is considered as a business operator as defined in the Act Trade competition. Therefore, the business operation including the expansion of the Company's business must consider the compliance with the Trade Competition Act.

Regulations related to the importation of food products to the United States.

The United States is recognized as having the best food security system in the world. Operators producing and delivering food to the United States The quality of products that are manufactured in hygienic environment must be taken into account. The product is clean. They are safe to consume and are packaged with truthful labels. And does not give rise to inaccurate understanding.

Manufacturers and exporters of food products to the United States need to study and understand the subject. Examples of important basic regulations are as follows:

- Food manufacturers and exporters in the United States need to study and understand stringent food regulations and regulations. Here are some basic rules of thumb:
- Public Health Security and Bioterrorism Preparedness and Response Act of 2002
- Agricultural products and livestock. Must comply with US Department of Agriculture regulations and Seafood products must comply with the regulations of the National Marine Fisheries Service.
- US Bioterrorism Preparedness and Response Act 2002

Examples of common standards for the Food and Drug Administration of the United States

1) Canned food products or packed in acidified containers and low acid (Acidified & Low Acid Canned Food) must be registered to receive the FCE Number (Food Canning Establishment) from the US Food and Drug Administration and inform the details of the production process to the US Food and Drug Administration for consideration. Submission Identifier (SID) before shipping
2) General requirements for food labeling (Food Labeling)
   (A) Regulation for labeling on nutritional information
   (B) Package label showing the volume, right of packing (Net Weight) according to the international standard measuring system or used in the United States.
   (C) Regulation for labeling of trans-fat content (Tran's Fat Acids) on the nutritional value label. And ingredients of food (Statement of Ingredients)
   (D) Food Allergen Labeling regulations
   (E) Country of Origin Labeling regulations.
   (F) Rules and regulations on the use of food additives and color additives for food products (Food Additives) means any substance used in food

additives. Which directly and indirectly affect the characteristics of food) as well as substances that come into contact with food (Food Contact Substance)

3) Delivery of food products, especially those that contain seafood, into the United States. Must be produced according to the guidelines of the HACCP (Hazard Analysis Critical Control Points) system
4) Hygiene regulations under the Food Safety Modernization Act: FSMA formally enacted on January 4, 2011.

Regulations related to the importation of food products of the European Union (EU) countries

The EU's General Food Standards Regulations are as follows:

1) Regulations governing common standards (Horizontal Legislation) including
   - Food Hygiene Standards: EU Regulation 852/2004
     Food products delivered to the European Union must be produced hygienically and safely, under Directive 93/94/EEC, the general requirements of all food products range including raw material preparation, production, processing, packaging, containing, transportation, distribution, touch, and services.
   - Food Additives Standard: Regulation (EC) No 1331/2008
     Food Additives including colors, sweeteners, flavor additives, both the type and the amount allowed in the food must be as specified and must be clearly indicated on the label as E Number.
   - Microbiological criteria for foodstuff
     Processed foods must be especially careful of the dangers of microbial contamination especially Salmonella, Listeria, Enterobacter, and Staphylococcus are benchmarked in accordance with Regulation 2073/2005 and amended by Regulation 1441/2007
   - Food Contaminant standards
     Contaminants that can be found in food in accordance with Regulation 1881/2006 include nitrates, nitrites, micro toxins, 3-MCPD, Nioxin, PAH, and PBCs.
   - Pesticide residue standards
     The EU Standard of Pesticide Residues provides a database that can determine the type and amount of chemicals that can be found in food.
     http://ec.europa.eu/sanco_pesticides/public/index.cfm
   - HACCP (Hazard Analysis and Critical Control Point System) standards, or hazard analysis systems A critical point that requires control in food production, which focuses on preventing harm in the process rather than testing at the final and effectively prevent food hazards or biological, chemical, and physical contaminants, the manufacturer must apply the HACCP system in the food production process.
   - Traceability system
     A system created to give the customer confidence in purchasing products that is free of contamination, safe, able to monitor the route of the food and help reduce the loss of Company’s product recalls, for accurate and fast recall at the required volume.
   - Food Contact Material regulation
     Regulation 1935/2004 relating to food contact materials requiring food contact materials and items not to transfer chemicals from packaging into food at harmful levels to human health or to alter food components or damage the taste and smell of food. Materials and products that encounter food must be branded for contact with food, which is branded with glass and forks.

- Food Label Requirements: Regulation (EU) No 1169/2011
  Food products must be labeled as prescribed, which is part of communicating with consumers, as well as providing nutritional knowledge, consumption methods, benefits of each nutrient, which gives consumers the opportunity to gain a more accurate understanding of nutrition and food intake. Food items packed in containers must include the following information:
  - Manufacturer, vendor, and vendor name.
  - Ingredients and additives
  - Item lot number
  - The date of manufacture or expiration date, or the date that should be consumed first.
  - Storage details and warnings required
  - Nutrition information in accordance with Directive 90/496/EEC
- Genetically Modified Dietary Requirements (GMO)
  Requirements established to regulate and supervise the sale of genetically modified crops on the market for cultivation, import or processing of goods under Directive Regulations 2001/18/EC.

2) Regulations governing the specific standards of each food product (Vertical Legislation)
Regulations on imports of meat, poultry, and seafood products
Delivery of meat, poultry, and seafood products to the European Union. Exporters should know the 3 important principles of approval to import goods as follows:

First stage	the information must be presented for consideration by the European Commission.
Second stage	Factories with hygiene standards according to euthanasia requirements The Commission will come to investigate whole production process randomly at some factories.
Third stage	The European Commission will monitor the control of plants in accordance with euthanasia standards for Thailand, including the Department of Fisheries (in accordance with Central Regulation 94/325/EEC) and the Department of Livestock Development for Poultry Products.

Category 3 International standards and standards set by the private sector

Example international production and export standards

1) Good Manufacturing Practice (GMP) standards
2) British Retail Consortium (BRC) standards
3) International Food Standard (IFS) standards
4) HALAL standards

<u>International production and export standards obtained by the Company</u>

The Company focuses on developing and maintaining production standards to meet international standards. Exports to the United States and Europe are essential to meet the standards of products and production. The Company has been certified to the following international production standards:

Standard	Institute
IFS Food (International Food Standard)	SGS International Certification Services Gmbh
BRC Global Standard for Food Safety	SGS United Kingdom Ltd
GMP (Good Manufacturing Practice)	Department of Fisheries
HACCP	Department of Fisheries
GMP (Good Manufacturing Practice)	Department of Livestock Development
HACCP	Department of Livestock Development
HALAL	Central Islamic Commission of Thailand
SEDEX	The Sedex Members Ethical Trade Audit (SMETA) or SEDEX

IFS Food standards

IFS or International Food Standard is an international food standard to ensure safety in food production and quality, with IFS covering 1) quality system management and HACCP 2) management responsibility, 3) resource management, 4) product production and 5) measurement, analysis and improvement. However, this standard has no legal effect whatsoever, affects the confidence of customers and consumers.

BRC Global Standard for Food Safety standards

BRC (The British Retail Consortium) is a food safety and quality standard set by the UK Retail Consortium that is grouped together by retail organizations such as Tesco, Sainsbury's, Iceland Foods, Waitrose, Safeway, The Co-operative Group, and Asda Stores. It directs food manufacturers who want to deliver products to retailers. The BRC must include HACCP system, Quality Management System, Factory Environment Standards, Product Control, Process Control and Personnel.

GMP standards

GMP (Good Manufacturing Practice) is a good practice and standard in food production to control quality and safety. This refers to the standard from the location of the factory. The building structure and production process are controlled every step of the way from the beginning of production planning controlling the system from raw materials during production, finished products, storing, quality control and transportation to consumers. GMP is also a basic quality assurance system before going on to other higher quality assurance systems such as ISO 9000 and HACCP (Hazards Analysis and Critical Points)

HACCP standards

HACCP (Hazard Analysis Critical Control Point) is a standard for preventing harmful substances that can affect food consumers. Focus on assessing and analyzing food hazards including biological hazards, pathogens, chemical hazards, and physical hazards, consisting of 7 principles: 1) Hazard analysis, 2) Defining critical points to control, 3) Configure crises 4) Establish a system to monitor and monitor critical control points that must be controlled, 5) Establish corrective measures when checking that critical points are not subject to defined critical values, 6) establish a review method to maintain the operational efficiency of the HACCP system, and 7) establish appropriate document storage measures related to procedures and records.

HALAL standards

HALAL is a food that has been processed to make, mix, cook, assemble, or transform according to Islamic law, which is a guarantee that Muslims in general can confidently consume food or products or services.

In addition to the above-mentioned regulations and standards, there are laws relating to the Company's business operations as follows:

1. Factory License (RorNgor.4)
2. Permission for Food Registration Product (SorBor.5)
3. Permission for food products to obtain food serial numbers or FDA numbers
4. The Company has entered into labor contracts with employees in accordance with the Labor Act as well as establishing legal regulations and establishing rights and benefits as required by law.
5. The Company has obtained permission to hire foreign workers in accordance with the Foreign Workers Act and the Announcement of the Ministry of Interior.

The Company also welcomes world class companies to visit the business or check the production quality of the factory. For example, Walmart, a company that operates supermarkets throughout the United States and many other countries around the world, has sent a team to check the quality of its factories and obtain satisfactory inspection results.

SEDEX standards

The Sedex Members Ethical Trade Audit (SMETA), also known as SEDEX, is an international organization with a management system on labor protection and work safety. Any company or organization that wishes to participate must treat employees or workers ethically in the whole system, not only in their own three organizations, but also from farmers, suppliers of raw materials, customers, and consumers.

Environmental Impact

In addition to customers and consumers, they can be assured that all products leaving the Company's factory will receive quality and safety that has been confirmed with international standards. The Company focuses heavily on taking care of all stakeholders throughout the production system, farmers, suppliers of raw materials and employees, as well as the environment in the vicinity of the plant and the basic cultivation of farmers. The Company has measures to dispose of garbage and waste to create good hygiene in the operation. For water waste generated from the production process, cleaning containers, designing, and developing products, debris traps are used before flowing into sewage pipes at wastewater treatment wells to help reduce environmental impact.

Over the past year, the Company has never had a dispute or been sued for environmental conduct and has never been warned or fined for such matters.

1.2.2 (4)Assets used in business operations

Investments

The Company operates in the production and distribution of food condiments, ready-to-cook foods, ready-to-eat food and drinks. According to the Company's separate financial statements as at 31 December 2020, the Company has investments in subsidiaries of Baht 5.1 million. On September 21, 2020, the Company invested in additional subsidiaries as follows:

Affiliates	Nature of business	Shareholding Proportion (Percentage)	Paid-in capital (Million Baht)	Net investment value shown in the separate financial statements as of December 31, 2020 (Million Baht)
Nove Foods Co., Ltd.	Invest in plant protein food manufacturers and suppliers, distributors and marketing of plant protein products in Thailand such as Meatless Farm, Phuture Meat and Shinpo Tofu.	100	5.0	5.0
NRF Consumer Co., Ltd.	No business operation.	100	0.1	0.1
Root The Future Co., Ltd.[13] (Invested on 21 September 2020)	The Company conducts social activities to support the consumption of plant-based foods with a non-profit purpose.	100	1.0	-[13]
Total				**5.1**

[13] The Company entered into the investment on September 21, 2020 as a subsidiary of the Company, holding 9,997 shares, representing 100% of the paid-up capital in Root The Future Co., Ltd., and shares with the Company, namely Mr. Dan Pathomvanich. Mr. Teerapong Lorratchawee and Ms. Penhurai Chaichatchaval

Fixed Asset

As of 31 December 2020, key fixed assets used in the Company's core business and its subsidiaries are as follows:

Land and Land Improvement

Location	Area			Purpose	Holding Characteristics	Obligation	Net investment value shown in the separate financial statements as of December 31, 2020 (Million Baht)
	Rai	Ngan	Square Wah				
1) Khaerai, Kratumban, Samut Sakhon (Chanote No. 22931)	1	2	36	Vacant land for future expansion	Ownership		8.27
2) Khaerai, Kratumban, Samut Sakhon (Title Deed No. 22942)	-	2	60	Noodle factory	Ownership		3.25
3) Khaerai, Kratumban, Samut Sakhon (Title Deed No. 22943)	-	2	59	Noodle factory	Ownership	None	3.24
4) Khaerai, Kratumban, Samut Sakhon (Title Deed No. 22944)	-	2	62	Noodle factory	Ownership	None	2.23
5) Khaerai, Kratumban, Samut Sakhon (Title Deed No. 30474)	2	-	46	Vacant land for future expansion	Ownership	None	11.00
6) Khaerai, Kratumban, Samut Sakhon (Title Deed No. 47663)	4	2	63	Office and factory	Ownership	None	21.61
7) Krathum Baen, Krathum Baen, Samut Sakhon (Title	10	1	73	Office and factory	Ownership	None	48.39

Location	Area			Purpose	Holding Characteristics	Obligation	Net investment value shown in the separate financial statements as of December 31, 2020 (Million Baht)
	Rai	Ngan	Square Wah				
Deed No. 7757)							
8) Talad Jinda, Sam Phran, Nakhon Pathom (Title Deed No. 93068) (City Food Co., Ltd.)	6	-	-	Office and factory	Ownership	Mortgage is secured with TMB Bank Public Co., Ltd with a mortgage limit of 52,000,000 baht.	8.52
9) Jed Samian, Potharam, Ratchaburi (Title Deed No. 41052) (City Food Co., Ltd.)	3	3	17.1	Office and factory	Ownership	The second mortgage includes two deeds with TMB Bank Public Company Limited with a mortgage limit of 215,000,000 baht.	24.70 2 plots
10) Jed Samian, Potharam, Ratchaburi (Title Deed No. 41053) (City Food Co., Ltd.)	4	3	82.1	Office and factory	Ownership		
11) Additional estimated value for Title Deed No.93068 (City Food Co., Ltd.)	-	-	-	Office and factory	Ownership	Mortgage is secured with TMB Bank Public Company Limited with a mortgage limit of 52,000,000 baht.	20.28
12) Additional estimated value for Title Deed No. 41052, 41053				Office and factory	Ownership	The second mortgage includes two deeds with TMB Bank Public Company Limited with	10.29

Location	Area			Purpose	Holding Characteristics	Obligation	Net investment value shown in the separate financial statements as of December 31, 2020 (Million Baht)
	Rai	Ngan	Square Wah				
(City Food Co., Ltd.)						a mortgage limit of 215,000,000 baht.	
13) Additional estimated value for Title Deed No. 47663, 7757 and Land Improvement [14]	-	-	-	Office and factory	Ownership	None	14.06
14) Land Improvement (Title Deed No. 22942 to 22944)	-	-	-	Office and factory	Ownership	None	1.19
Total							**183.50**

Building and building improvement

No.	Location	Purpose	Holding Characteristics	ภาระผูกพัน	Net investment value shown in the separate financial statements as of December 31, 2020 (Million Baht)
1.	Krathum Baen, Krathum Baen, Samut Sakhon	Office	Ownership	None	4.47
2.	Krathum Baen, Krathum Baen, Samut Sakhon	Factory	Ownership	None	137.04
3.	Krathum Baen, Krathum Baen, Samut Sakhon	Office Improvements	Ownership	None	3.56

[14] It is estimated in 2017 to record the accounting value associated with Patteras Partners Co., Ltd. acquired all shares of the Company from existing shareholders, which later in 2017 pantheras had a merger with the Company (amalgamation).

No.	Location	Purpose	Holding Characteristics	ภาระผูกพัน	Net investment value shown in the separate financial statements as of December 31, 2020 (Million Baht)
4.	Krathum Baen, Krathum Baen, Samut Sakhon	Factory Improvements	Ownership	None	24.14
5.	Khlongton Nuea, Wattana, Bangkok (Nove Foods Co., Ltd.)	Office Improvements	Lease	None	0.47
6	Talad Jinda, Sam Phran, Nakhon Pathom (City Food Co., Ltd.)	Office and Factory	Ownership	Mortgage	18.46
7	Jed Samian, Potharam, Ratchaburi (City Food Co., Ltd.)	Office and Factory	Ownership	Mortgage	50.90
8	Additional estimated value for buildings and building improvements, Nakhon Pathom (City Food Co., Ltd.)	Office and Factory	Ownership	Mortgage	20.24
9	Estimated value reduced for buildings and building improvements, Ratchaburi (City Food Co., Ltd.)	Office and Factory	Ownership	Mortgage	(8.94)
10	Utilities (City Food Co., Ltd.)	Factory	Ownership	Mortgage	11.94
	Total				**262.30**

Factory Machinery & Equipment

No.	Asset	Holding Characteristics	Obligation	Net book value as of 31 December 2020 (Million Baht)
1.	Machine	Ownership	None	34.48
2.	Tools and Equipments	Ownership	None	9.77
3.	Factory Appliances	Ownership	None	1.93
4.	Factory Decoration Machines	Ownership	None	2.01
5	Machines (City Food Co., Ltd.)	Ownership	Mortgage	85.25
6	Tools and Equipments (City Food Co., Ltd.)	Ownership	Mortgage	1.08
	Total			**170.38**

Other fixed assets

As of 31 December 2020, other fixed assets used in the business operations of the Company and its subsidiaries have a net book value as shown in the Consolidated Financial Statements of the Company. The following details are as follows:

No.	List	Holding Characteristics	Obligation	Net book value as of 31 December 2020 (Million Baht)
1.	Information System Equipment	Ownership	None	17.36
2.	Fixtures & Office Supplies	Ownership	None	6.65
3.	Vehicles/1	Ownership	None	1.41
4.	Assets under construction and installation	Ownership	None	1.01
5.	Fixtures & Office Supplies (City Food Co., Ltd.)	Ownership	None	1.40
6.	Right-of-use assets /1	Ownership	มี	10.39
7.	Right-of-use assets /1 (City Food Co., Ltd.)	Ownership	มี	0.78
	Total			**38.98**

/1 For the financial statements of Q1/2020, the 16th Financial Report Standard on Lease Agreements was implemented, thus reclassifying the transaction as of January 1, 2020 of vehicles as right-of-use assets of Baht 1.86 million and recorded leased assets. Additionally, during Q1/2020, it is the right-of-use, mainly vehicles, and rental space for the product development and testing centers of Nove Foods Co., Ltd., which focuses on plant protein products.

Intellectual Property

As of 31 December 2020, major trademarks of the Company, the following details are as follows:

No.	Trademarks	Type/Category of products and services	Coverage Period	No. /Country of Registration
1.	POR KWAN	(30) Curry Paste, Dipping Sauce, Chili Paste	24 Feb 2019 – 23 Feb 2039	Kor312342 / Thailand
2.	Por Kwan 珀寬	(29) Shrimp Curry, Crab Curry, Shark Fin Ready-made, Fish Maw, Mushroom Soup, Spicy Shrimp Soup, Spicy Crab Soup, Vegetable Soup, Meat Soup Powder, Chicken Soup, Chicken Soup Powder, Pork Soup Powder, Tom Yum Soup, Dumpling Soup, White Miso Soup, Red Miso Soup, Fried Onion Soup, Pho Soup, Green Curry Soup, Curry	23 Apr 2019 – 23 Apr 2039	5731177 / United States (USPTO)

		Soup, Massaman Soup, Galangal Soup, Luxe Soup		
3.		(29) Shrimp Curry, Crab Curry, Beef Curry	29 Jan 2009 - 29 Jan 2039	R29116 / New York
4.		(29) Meat, Fish Meat, Poultry Meat, Carnivore Meat, Meat Extract, Pickled, Welded, Dried, or Cooked Fruits and Vegetables, Jelly, Jam, Fruit Sauce, Eggs, Milk and Dairy Products, Oils and Edible Fats (30) Coffee, Tea, Cocoa, Sugar, Rice, Sago, Artificial Coffee, Flour and Cereals, Bread, Pastry and Sweets, Ice Cream, Honey, Syrup, Yeast, Baking Powder, Salt, Mustard, Vinegar, Seasonings, Spices, Ice (31) Products and Produces of Agriculture, Horticultural, and Forestry (that are not in other types), Live Animals, Fresh Fruits and Vegetables, Seeds, Plants and Flowers, Animal Feed, Malts	5 Jun 2020 – 5 Jun 2030	001506492 / EU
5.		(29) Instant Curry Soup, Soup, Products for Making Soup, Vegetables for Making Soup, Soup, Processed Vegetables, Processed Herbs, Canned Curry, Canned Soup. Canned Food (30) Sauce	23 Nov 1999 – 23 Nov 2029	814716 / Australia
6.		(29) Meat-Made Curry, Fruit-Made Curry, Vegetable-Made Curry (30) Sauce	24 Jul 2001 – 24 Jul 2021	2471101 / United States (USPTO)
7.		(29) Fast Food, Curry, Rice Porridge, Soup, Soup Ingredients, Vegetable Soup Ingredients, Rice Porridge,	14 Jun 2008 – 13 Jun 2028	4887011 / China

		Pickles, Curry Soup, Canned Soup.		
8.	Por Kwan 珀寬	(30) Seasoning, Fast Food, Curry,Vegetable, Rice	14 Jun 2008 – 13 Jun 2028	4887012 / China
9.	SHANGGIE	(30) Barbecue Sauce, Oyster Sauce, Shiitake Sauce, Hoisin Sauce	4 Dec 2001 – 4 Dec 2021	2514428 / United States (USPTO)
10.	SHANGGIE	(30) Noodle	25 Nov 1999 – 23 Nov 2029	814715 / Australia
11.	Lee BRAND	(29) Canned Shark Fins, Canned Fish Maws	16 Jun 1998 - 15 Jun 2028	Kor91534 / Thailand
12.	Lee BRAND	(30) Noodle, Wheat Flour, Food Additives Except Essential Oil Heads	11 Jul 2003 – 10 Jul 2023	Kor203853 / Thailand
13.	Lee BRAND	(30) Paste and Sauce	30 Oct 2007 – 1 Nov 2027	3323031 / United States (USPTO)
14.	Lee BRAND	(29) Soup	29 Jan 1979 – 29 Jan 2029	R31251 / New York
15.	Lee BRAND	(29) Soup	26 May 1998 – 26 May 2023	19718 / California
16.	Lee BRAND	(29) Meat, Fish Fillet, Poultry Meat, Carnivore Meat, Meat Extract, Pickled, Welded, Dried, or Cooked Fruits and Vegetables, Jelly, Jam, Fruit Sauce, Eggs, Milk and Dairy Products, Oils and Edible Fats (30) Coffee, Tea, Cocoa, Sugar, Rice, Sago, Artificial Coffee, Flour and Cereals, Bread, Pastry and Sweets, Ice Cream, Honey, Syrup, Yeast, Baking Powder, Salt, Mustard, Vinegar, Seasonings, Spices, Ice (31) Products and Produces of Agriculture, Horticultural, and	14 Feb 2002 – 20 Nov 2020	001963016 / EU

		Forestry (that are not in other types), Live Animals, Fresh Fruits and Vegetables, Seeds, Plants and Flowers, Animal Feed, Malts		
17.	Lee BRAND	(29) Soup Powder	10 Jun 2021 – 10 Jun 2023	2723011 / United States (USPTO)
18.	Lee BRAND	(29) Processed Fish	15 Oct 2002 – 15 Oct 2022	2634898 / United States (USPTO)
19.	Lee BRAND	(29) Chicken Soup, Beef Flavored Soup	29 Oct 2002 – 29 Oct 2022	2641478 / United States (USPTO)
20.	Lee BRAND	(29) Soup, Tomato Paste, Soup Paste, Gelatin, Filling (used to fill sausages)	Trademark registration is in the process.	30674190 / China
21.	Lee BRAND	(29) Soup (30) Tea (32) Juice	10 Oct 2000 – 10 Oct 2020	2393302 / Unites States (USPTO)
22.	DEDE	(29) Algae Extract for Eating, Jam, Processed Areca Nuts , Soup, Tomato Paste, Egg, Butter, Milk Sauce, Coconut Oil, Gelatin, Beans, Dried Mushrooms, Egg White, Filling (used to fill sausages)	28 May 2019 – 27 May 2029	30674199 / China
23.	DEDE	(30) Tea Drinks, Sweetener, Instant Rice, Cereal Products, Food Hardening Products, Whipped Creams, Meat Smasher For Household, Cooking Gluten	28 May 2019 – 27 May 2029	30674198 / China
24.	DEDE	(32) Non-Alcoholic Drink, Juice, Vegetable Juice	7 March 2019 – 6 March 2029	30674197 / China
25.	Thai Delight	(30) Seasoning Sauce, Noodle	10 Apr 2003 – 9 Apr 2023	Kor269175 / Thailand

26.		(29) Curry Made With Coconut Milk	24 Feb 2019 – 23 Feb 2029	Kor315958 / Thailand
27.		(29) Soup (30) Paste	21 Mar 2020 – 21 Mar 2040	2332525 / United States (USPTO)
28.		(30) Rice and Noodle	13 Feb 2001 – 13 February 2021	2428173 / United States (USPTO)
29.		(29) Curry Powder, Soup, Soup Product	26 March 2001 - 2 June 2029	001193671 / EU
30.		(29) Soup Rice Noodle (30) Curry	12 June 2003 – 12 June 2033	TMA583596 / Canada
31.		(29) Instant Curry Soup, Soup, Products for Making Soup, Vegetables for Making Soup, Processed Vegetables Processed Herbs, Canned Curry, Canned Soup, Canned Food (30) Sauce	23 November 1999 – 23 November 2029	814718 / Australia
32.		Chili Sauce, Chicken Dipping Sauce, Thai Spicy Sauce, Fried Chili	_[15]	190120378 / Thailand
33.		(29) Beef Paste, Seaweed Extract, Fish Products, Canned Meat, Potato Chips, French Fries, Sweets Made From Fruits and Vegetables, Processed Winged Beans, Pickled Chili, Pickled Soy Sauce. Paste, Egg, Butter, Coconut Oil, Gelatin, Beans, Dried Mushrooms, egg White, Filling (used to fill sausages)	-[16]	38674673 / China
34.		(30) Drinks with Coffee, Coffee, Tea, Drinks with Tea, Natural Artificial Sugars,	-[17]	38674672/ China

[15] Trademark registration is in the process
[16] Trademark registration is in the process
[17] Trademark registration is in the process

		Desserts, Food Syrup, Biscuits. Cereal Snacks, Frozen Rice Food, Instant Rice, Products for making Cereals, Instant Noodles, Snacks made from Rice, Viscous Additives for cooking, shrimp crackers, ice, preservative salt, soy sauce, seasonings, seasoning sauces, seasoning peppers, gravy sauces. Chili oil, pepper powder, sauce, marinade for curry paste Non-aromatic beverage ingredients Whipped cream products that smash household meat, cooking gluten		
35.	SABZU	(29) Potato Chips, French Fries, Frozen French Fries, Crispy Fruits, Low-Fat Potato Chips, Dried Fruits, Mixed Fruits, Fruits, Fruit Desserts, Cooked Fruits, Processed Fruits, Dehydrated Vegetables, Snacks made from Dried Vegetables, Cooked Vegetables, Pickled Vegetables, Potato Snack, Fruit Snack, Meat Snack, Ingredients for Soup, Soup Paste, Soup Powder, Products for making Soups, Soups, Dehydrated Coconuts, Dried Coconuts, Crispy Coconuts, Pickled Onions, Milk	27 Sep 2019 – 27 Sep 2029	2040309 / Australia
36.	SABZU	(30) Spicy Flavored Sauce, Sweet and Sour Sauce, Sauce Ingredients, Products from Whole Grain, Barbecue Sauce, Ketchup, Cooking Sauce, Chili Snacks, Crispy Chili, Crispy Baked Corn, Pickles, Vegetable Products, Seasonings, Ingredients of Seasoning, Rice Vermicelli, Instant Noodles, Rice Ingredients, Sauce for Rice, Curry Paste, Seasoning Curry Powder, Curry Ingredients,	1 Oct 2019 – 1 Oct 2039	2040824 / Australia

		Curry Powder, Curry Sauce, Vegetable Marinade, Vegetable Flour Powder, Whole Grain Drinks, Chocolate Drinks, Cocoa Drinks, Coffee Drinks, Tea Drinks, Drinks with Chocalate, Drinks with Cocoa drinks, Drinks with Coffee, Drinks with Tea		
37.	SABZU	(30) Chili Sauce, Sweet Chilli Sauce, BBQ flavored Jim Jaew Sauce	-[18]	88616191 / United States (USPTO)
38.	SABZU	(29) Meat, Fish Fillet, Poultry Meat, Carnivore Meat, Meat Extract, Pickled, Welded, Dried, or Cooked Fruits and Vegetables, Jelly, Jam, Fruit Sauce, Eggs, Milk, Cheese, Butter, Yoghurt and Dairy Products, Oils and Edible Fats, Fruit Snack, Crispy Baked Fruits, Crispy Baked Potato, Crispy Baked Chili (30) Coffee, Tea, Cocoa, Sugar, Rice, Sago, Artificial Coffee, Flour and Cereals, Bread, Pastry and Sweets, Ice Cream, Honey, Syrup, Yeast, Baking Powder, Salt, Mustard, Vinegar, Seasonings, Spices, Ice (30) Coffee, Tea, Cocoa, Artificial Coffee, Rice, Pasta, Noodle, Sago, Flour and Whole Grain, Bread, Pastry and Desserts, Chocolate, Ice Cream, Fruit Ice Cream, Ice, Sugar, Honey, Syrup, Yeast, Baking Soda, Salt, Seasonings, Spices, Herbs, Vinegar, Sauce, Seasoning Sauce, Frozen Drinks, Rice Snacks, Whole Grain Snacks, Chili Sauce, Sweet Flavoured Chili Sauce, Multipurpose Cooking Sauce	23 Nov 2019 – 3 Jun 2019	018075962 / EU

[18] Trademark registration is in the process.

39.		(29) Meat, Fish Fillet, Poultry Meat, Carnivore Meat, Meat Extract, Pickled, Welded, Dried, or Cooked Fruits and Vegetables, Jelly, Jam, Fruit Sauce, Eggs, Milk, Cheese, Butter, Yoghurt and Dairy Products, Oils and Edible Fats, Fruit Snacks, Crispy Baked Fruits, Crispy Baked Potato, Crispy Baked Chili	26 May 2014 – 25 May 2024	Kor407630 / Thailand
40.		(30) Coffee, Tea, Cocoa, Artificial Coffee, Rice, Pasta, Noodle, Sago, Flour and Whole Grain, Bread, Pastry and Desserts, Chocolate, Ice Cream, Fruit Ice Cream, Ice, Sugar, Honey, Syrup, Yeast, Baking Soda, Salt, Seasonings, Spices, Herbs, Vinegar, Sauce, Seasoning sauce, Frozen Drinks, Rice Snacks, Whole Grain Snacks, Chili Sauce, Sweet Flavored Chili Sauce, Multipurpose Cooking Sauce	11 Nov 2019 – 22 Mar 2029	Kor315007 / Thailand
41.		(30) Coffee, Tea, Cocoa, Artificial Coffee, Rice, Pasta, Noodle, Sago, Flour and Whole Grain, Bread, Pastry and Desserts, Chocolate, Ice Cream, Fruit Ice Cream, Ice, Sugar, Honey, Syrup, Yeast, Baking Soda, Salt, Seasonings, Spices, Herbs, Vinegar, Sauce, Seasoning sauce, Frozen Drinks, Rice Snacks, Whole Grain Snacks, Chili Sauce, Sweet Flavored Chili Sauce, Multipurpose Cooking Sauce	26 May 2014 – 25 May 2024	Kor407631 / Thailand
42.		(30) Coffee, Tea, Cocoa, Artificial Coffee, Rice, Pasta, Noodle, Sago, Flour and Whole Grain, Bread, Pastry and Desserts, Chocolate, Ice Cream, Fruit Ice Cream, Ice, Sugar, Honey, Syrup, Yeast, Baking Soda, Salt, Seasonings, Spices, Herbs, Vinegar, Sauce, Seasoning sauce, Frozen Drinks, Rice Snacks, Whole Grain Snacks, Chili Sauce,	16 Apr 2015 – 15 Apr 2025	161105214 / Thailand

		Sweet Flavored Chili Sauce, Multipurpose Cooking Sauce		
43.		(30) Coffee, Tea, Cocoa, Artificial Coffee, Rice, Pasta, Noodle, Sago, Flour and Whole Grain, Bread, Pastry and Desserts, Chocolate, Ice Cream, Fruit Ice Cream, Ice, Sugar, Honey, Syrup, Yeast, Baking Soda, Salt, Seasonings, Spices, Herbs, Vinegar, Sauce, Seasoning sauce, Frozen Drinks, Rice Snacks, Whole Grain Snacks, Chili Sauce, Sweet Flavored Chili Sauce, Multipurpose Cooking Sauce	16 Apr 2015 – 15 Apr 2025	161109304 / Thailand
44.		(35) Business management in the distribution of Seasoning products, and Instant Food made mainly from flour and rice	19 Mar 2018 – 18 Mar 2028	191116625 / Thailand
45.		(30) Coffee, Tea, Cocoa, Artificial Coffee, Rice, Pasta, Noodle, Sago, Flour and Whole Grain, Bread, Pastry and Desserts, Chocolate, Ice Cream, Fruit Ice Cream, Ice, Sugar, Honey, Syrup, Yeast, Baking Soda, Salt, Seasonings, Spices, Herbs, Vinegar, Sauce, Seasoning sauce, Frozen Drinks, Rice Snacks, Whole Grain Snacks, Chili Sauce, Sweet Flavored Chili Sauce, Multipurpose Cooking Sauce	25 Oct 2017 – 24 Oct 2027	304313745 / Hongkong
46.		(32) Soymilk Drink	30 Nov 2020 – 23 Jun 2021	794568 / Thailand

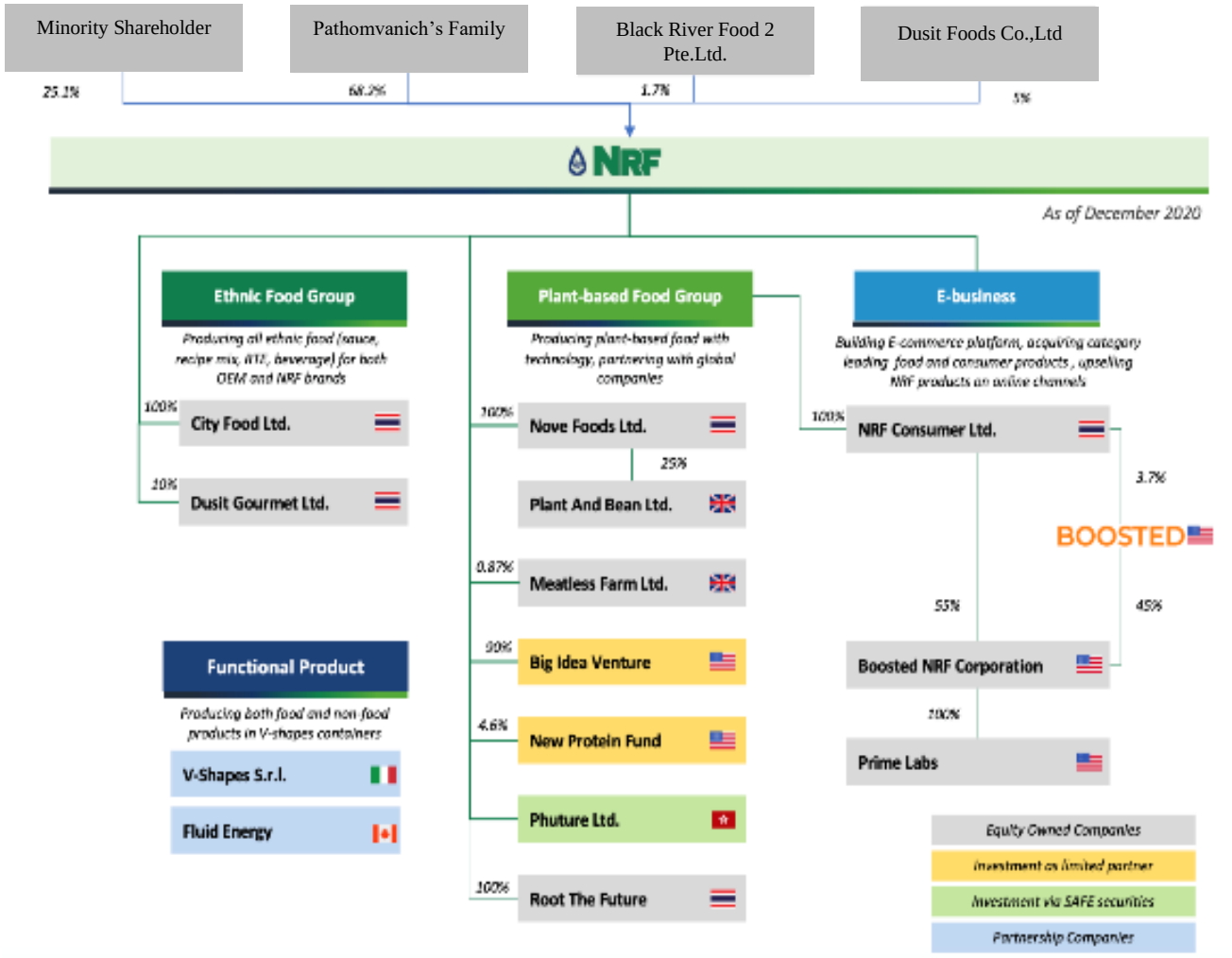
1.2.2 (5) Jobs not yet delivered

As a result of COVID-19, no shipping vessels were docked in late December 2020. Therefore, shipments postponed in early January 2021 accounted for 1.98% of total sales in 2020.

1.3 Group Shareholding Structure

1.3.1 Group Shareholding Structure

The Company has invested in Ethnic Food business. The Company will hold direct shares such as investing in Citi Food Co., Ltd. at the rate of 100%. Investments in plant-based businesses are invested by: Nove Foods Co., Ltd. Investment in e-commerce business is invested by 31 December 2020, the shareholder structure of the Company and Affiliates as follows:



- No person may have a conflict of interest holding more than 10% of the Company's voting shares.

Company		Country	Paid-in Capital (Million Baht)	Proportion of Shareholding (Percentage)	Year of establishment / year of investment of the Company	Nature of Business
Companies investing in ordinary shares						
1	Nove Foods Co., Ltd.	Thailand	5.00	100.00	2018/2018	Jointly invest in the business of producers of plant protein foods and supply and market plant protein products in Thailand such as Meatless Farm and Shinpo Tofu.
2	NRF Consumer Co., Ltd. (formerly known as Sabzu Co., Ltd.)	Thailand	0.10	100.00	2017/2017	Currently owns sriracha.co.th and currently investing in Boosted Ecommerce Inc.
3	Dusit Gourmet Co., Ltd.	Thailand	30.00	10.00	2018/2018	Operates in the sales and marketing business for food products in the country and abroad under Dusit Thani Hotel Brand
4	City Food Co., Ltd.	Thailand	128.00	100.00	1988/2020	Operates in the production and distribution of food condiments, ready-to-cook meals, Soy food and milk, both manufactured and under the Company's brands including Classic Thai and Shinpo
5	Plant and Bean	United Kingdom	14 Million Pound Sterling	25.00	2020/2020	Operates as a manufacturer and distributor of artificial meat (Meat analogue).
6	Meatless Farm Co.	United Kingdom	approximately 4.76 million baht.	0.875	2017/2020	Operates as a manufacturer and distributor of

	Company	Country	Paid-in Capital (Million Baht)	Proportion of Shareholding (Percentage)	Year of establishment / year of investment of the Company	Nature of Business
						artificial meat (Meat analogue) under the brand Meatless Farm
7	Root The Future Co., Ltd.	Thailand	1.00	100.00	2020/2020	Operates social activities to support the consumption of plant-based foods with a non-profit purpose.
Companies invest as a Limited Partner						
7	Big Idea Venture Co., Ltd.	United States	approximately 3.22 million baht.	2.16[19]	2019/2019-2020	Management Business
8	New Protein Fund	United States	approximately 5.33 million baht.	0.4[20]	2019/2019-2020	Invest in food-related startups
Company investing in SAFE (Simple Agreement for Future Equity)						
9	Phuture Limited	Singapore	approximately 0.025 million USD.	-	2018/2020	Develop and sell artificially ground pork.
Company investing in preferred shares						
10	Boosted Ecommerce, Inc	United Kingdom	approximately 3 million USD.	3.7	2019/2020	Acquisition business selling brand products in Amazon.com

	Company	Country	Year Founded	Nature of Business
Business Partner Companies				
1	V-Shapes S.r.l.	Italy	2018	Machinery Development and Distribution Business, V-Shapes Packaging
2	Fluid Energy Group Ltd	Canada	2011	Chemical Development and Distribution Business

[19] The Company has no voting rights and no management rights.
[20] It is the proportion of investment Not a proportion of investment in ordinary shares, the Company has no voting rights and has no management rights.

Subsidiaries of the Company

Subsidiaries of the Company are as follows:

1) Nove Foods Co., Ltd ("NFL")

Date of Registration	:	25th January 2018
Registered and paid-up capital	:	THB 5,000,000 (Par Value 10 Baht)
Office Location	:	2 Ploenchit Center, G Floor, Sukhumvit Road, Khlong Toei, Bangkok
Country of Location	:	Thailand
Nature of Business	:	Jointly invest in the business of producers of plant protein foods and supply and market, plant protein products in Thailand such as Meatless Farm and Shinpo Tofu.
Member of the Board of Directors	:	1) Mr. Dan Pathomvanich 2) Ms. Penhurai Chaichatchaval 3) Mr. Teerapong Lorratchawee
Authorized Director	:	Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval, and Mr. Teerapong Lorratchawee, two of the three authorized directors jointly signed with the Company's common seal
Relationship with the Company	:	The NFL is a subsidiary of the Company, holding 500,000 shares, representing 100.00% of the NFL's registered capital, and has directors in common with the Company including Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval and Mr. Teerapong Lorratchawee.

2) NRF Consumer Co., Ltd. ("NRF Consumer") (formerly Sabzu Co., Ltd. ("Sabzu"))

Date of Registration	:	10th August 2017
Registered and paid-up capital	:	100,000 baht (par value 100 baht)
Office Location	:	519.5 Maneeya Center Building, 6th Floor Ploenchit Road, Lumpini, Pathum Wan, Bangkok
Country of Location	:	Thailand
Nature of Business	:	currently owns sriracha.co.th and is currently investing in Boosted Ecommerce Inc.
Member of the Board of Directors	:	**1)** Mr. Dan Pathomvanich **2)** Ms. Penhurai Chaichatchaval
Authorized Director	:	Two directors jointly sign their names, with the Company's common seal being affixed
Relationship with the Company	:	NRF Consumer is a subsidiary of the Company, with the Company holding 9,998 shares, representing 99.8% of the NRF Consumer registered capital, and has joint directors with the Company including Mr. Dan Pathomvanich and Ms. Penhurai Chaichatchaval.

3) Root the Future Co., Ltd.

Date of Registration	:	21 September 2020
Registered and paid-up capital	:	100,000 baht (par value 100 baht)

Office Location	:	99.1 Moo 4, Tambol Khaerai, Kratumban, Samut Sakhon
Country of Location	:	Thailand
Nature of Business	:	operates social activities to support the consumption of plant-based food with a non-profit purpose.
Member of the Board of Directors	:	1) Mr. Dan Pathomvanich 2) Mr. Teerapong Lorratchawee 3) Ms. Penhurai Chaichatchaval
Authorized Director	:	Two directors jointly sign their names, with the Company's common seal being affixed
Relationship with the Company	:	Root the Future is a subsidiary of the Company, where the Company holds 9,997 shares, representing 100% of root the future registered capital, and has directors with the Company, namely Mr. Dan Pathomvanich. Mr. Teerapong Lorratchawee and Ms. Penhurai Chaichatchaval

1.3.2 Persons who may have conflicts of interest holding shares in a combined subsidiary or joint venture exceed 10% of the voting shares.

None

1.3.3 Relationship with major shareholders' business groups

None

1.3.4 Shareholders

(1) **Major Shareholders**

(a) Group of shareholders holding the first 10 shares as of 6 October 2020

List of Shareholders	As of 6 October 2020	
	Number of Shares (Shares)	Shareholding (percent)
1. Asian Food Corporation Co., Ltd./2	528,397,289	38.97%
2. D P Partner Co., Ltd./3	170,830,500	12.60%
3. DPA Fund S Co., Ltd./5	147,731,386	10.90%
4. Dusit Foods Co., Ltd.	68,015,725	5.02%
5. DLN 2017 Co., Ltd./4	47,805,400	3.53%
6. Black River Food 2 Pte.Ltd	23,500,000	1.73%
7. Mr. Damkerng Pathomvanich/1	14,500,000	1.07%
8. Ms. Sopida Chiewcharn Walichkij /1	12,499,900	0.92%
9. AIA Company Limited-EQTG-D FUND 1	9,253,600	0.68%
10. Bualuang Long Term Equity	8.413,300	0.62%
Total	**1,030,947,100**	**76.04%**

(b) A group of major shareholders who, by circumstance, influence policymaking. Significant management or operation of the Company;

List of Shareholders	As of 6 October 2020	
	Number of Shares (Shares)	Shareholding (percent)
1. Pathomvanich Family Group		
1.1 Asian Food Corporation Co., Ltd /2	528,397,289	38.97%
1.2 DP Partner Co., Ltd /3	170,830,500	12.60%
1.3 DPA Fund S Co., Ltd /5	147,731,386	10.90%
1.4 DLN 2017 Co., Ltd./4	47,805,400	3.53%
1.5 Ms. Nitnara Mintarkhin	100	0.00%
1.6 Ms. Sopida Chiewcharn Walichkij/1	12,499,900	0.92%
1.7 Mrs. Nalinee Taveesin/1	2,500,000	0.18%
1.8 Mr. Damkerng Pathomvanich/1	14,500,000	1.07%
Subtotal	**924,264,575**	**68.17%**
2. Black River Food 2 Pte.Ltd	23,500,000	1.73%
Total	**947,764,575**	**69.90%**

Remarks /1 is a group count based on blood relations and registration to present information only. It is not a grouping for consideration of relationship characteristics or behaviors that are acting in concert in accordance with Article 2 of the Capital Market Supervisory Board Announcement No. 7/2009. Subject: Determine the nature of the relationship or behavior that is characterized as a joint act with another person and the operation under Section 246 and Section 247, except for shareholders no. 1.1-1.5, who are individuals and juristic persons in Mr. Dan Pathomvanich's group. The Chief Executive Officer and Director of the Company are directors and/or decision makers involved in the juristic persons in The Group of Mr. Dan Pathomvanich, who are acting in concert.

(2) List of shareholders of subsidiaries

/2 Details about shareholders of Asian Food Corporation Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. Pattanasuk 2015 Co., Ltd./7	20,386,358	51.00
2 DPS Corporation Co., Ltd./8	17,365,700	43.44
3. DPS Holdings Limited SPC/11	2,221,191	5.56
4. Mr. Dan Pathomvanich	1	0.00

/3 Details of shareholders of DP Partner Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. DPS Corporation Co., Ltd /8	100	100.00

/4 Details about shareholders of DLN 2017 Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. Thanatat Pattana Co., Ltd. /9	9,998	99.98
2. Mr. Dan Pathomvanich	1	0.01
3. Ms. Penhurai Chaichatchaval	1	0.01

/5 Details of shareholders of DPA Fund S Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. DPS Holdings Limited SPC /11	1	100.00

/6 Details of shareholders of Dusit Foods Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. Dusit Thani Public Company Limited	7,129,997	99.99
2. Chanin Tonawanik	1	0.00
3. Pattaneeporn Thienprasit	1	0.00
4. Supajie Suthamphan	1	0.00

/7 Details about shareholders of Pattanasuk 2015 Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. Thanatat Pattana Co., Ltd.	263,925	51.00
2. DPS Corporation Co., Ltd /11	253,574	49.00
3. Benjamas Onsri	1	0.00

/8 Details about shareholders of DPS Corporation Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. BR Associates Co., Ltd. /10	1	100.00

/9 Details about shareholders of Thanatat Pattana Co., Ltd. are as follows:

List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. Ms. Puangthong Sirirat (Mr. Dan's aunt)	5,087,250	51.00
2. Master Kandanai Pathomvanich (Mr. Dan's son)	2,443,875	24.50
3. Ms. Nara Pathomvanich (Mr. Dan's daughter)	2,443,875	24.50

At the meeting of the Board of Directors, Thanatat Pattana Co., Ltd. granted management authority to Mr. Dan Pathomvanich.

/10 Details about shareholders of BR Associates Co., Ltd. are as follows:

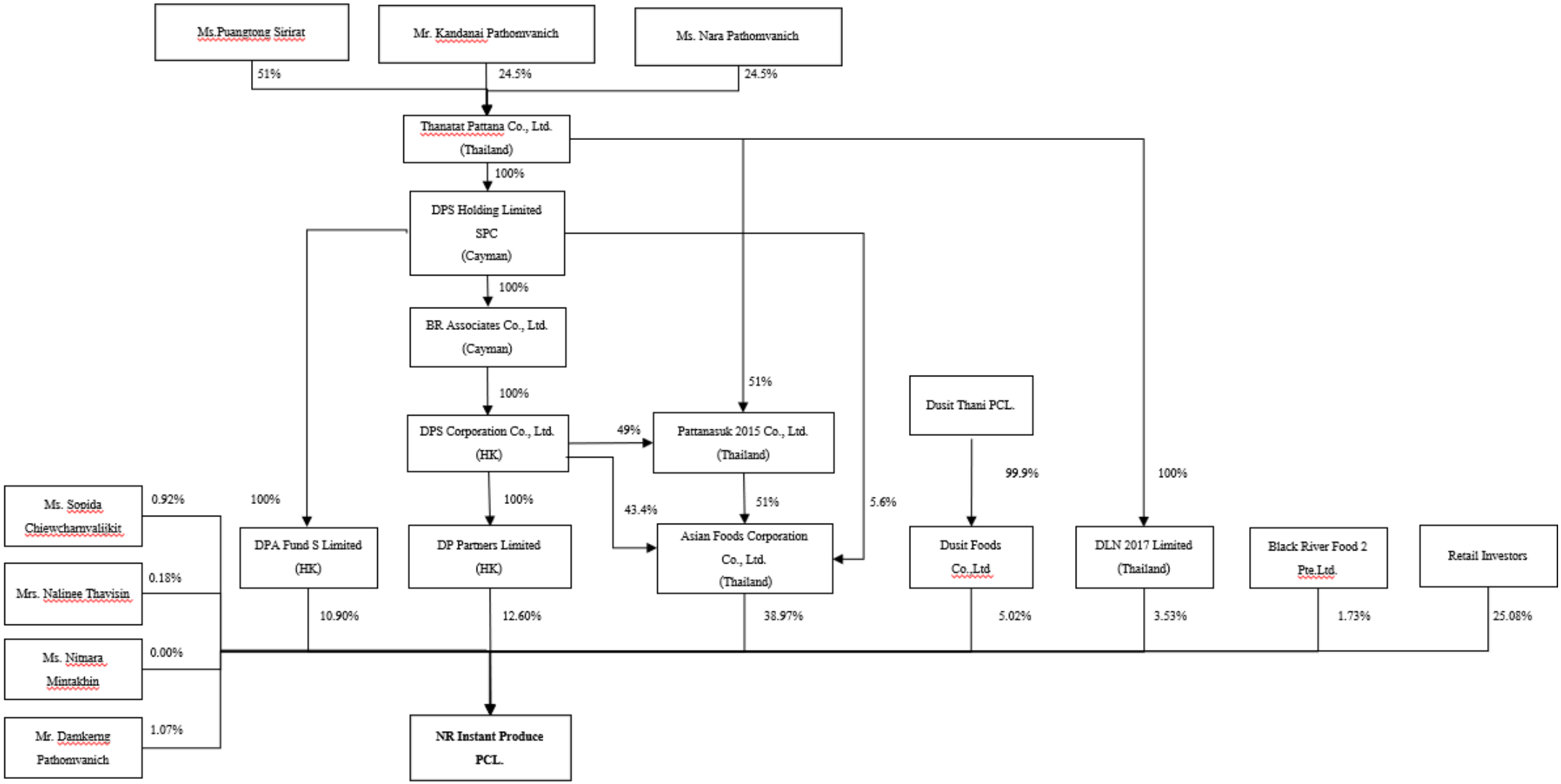
List of Shareholders	Number of Shares (Shares)	Shareholding (percent)
1. DPS Holdings Limited SPC /11	1	100.00

/11 DPS Holdings Limited SPC is 100% owned by Thanatat Pattana Co., Ltd.

(3) Agreements between major shareholders on matters affecting the Company's operations

None

Shareholding structure of the Company



For transparency purpose concerning changing shareholding of major shareholder, in May 2020, Mr. Dan Pathomvanich has signed the letter of comfort to acknowledge his duty to inform the board of directors' meeting promptly upon changing the shareholders of the Company of a person and juristic person related to him by promising that he will not allow anyone in his group to change its shareholding in the Company that would disqualify the Company as being Thai nationality and unable to own the land. The letter of comfort is effective as long as the Company is being listed company. Mr. Dan Pathomvanich's group of persons comprise of 1) Asian Food Corporation Co., Ltd., 2) D P Partner Co., Ltd., 3) DLN 2017 Co., Ltd. DPA Fund S CO., Ltd., 5) Miss Nitnara Mintakin, 6) DPS Corporation Co., Ltd., 7) BR Associates Co., Ltd., 8) DPS Holdings Limited SPC, 9) Thanatat Pattana Co., Ltd., and 10) Pattanasuk 2015 (collectively "individual and juristic person in Mr. Dan Pathomvanich's group"), in which Mr. Dan Pathomvanich, Chief Executive Officer and director of the Company is the director and/or authorized person of the juristic person in his group which is deemed a person acting in concert.

The Company shall close the share registered book of the Company to check the change of its shareholding regularly and shall assign the Company secretary to take close scrutiny and comply with such measurement and inform the board of directors' meeting regularly.

The Company has entered the non-competition agreement with Mr. Dan Pathomvanich under he agrees not to do any business in competition with the Company to prevent conflict of interest.

1.4 Registered capital and paid-up capital

1.4.1 Registered capital/paid-up capital/number of shares

Thai Name	:	บริษัท เอ็นอาร์ อินสแตนท์ โปรดิวซ์ จำกัด (มหาชน)
English Name	:	NR Instant Produce Public Company Limited
Registration Number	:	0107562000483
Type of Business	:	Manufacturer, supply and sell food seasoning product, instant product, condiment, vegetarian food without egg and milk, plant protein food, instant drink in powder and liquid.
Head Office	:	99/1, Moo 4, Karai Sub-District, Kratumban District, Samutsakorn 74110
Tel.	:	(66) 34 849576-80
Fax	:	(66) 34 849586
Website/Homepage	:	www.nrinstant.com
Registered Capital (As of 31 December 2020)	:	Ordinary shares 1,421,040,400 Shares (One thousand four hundred twenty-one million forty thousand four hundred shares) Totally 1,421,040,400 บาท (Shares (One thousand four hundred twenty-one million forty thousand four hundred shares))
Paid up Capital (As of 31 December 2020)	:	1,355,780,300 (One thousand three hundred fifty-five million seven hundred eighty thousand three hundred shares), totally Baht 1,355,780,300 (One

thousand three hundred fifty five million seven hundred eighty thousand three hundred Baht)

Par Value	:	1.00 Baht (One Baht)
Security Name	:	NRF

1.4.2 Other type of shares with the right different from ordinary shares

None

1.4.3 Number of shares and shares issued upon conversion of security

None

1.5 Other issued securities

None

1.6 Dividend distribution policy of the Company and subsidiary

The Company and its subsidiary have the policy to distribute dividend to their shareholder at the minimum rate of 30% of the net profit after legal reserve and other reserve (if any). The dividend distribution policy can be changed due to business operation result, financial situation, cash flow, necessity in using working capital, investment plan and business expansion in the future, market situation, suitability and other factors relevant to operation and management of the Company and its subsidiary on the condition that the Company and its subsidiary must have sufficient cash for business operation and such change must create the best benefit to shareholders as the board of directors and/or shareholder of the Company and subsidiary shall see fit. The resolution of the board of director of the Company and its subsidiary approving dividend distribution must be proposed for approval from the shareholders' meeting except the interim payment of dividend which the board of directors shall have the authority to declare and report to the general meeting in the following meeting.

2. Risk Management

2.1 Policy and risk management plan 2.2 Risk factor in business operation of the Company and 2.2.1 Risk in business operation of the Company or group company

1. Risk in business operation of the Company and group company

A) Risk incurred from competitive situation in the OEM business

The factor that affects competitive ability of the Company in the food manufacturing business is the selling price and cost of raw material which is fluctuate upon market price beyond control of the manufacturer. The customers can change food OEM if they get a better price offering. This put the Company in risk from competitive situation of the OEM market which could affect future income and profit of the Company.

However, switching of manufacturer for the conglomerate customer might cost more and take time to check manufacturing standard of the new manufacturer (high switching cost). The Company trusts that the following competitive advantage shall put the Company in the top list for OEM for the world leading company (1) the Company's emphasis in sustainability business operation, (2) preparation to step into future fool production market, both production and accessibility to food technology and innovation (Platform for Future of Food) (3) more variety of food formula and package (4) worldwide distribution channel (5) flexibility of production line to support small batch and lean production (6) international standard in food safety standard acceptable to customer around the globe.

B) Risk from insufficiency, price fluctuation, and quality of raw material that is below standard set by the Company

Agricultural product is the Company's main raw material for manufacturing, for instant, plant product, livestock, and fishery. Quantity of these products depend on farming area, number of farmers, climate, outbreak, natural disaster, and market demand. These are beyond control of the Company. Therefore, in the future, uncertainty of agricultural product quantity may lead to, in certain period of time of the year, insufficiency of raw material in the market to serve customer's demand and affect cost of raw material. In the past 3 years, average price of main raw material the Company can purchase each year tends to decline because the Company can compare the price offered by many suppliers, except some item such as lemongrass which is in higher demand in international market. For some raw material such as packaging, i.e., bottle, tin can, its price has no effect from climate or season change so that the Company can anticipate the price change based on market force which is easier than anticipation of price change for agricultural raw materials. Quality of agricultural product could be affected from climate factor, season and expertise of the farmer so that quantity and quality of agricultural product are unable to predict although the government tries to help supporting information concerning farming area and quantity of product each year. Government policy is also crucial to the quantity of product and price. Change of customer's demand could be one factor as the Company cannot procure raw material or package up to the customer's demand which would incur the lack of opportunity cost for the Company.

Although fresh raw material cost is only 23% of overall raw material cost during 2020, price fluctuation of raw material may affect profit rate of the Company if the Company cannot adjust selling price to reflect increase cost of raw material either wholly or partly which could affect operation result and operation profit. In this regard, the Company has implemented strategy to specify selling rate suitable for each product with difference profit rate (Product mix) to maintain target profit. For the package, the Company can mitigate risk

by making order for frequently-used package when its price is still not too high, such as glass bottle, and maintain good business relationship with manufacturer and distributor of the package to create the channel to make an order upon customer's demand. The customer can also provide name of package supplier to facilitate the Company as well.

The Company has policy to procure raw material both agricultural product and package from several suppliers to mitigate risk from relying on particular supplier. The Company now has implemented the policy not to rely on one supplier for both agricultural raw material and package for more than 30% of overall purchase order of raw material of the Company. Five top raw material suppliers can supply 25% of value of company's overall purchase order in 2020. The Company make a joint plan with major customer yearly and request most customer to confirm purchase order 3 months in advance. Each month, The Company made a plan for raw material quantity needed in correspond with customer's purchase order prior to sending purchase order to raw material supplier. The Company regularly update raw material stock, estimate amount of product to be made available in the market and interview suppliers and farmers. For the package, The Company has many suppliers to serve customer's demand and purchase order to ensure that the problem incurred by any supplier shall not affect customer's order. So far, the Company has not experienced any significant raw material procurement. The Company select only supplier who has experience and trusted operating standard. Each supplier has different expertise in different raw material type, but they can procure substitute material upon our request.

The Company realize the important of raw material's quality in manufacturing of high quality of product. The Company then has the policy to purchase from manufacturer and supplier that can regularly procure raw material up to standard set by company. We also build up trading alliance among producer and supplier of raw material and make a joint purchasing plan to ensure their ability to supply upon our demand. However, if the supplier cannot supply raw material at the standard as agreed, such supplier shall have to take back and supplier new product. This is the important quality standard policy of the Company.

In addition, to improve quality of raw material that safe for consumer and in sufficient quantity, the Company and Mahidol University has entered the MOU (Memorandum of Understanding) to jointly promote agricultural product and safe food for consumer both locally and internationally to provide the Company with good quality of raw material used in manufacturing of product for future export and local market. The corroboration is with Medical Technology Faculty, Mahidol University to help farmers who does not have their own farmland and enable them to do safe farming in Kanjanaburi Province. The technology support is from high standard laboratory of Medical Technology Faculty, Mahidol University to control quality of farming. The Company has initiated NRF Farming Contract with the selected farmers and provided them with expert advice to improve their skill, knowledge, and funding support, and advice concerning marketing, starting from planting plan, from soil and water management until harvesting and transport to factory. We take care of farmers all the way through in hope that such project can uplift quality of raw material and package, develop quality of life of consumer and farmer and increase number of farmers and agricultural area in Thailand to create sustainability within supply chain. Project's success shall mitigate risk in procuring raw material for the Company.

C) Risk from depending on labour or important person

The Company give high credit to innovation for product development to serve demand of the customer. The Company has research and development team with more than 20 year-experience responsible for such task to create new flavour to serve end consumer demand. As making presentation and proposal for goods and products of the Company both locally and internationally requires high skilled and experience selling team, in avoidance of depending on expertise of particular person, the Company has procedure to keep data and knowledge which are assets of the Company at the Company's central system, and not relying on personal relationship between selling staff and customer. The Company focus on quality of system, reputation, and integrity of the Company

entrusted by client. As we can see from the 2017 change of management, the Company can still keep client base until now.

D) Risk on changing of consuming trend of plant-based protein to other which might affect losing of investment capital in this business.

Nowadays, plant-based food consumers are all around the globe in many regions, approximately 750 Million of people or 10% of world population. EU and North American market, especially America is the potential and the trend leader. Main factor that affects the consumption is the consumer avoid eating meat which antibiotic and hormone are used in the production process as it causes risk of Carcinogenic substances accumulation. Environmental and ethical concern are among the reasons as the consumer believe that livestock industry causes top rank of green-glass effect in the world. The consumer start to change consuming behaviour by choosing meat-substitute product more and more which make plant-based protein food manufacturing become more popular. However, if such consumption trend is only temporally, the Company may be at risk in losing the whole investment in increasing ability to manufacture plant-based protein.

On 30 January 2021, the Company has signed joint venture agreement with Brecks which is the plant-based food manufacturer in England by investing through newly set-up company, Plant and Bean Ltd. on 13 May 2020, for 5 million Pounds to get access in optional protein product which become more popular in America and countries in Europe. Main product will be plant-based product which the Company aims to expand the market to serve the change of consumer's demand in the world market. This is also the opportunity to learn and enhance skill in making such product to provide opportunity for the Company to step up as one of major Thai OEM for this kind of product in the future. This factory will be the first factory of the Company located abroad that the Company has no absolute management. The Company therefore at risk from investment expansion to lose the whole investment amount.

On 18 July 2019, the Company has invested in the form of convertible debentures (Loan Note Instrument) issued by Meatless Farm, a company established in England. Such convertible debentures have been converted into fully paid-up shares of Meatless Farm pursuant to the terms and condition around July 2020 and the Company hold ordinary shares at only 1%. If meatless Farm got into trouble, the Company may be affected from investment risk overseas and lose the whole investment as well.

The Company has signed an agreement to invest in Big Idea Venture as general partner. The Company also invest in New Protein Fund 1 as limited partner in the total amount of approximately USD 345,950. This fund supports the business that can improve or change food manufacturing business with technology and innovation which focussing on plant-based protein. Although the Company has invested in the reputable fund and having investment experience, the competitiveness of start-up business now, there are a few start-up businesses that can expand and become successful both reputation, sales volume, and profit. The Company still at risk in expand its investment overseas if the start-up business cannot grow as expect and lose the whole investment.

The Company has invested in Phuture Limited ("Phuture") is the start-up that focus on artificial ground pork meet mainly made from soy protein which is one of the start-ups in Food Tech in Asia that attract investment from world-class investor. The Company has invested in USD 25,000 convertible instrument which can convert into ordinary shares or preferential shares as the case may be. Product of Phuture has been used in many food menus in restaurant in Singapore. This investment is to create business relationship and to opportunity to supply them with our product. If Phuture cannot make any growth in the future, the Company may be at risk from losing the whole investment.

The Company is also at risk in investment to build plant-based food factory which is targeted to start in 2021 within Baht 200 Million budget.

The Company realize the risk in investment expansion in plant-based protein and might affect operating results and financial situation of the Company. The Company implement the risk management by closely follow up industrial situation of such product by sending company's representative to jointly manage in important position in the newly set-up joint venture company and has the clear provision in the joint venture agreement. The Company foresee the potential growth in plant-based protein product market in locally and internationally which could build up strength of having variety of product and operating growth in long term basis. The Company trust that people all around the world pay more attention to healthier consumption continuingly as we can see from statistic of sale volume of health product growth especially in USA, Europe and South East Asia. In addition, constantly increase of world population has direct impact on demand of food which is against the limited quantity of food resource. Oxford University's research point out that Vegan consumption can help reduce global warming effect than using electric car. Based on this research, food manufacturing is now become alert in making alternative food such as plant-based protein product to serve the demand of food for world population and reduce green-glass effect.

E) Risk from unsuccessful online sell (NRF E-commerce Platform)

At present, almost all of the Company business in Business-to-Business. Since the Covid pandemic, the consumer start to get familiar with E-Commerce trading. The Company then plan to increase sell channel through online at up to 30% within the next 3 years to be able to contact consumer directly and can get useful data to analyse consumer behaviour and can present product exactly as demanded by consumer. The Company plan to invest around USD 10 Million or Baht 300 million in the shares of Boosted Ecommerce Inc ("Boosted") (USA) and invest in joint venture company with Boosted via NRF Consumer Ltd., ("NRF Consumer") (previously Sapsoo Co., Ltd.) the subsidiary of the Company.

Boosted is US company (https://noostedcommerce.com/), the start-up found by investor and management experience and expertise in investment and business management. Boosted was found with objective to invest in business that has sale volumes in Amazon e-commerce platform. After investment, management of Boosted shall expand the business for continuing growth. Boosted has the plan to invest in variety of e-commerce brand portfolio or house of brands.

The Company shall divide investment into 2 parts by investing via NRF Consumer, 1) investment fund at Baht 100 million in share capital of Boosted which is the joint investment between the Company and investor and professional management having expertise in investment and business operation targeting investment in branded business and interesting product (e-commerce brands) of third party seller on Amazon e-commerce platform (which is other traders on Amazon.com which is not Amazon.com Inc.) as stated above. This is to become build up the world big company that having goods and brand selling online (The New Procter & Gamble (2) Baht 200 million investment shall be used to co-invest with Boosted to jointly set up the Company to invest in e-commerce good seller of Ethnic Food, Plant-Based Food, Functional Food and Pet Food on Amazon platform and continue making profit. Now NRF Consumer is during the detail negotiation to enter the joint venture agreement. On the SET listing date of the Company, NRF Consumer was entering non-binding agreement but to specify main concept of joint venture agreement. This would cause the Company and NRF Consumer at risk for unsuccessful or delay in investment. In addition, the Company is still at risk as to ability to acquire Branded E-commerce at the exact condition of investment as specified with the chance of losing the whole amount of investment.

The Company and NRF Consumer realize such risk, then they have specified as a condition in non-binding joint venture agreement. The Company has specified clear criteria of investment exactly match ability and strength of the Company at the suitable price not more than 3.5 times of EV/EBITDA with payment condition that could allow previous business owner to co-manage the business and obtain last instalment of share price according to operating result of business. This would benefit the Company and NRF Consumer

highly. The Company and NRF Consumer can own the brand of goods with high sale volume and profit on Amazon E-commerce platform. The Company will sell its product on Amazon Market Place with upselling customer base. This could reduce investment risk that would adversely affect the Company.

F) Risk from relying on major customer

The products of the Company are Thai food related and local condiment from Asian region which are very popular among consumer worldwide. The Company's end customer is retail store, supermarket, and big department store around the world such as in North America, Europe, and Australia which are deemed potential customer that require manufacturer to produce lots of products. If the Company depends on big sale volume with any customer, and later on they cancel the order and the Company cannot find any buyer to take on such order, this may adversely affect the Company. The Company then has variety of customers, not depending on any customer in particular. In 2017, ratio of sale volume for each customer is less than 10% of overall income from sale. In 2018, 5 and 10 top major customers of the Company share ratio at 31.88 per overall income from sale and 51.69 per total sale respectively. In 2019, 5 and 10 top major customers of the Company share ratio at 33.04 per overall income from sale and 50.32 per total sale respectively. And in 2020, 5 and 10 top major customers of the Company share ratio at 32.8 per overall income from sale and 49.8 per total sale respectively. In addition, demand for product and different flavour in each country is the Company's advantage as we have variety of products, more than 2,000 SKU. The Company then grab various group of customers in many countries around the world. This is one factor to mitigate risk from relying on major customer.

G) Risk from termination of contract, failure to perform obligation or renew agreement, or performing MOU with important customer

Previously, the Company used to provide production service for the customer upon one-time order. After changing of management team in 2017, the Company has negotiated and entered the contract with major customers, so that nowadays, the customer of the Company is both with contract and without contract such as joint operation agreement between the Company and Fluid Energy Group Ltd. under which the customer may fail to perform or terminate the contract which could affect company's income and business relation with such customer. And the Company is at risk from being terminated or not renew the contract.

The Company realize such risk and then set up marketing team and sell team to take care of important customer in each region and to continue looking for new customer. In this regard, the Company aim to develop R&D and quality control of the product and manufacturing efficiency to keep client base.

H) Risk from insufficient coverage of insurance policy to cover all damage that might incur in doing business or other activities

Risk of the Company is generally on product manufacturing including risk on damage or failure of machinery operation, or unable to perform up to the specified standard, unsuitable instalment of machinery, accident, riot, political uncertainty, terrorist, operation problem, transportation failure, or labour strike. These risks might injure or kill someone or causing property or equipment damage, business suspension, or put the Company in legal liability. In the event that severe damage occurs to the Company and insurance coverage is insufficient to indemnify such damage or the damage value is significantly over the insurance coverage or the Company is unable to get indemnify for such damage under the coverage, would adversely affect to the Company's business.

2. Financial Risk

A) Currency exchange fluctuation risk

As the Company main business is to manufacture, sell and export the seasoning, condiment, beverage and instant food and simi-instant food, the Company earn income from export in foreign currency in 2018 at USD 24.62 million and Euro 1.39 million, in 2019 at USD 25.32 million, and Euro 1.12 million, and in 2020 at USD 32.83 million, and Euro 0.38 million or equivalent to 73% of total income from selling of the Company.

Raw material and packaging procurement are all from Thailand and paid in Thai Baht. There were some import of raw material partly in 2018, 2019 and 2020 at Baht 6.75, Baht 6.50, Baht 34.16 million (including machinery cost V-Shapes or 1.14%, 1.10% and 4.33% of total raw material purchasing cost. In 2020, the ratio is higher than the same period from the previous year because the Company has sale volume of Alcohol Gel in V-Shapes package which hiring manufacturer in Italy to make it and deliver to customer because the Company still unable to install machinery to make V-Shapes package due to Covid situation which restrict entering into the country. The Company, by importing raw material or hiring overseas manufacturer to make the product, the Company has to pay mainly in USD. Therefore, the Company has high risk from currency exchange fluctuation as the Company sell almost all the products in foreign currency, but raw material cost is in Thai Baht. In case the fluctuation of currency exchange is high, it will significantly affect income, profit rate and cash flow of the Company when convert into Thai Baht, if the Company cannot adjust the selling price according to changing of currency exchange between Baht and foreign currency. The Company may incur profit or lost from currency exchange if the exchange rate on the record date of purchasing or selling difference from the date on which the Company receive or make payment.

To reduce risk from currency exchange fluctuation, the Company has taken closer look on currency exchange to assess the situation and trend of USD exchange rate and use it for specifying selling rate for product to reflect the exchange rate during particular period and hedge against currency exchange rate risk more than 50% of outstanding foreign debtor, together with consideration on currency exchange rate fluctuation factor. In addition, the Company has to policy to set the selling price in Thai Baht for product under company's brand, especially new product, or new customer which the Company as competitive advantage. The Company does not have policy to speculate exchange rate.

B) Funding cost Risk

As of 31 December 2019, debt to equity ratio of the Company is at 54.8%. Therefore, increase of interest rate shall affect interest on loan, financial cost, and operating result of the Company. Under the Loan Agreement with the financial institution during 2017-2019, the Company has to maintain financial status and investment according to condition specified in the Loan Agreement as shown in the below table. However, with the Baht appreciation against USD and Euro, the average exchange rate has changed from Baht 33.94 per USD 1 in 2017 to Baht 31.05 per USD 1 in 2018 or changing approximately 8.5% and exchange rate from 38.28 per Euro 1 in 2017 to Baht 34.75 per Euro 1 or 9.2% change together with continuing investment expansion, the Company has to ask for relaxation to perform the obligation under the loan agreement which so far, the bank has agreed to do so.

In 2020 prior to the IPO, the Company cannot maintain financial ratio as agreed in the Loan Agreement. The Company has received waiver letter from the bank together with waiver letter to repay principal amount during the grace period of 1 year from April 2020 to March 2021. However, the Company has repaid all the outstanding loan since 6 October 2020. The Company then has no risk from unable to maintain financial ratio as specified in the loan agreement which has been repaid in full.

C) Risk from Covid-19 pandemic

With widespread effect of COVID-19 pandemic, the Company assess the situation that it could positively affect the Company rather than negative due to the demand for ready-to-eat product, recipe mix and

seasoning has tremendously increase in 2020. The Company also gain benefit from Baht depreciation against USD.

Local lock-down measurement does not affect local income and it can be increase. However, the Company still unable to install machinery to produce V-Shapes package and konjac noodle because expat from Italy and Japan cannot come to complete the installation. The Company resolution is to hire V-Shapes, the Patent owner of machinery, to manufacture product for the Company during first fiscal quarter of 2020.

Company's measurement against COVID-19 is to issue "Operating Plan to Reduce Impact on Business from COVID-19), to provide clear guideline for each department and responsible person to prepare for more severe situation in the future. Our staffs have been random checked by Ministry of Public Health. The Company also implement screening procedure by performing SWAP test.

The Company is focussing on health and safety of staffs, suppliers, consumer, and surrounding community by implementing strict screening procedure on the staffs working at the factory, escalating cleaning and sterilizing measure, and providing advice to staffs to protect themselves from Covid-19. The Company also implement measure to prevent personal contact and physical meetings for all staffs and visitors by adopting online communication.

3. Risk from related rules and regulation

A) Risk from measure and trade barrier of importing country

Main business of the Company is to manufacture product for export. Main customers of the Company are in the US and Europe which have high standard of regulation specially on consumer product which must be save, clean and without chemical residue and contaminants. The Company then have the regulatory risk from trade measure and barrier of importing countries in relation to hygiene and product safety such as regulation concerning allergic substances, insecticide, contaminants, and label standard.

The Company realize the important of different measures in each country and study the information and enforcement of regulations and trade measures of each country both from the news and by contact government agency including collecting information received from company's supplier in the countries around the world. The Company appoint the responsible person in doing that clearly and report to the related department in the Company. The Company therefor has continuing procedure to follow up such information and sufficient to improve product quality to be in line with regulations and trade measures. Now, the Company has been certified by HACCP (Hazard Analysis Critical Control Point), GMP (Good Manufacturing Practice), IFS (International Food Standards), BRC (The British Retail Consortium) and HALAL Certificate which are the international certificate of product safety and manufacturing standard. The Company also mitigate risk by building up customer base in many countries in an attempt to reduce risk from being enforced by regulations or trade measure of any country.

As the Company has selling volume from plant-based protein product could mitigate risk of the Company in relation to regulation concerning meat product.

B) Risk from Technology in food production process

All company's product such as seasoning, spices, instant food requires technology in each process of manufacturing and modern machinery to manufacture product up to international standard, high efficiency production and cost saving, the Company may at risk from development of production technology which might affect ability to compete of the Company, manufacturing cost and response to consumer's demand.

The Company follow up the change of food production technology regularly. To be able to respond to the change of consumer demand, the Company has invested in the new business, for example, in City Food Co., Ltd., which mainly use machinery for manufacturing. Investment in Big Idea Venture also enable the Company to get access to new innovation that can be adapted and applied to the Company in an attempt to increase product quantity and efficiency.

4. Other Risk

A) Risk from having major shareholders and strategic shareholders that have power to specify management policy

Prior to initial public offering this time, shareholding structure of the Company as of 30 January 2020 comprising of Pathomvanich family, holding shares in aggregate at 91.4% of paid-up registered capital of the Company, and Dusit Food Co., Ltd. which is the subsidiary of Dusit Thani Public Co., Ltd., holding shares at 6.4% of paid-up registered capital, Black River Food 2 Co., Ltd., holding 2.2%. After the IPO, Pathomvanich family, the major shareholder shall hold shares in the Company altogether at 68.2% of paid-up registered capita, and Dusit Food Co., Ltd. shall hold 5%, Black River Food 2 Co., Ltd. shall hold 1.7%. Pathomvanich family and Dusit are still major shareholder of the Company. Therefore, other shareholders are at risk from unable to collect the vote to check and balance the agenda that major shareholder propose for consideration of the meeting.

The Company have realized the importance of such matter; thus, it has built up the management structure to support the transparent and fair operation of the Company by recruiting 4 external people to be independent director from the total 8 director of the Company. The independent director will have the duty of checking and balancing the decision making and making approval of matter before proposing to the shareholder meeting for consideration. The Company appointed 3 independent directors as audit director to check the entering into transaction that may have a conflict of interest, check that the Company has suitable internal control system including, check that the Company has done and disclose all financial report correctly, and in time. The Company established the Nomination and Remuneration Committee in which 3 independent directors will recruit people with knowledge and capacity to hold the director and sub-committee position of the Company, consider the criteria and form of remuneration of board of director and executive of the Company. 3 independent directors will be the Nomination and Remuneration director out of all 3 director of the committee and 1 independent director as the chairman of Nomination and Remuneration Committee.

2.2.2 **Risk for investor from limited ability to subscribe right offering to existing shareholder or the same offering**

Although public company do not have to provide right offering to the existing shareholder upon capital increase, the Company can issue other types of instrument such as Warrant or transferable Warrant (TSR), or convertible debenture allocated to existing shareholders from time to time. In the event that the Company provide right offering, the Company has the right not to provide such right to the shareholders residing abroad or foreign shareholder from certain country. According to the law, the Company may be forced not to provide right offering to the people from some country, unless the applicable procedure has been done, for example, the Company may not offer right to US person as defined in US Securities Exchange Act 1933 (including its amendment) unless (A) the registration statement as required by US Securities Exchange Act has been submitted, or (B) is an offering for sale of such rights to shareholders in accordance with an exception under the National Securities Act. USA. The compliance with securities laws or other regulatory requirements in some countries may prevent shareholders from exercising their right to buy the issued instrument. However, the

Company is not obliged to apply for the registration of the Company's ordinary shares in any country in order for foreign shareholders to exercise their rights to buy newly issued ordinary shares proportionately in the future.

2.2.3 **Foreign Securities Investment Risk**

The Company may be exposed to risks relating to reliability of the other party including foreign securities issuer that the Company has invested in (outside stock market). The Company have the risk of losing all or part of the invested money in the event that the issuer of securities become bankrupt or insolvent, or in default, including incapable to repay capital investment or redeem the securities instrument.

3. Corporate Movement for Sustainability

3.1 Policy and Target for sustainability management

During the past 30 years, the Company operate business with pure determination for the best interest of all stakeholders including delivery good service and goods to the consumers. In 2018, the Company set the goal to change the supply chain by not focusing only profit but more to make the Company to become the leader in food manufacturing and distributor with future innovative with sustainable growth. We care about environmental and social effect throughout the supply change and at the same time create economical value efficiently. To be in compliance with code of conduct of management and employees, in 2020, the Company has set the Sustainability Value for business operation into 3 parts, 1) People, 2) Planet and 3) Performance.

- People

The Company place and important on the people both within and outside the Company by promoting self-development considering human right principal of employees and personnel. The Company plays an important role in developing the surrounding community in an attempt to create sustainable growth and produce products at the quality most satisfactory to the customer and consumers.

- Planet

The Company focus on world environmental reserve by changing mindset in doing business to create environment-friendly goods and services and prepare to cope with risk incurred from environmental effect, at the same time, to develop technology and innovative manufacturing with sustainable responsibility toward nature and society.

- Performance

The Company's success is not only profit but efficient operation to pay back stakeholders and create long-term value for the Company by placing an important on people and environmental together with development of goods and services continuingly and fairly.

Environmental Care and Social Responsibility

The Company place an important on community and surrounding society. We realize that we pare part of the society to move forward to social development and environmental sustainably. In 2020, the Company held activities for community and society continuingly together with doing business under community and social responsibility with hygiene, safety and environmental concern together with developing and improve operation efficiency to reduce risk in operation as follows:

- Implement business operation policy that focusing on environment and strictly complying with law and regulation concerning environment.
- Implement clear policy concerning social responsibility and enforcement within and outside the organization to create sustainable business operation.

- Promote environmental conscious and responsibility toward society and business operation.
- Organize events to create society, community and environment regularly to promote better quality of life and also collaborating with government agency, private sector and community.
- Cooperating in community's activities within the Company's factory surrounding area to create sustainability for the community.
- Prompt response and efficiently to any event that would affect environment, community, life, and property arising from company's operation and ready to cooperate with government sector and related agency.

The Company set the goal to drive the sustainable business according to Sustainable Development Goals, SDGs) by joining United Nations Global Compact (UNGC) which is the big organization that initiate the sustainable business development under 10 rules concerning human right, labor, environment and anti-corruption which the Company has responded to such rules by 1) doing business with strategy and plan to comply with such 10 rules, 2) operating business with strategic and plan for business development to achieve sustainable development goal under 17 rules of UN. In 2020, the Company was being honored to hold the position as sub-committee of Thai Environmental committee, United Nation to propose guideline to create realization and participation in business section together with leading companies in Thailand.

In 2020, the Company set up Sustainability Department, to organize activities to promote the Company to become the sustainable world leader in food manufacturer and distributor and has implement policy and action plan for the staffs in the Company to follow during the past 3 year (2017-2020). The Company also prepared Sustainability Report and disclosed into the data base of United Nation and shall continue doing it annually.

To improve quality of life of community and Thai society, the Company rely on Good Governance Code of Conduct and continue moving forward to organize activities for society in an attempt to build up strength and self-dependable to the community to be able to cope up with the world change. In 2020, Executive

Committee has appointed Corporate Governance & Sustainability Committee, (CGSC) on 13 November 2020 to manage risk and direction of the Company to achieve the goal.

3.2 Management of Impact against Stakeholder in Value Chain

3.2.1 Value Chain

Happy Stakeholder

The Company has appointed the board of directors to take care of management and employees with faith, responsibility, and fairness to build up trust for stakeholder by focusing on best interest of the shareholders. The shareholders can exercise their right by either giving comment, advice, and vote in any decision to change things including to appoint board of directors and remuneration of director, profit allocation and dividend distribution.

Happy Farmer

The Company aims to help and work with the farmers to improve standard of living to "increase income, reduce expense, mitigate risk" to increase their saving and sustainable farming.

Safe Raw Material

Quality of raw material is crucial to make good quality of food product that safe for the consumer. The Company has procured raw material with care. We know its source, type, quantity, and its deteriority. We have experts in food manufacturing and processing to take care of the stocking process in order to ensure that the raw material for production has good quality and quantity satisfactory to the Company, safe for consumer. The farming is safe for farmers, using resource at the best interest, with sustainable agriculture, safe for environment and community.

Happy partner

The Company place important on making good relationship with business alliance. This is to create negotiation power and business advantage than other competitors. We purchase goods and services from our supplier under the trading conditions and treat the supplier in accordance with the agreement and under the law under the Good Governance Code of Conduct. We also explain rules in working together to prevent problem

and communicate for any problem or question that occur, and helping each other. If our suppliers are strong, it will give positive effect to the consortium as well.

High quality product

The Company realize and place an important on each step of manufacturing. We select, check, and control quality of manufacturing process in every step by our specialist. We have set standard in taking raw material, sourcing and quality checking before taking, stocking method and processing of product, packing and transportation with an aim to serve and satisfy the customer. This would create business opportunity, competitive advantage, sustainable development of the Company, including presenting responsibility of the Company in providing good quality of product that safe for consumption, and social responsibility for not releasing pollution.

3.2.2 Analysis on Stakeholder in value chain

Specifying important stakeholder both within and outside the Company

In 2020, the Company has considered company's operation and value chain that could affect stake holders, by analysing and understanding expectation toward the Company in responsive to the requirement in every aspects of the Company, including economic, society, and environment. To specify the guideline in communicating and responding to the stakeholder is to build up good relationship and driving forward the sustainable efficient operation. The framework of activities with the stakeholders in this Annual Report for 2020 are divided into 6 groups of stakeholders, employees, manufacturer and farmers, customers and consumers, community, shareholder and supplier and partners.

Stakeholders	Communication	Stakeholders' expectation	Company's response
Stakeholder in the organization			
Shareholders	- 56-1 One Report - Annual General Meeting	- return of investment - risk management - social and environmental responsibility	-build up trust by disclosing true information to shareholders -operating sustainable business
Employees	-inform via Email -meeting -questionnaire and complaint	-receiving compensation and resource suitable for performance -equality treatment	-paying full compensation and welfare -360 degree assessment for justification
Stakeholders outside the organization			
Producers and farmers	-Farming visit -Online communication -Organizing activity to give knowledge	-fair business -agricultural knowledge exchange -funding source	- Providing specialist team to give advice for efficient cooperation - Organizing agricultural promotion activities
Customers and Consumers	-call centre -website -questionnaire and complaint	-Product quality -Variety of product	- Open for comment, suggestion and complaint
Community	-Social activities	- Environmental protection - Community resource management - Help creating benefit for community	-Measure to reduce impact -Organizing activity to help community
Suppliers and Partners	-meeting and joint venture agreement	- Factory standard certifying - Operation under standard rules - Transparency and improve future business	- Maintaining quality of product and service and develop new project to serve suppliers in the future

Cooperation between the Company and national and world environmental organization

The Company realize on important of sustainable development that require motivation from all sectors to achieve the goal efficiently. Nowadays, the Company has built up important network for sustainable operation.

UN Global Company (UNGC)

Being the member of UN Global Compact since 2018-present is not only to declare the Company's intention to develop sustainable business, the Company also perform many tasks under 10 rules comprising 4 aspects that are humanitarian, labour, environmental and anti-corruption to promote sustainable development (SDGs) internationally.

UN Global Company Network Thailand (GCNT)

UN Global Compact Network Thailand (GCNT) is the network of UN Global Compact (UNGC) in Thailand what push forward and support sustainable development of organization to comply with National Strategy. NRF has joined Thai Environmental Committee and apply 10 rules of SDGs as a guideline to operate business and at the same time promote good society and environment in moving forward to the real sustainable development in both worldwide and in Thai society. The Company has joined the membership and being an honour to have our CEO to hold the position as sub-committee of GCNT since 2020.

SUSTAINABLE DEVELOPMENT GOALS

1	**650** cases Help and provide knowledge to farmers in Contract Farming project, Kanjanaburi
2	**55,402 meals 44** communities Children, youth and food-deprived people in access to nutritious food that clean and safe.
3	**51,402** persons Supporting medical personnel **2,000** pieces Handing out medical mask and alcohol during Covid 19 pandemic Maintain proper hygiene and keeping clean to prevent the spread of the virus.
6	- Waste water treatment - Big cleaning in the organization and surrounding area to restore water condition and ecosystem
8	**910** cases Staffs in the organization
9	- Clean and safe raw material - New technology in manufacturing
10	570 cases Employment (Myanmar, Philippines, Italy) 8 Cases, Disable
11	- Employee seminar for professional development - Provide transportation for employees
12	- Project for earth and environment, waste separation (bottle, can, lid), and deliver it to waste pickup location to create value and opportunity for people in need - Transform waste from production line into useful product for farmland.
13	- Implement project to monitor greenhouse gas emission to reduce world's greenhouse gas and global warming - Join membership, CEO take role as sub-committee of GCNT - Carbon Footprint Organization Certificate - Carbon Neutral Organization Certificate - Carbon Footprint of person Certificate

Science-based target (SBT): 1.5-degree pledge

To emphasis on company's vision concerning environmental care, the Company has signed Science-based target (SBT): 1.5-degree pledge to set goal to reduce greenhouse gas in compliance with Paris Convention on Climate Science to limit average world temperature to not exceeding 2 degree Celsius and reduce it to 1.5 degree Celsius. The Company has signed joint agreement to move the organization forward with care of any impact that could stimulate the climate change by being 1 out of 3 first Thai organization joint Science-based target (SBT): 1.5-degree pledge since 2019 until now.

World Economic Forum

World Economic Forum: WEF is the non-profit organization in corporative of world leading industries. Member can participate in the meeting and share idea in cooperating with government sectors and private sectors from other countries including academic, influencer, religious and culture leader and leading media from all around the world. Besides economic, the environmental issue has been raised into concern by emphasising on doing business with beneficial concern to all stakeholders, not only shareholders but including all organization, customer, OEM contractor within supply chain, community in surrounding area and any person that might be impacted either positively or negatively of such business. The Company has officially joined the membership of WEF on the world-class platform to set future of the product and looking for opportunity to change world food system to cope with climate change.

Forum for the Future

Forum for the Future is the international leader of Sustainability. It is international non-profit organization working with business, government and private sector focusing on the change of business sector using education and research as a tool to work and push forward for sustainability. The strength of the organization is to link the sustainability with system change in big business organization. In 2020, the Company has joined Forum for the Future to study and research for result that can help build up sustainable business development in the future.

3.3 Sustainability Management in Environmental Aspect

3.3.1 Policy and guideline in compliance with the law, rule, regulation concerning environment relating to company's business

The climate change, pollution, waste problem and losing of biodiversity that become severe each day, and limitation of natural resource that keep running out, has direct and indirect effect on the quality of life of people in the society, food security and continuity in business operation. Therefore. In 2020, the Company then place an important on environmental reserve by changing business operation concept to become more friendly to consumers sustainably. The Company implement the following policy as the guideline for management, directors, and employees:

- Focusing on environmental-friendly business
- Manage the organization to use resource worthy and efficiently to reduce environmental impact on surrounding community
- Working with concern about safety for all living things on the planet

3.3.2 Operating result on Environmental matter

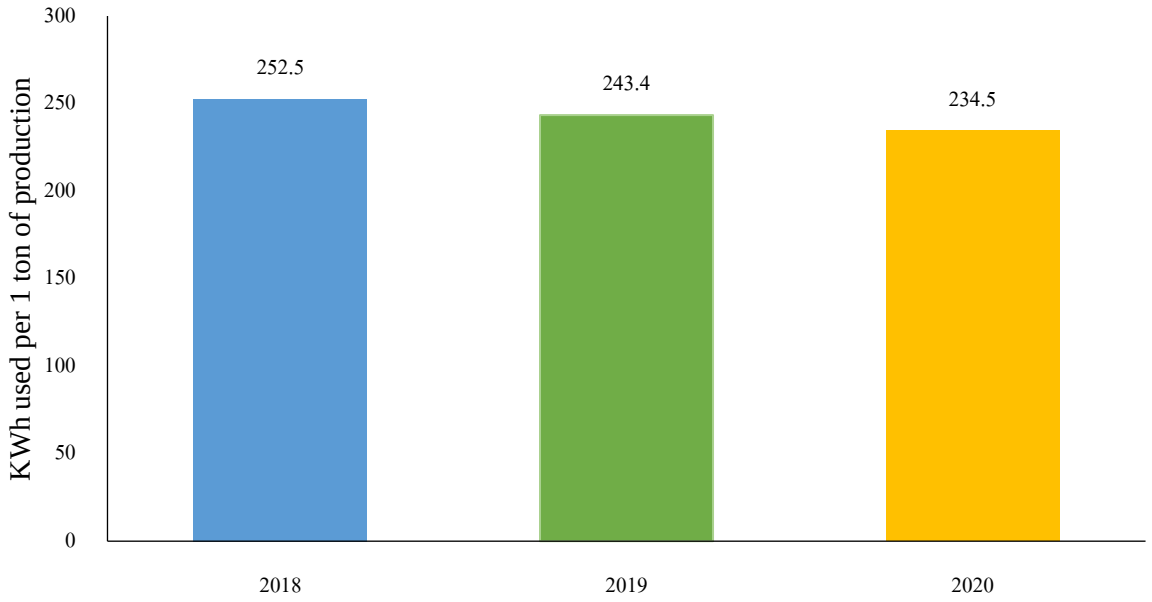
Operating result concerning environment management on the important issue relating to business management

During the time when the Company has to increase volume of production due to higher volume of purchase order, the Company has realized the important of development and improvement of equipment in the production line that could help the Company to consume limited energy worthy and efficiency and at the same time reduce environmental impact on surrounding community such as changing from Fluorescence to LED light bulb or changing chopping machine, hot boiler and stream trapper, cooler and solar cell panels on the rooftop.

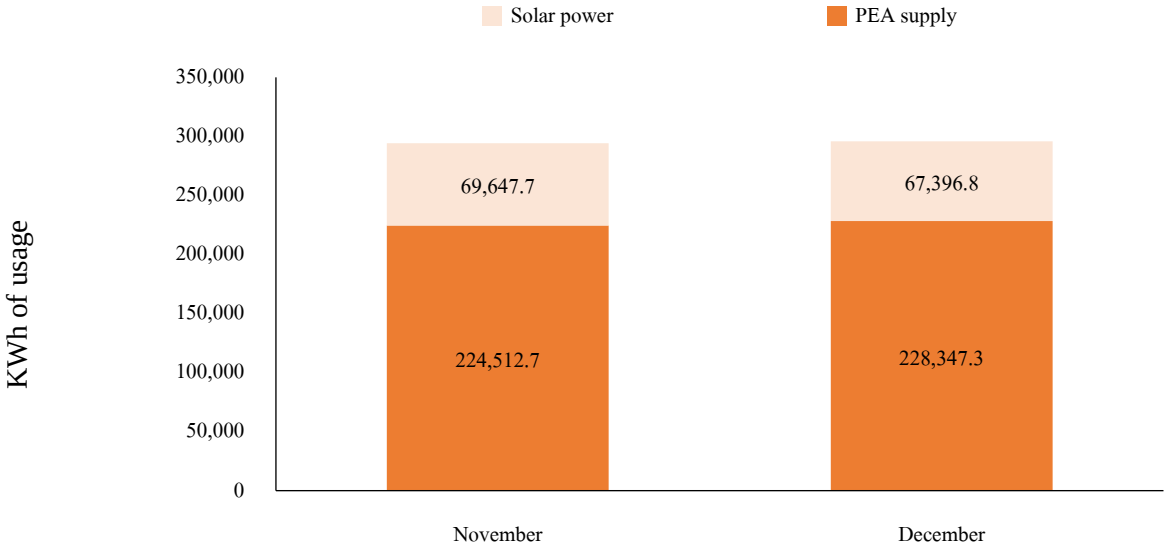
The Company focus on reduction of energy consumption and environmental impact on surrounding community and developing sustainable business operation and aim to create environmental and energy realization to employees to be able to cope with the climate change within 2021 with the hope to make it at the big start to become green factory in the future. In 2020, the Company has done with the environmental issue concerning energy management as follows:

- Electrical Power Management

In 2020, the Company focus on making employee and personnel in the organization to concern about energy saving by implementing the campaign to turn of the light and air conditioning during the lunch break for 1 hour every day. The Electricity consumption rate in 202 is 234.5 Kilowatt per hour per 1 ton of product which decreasing from the previous year at 3.65% from the target of 4%.

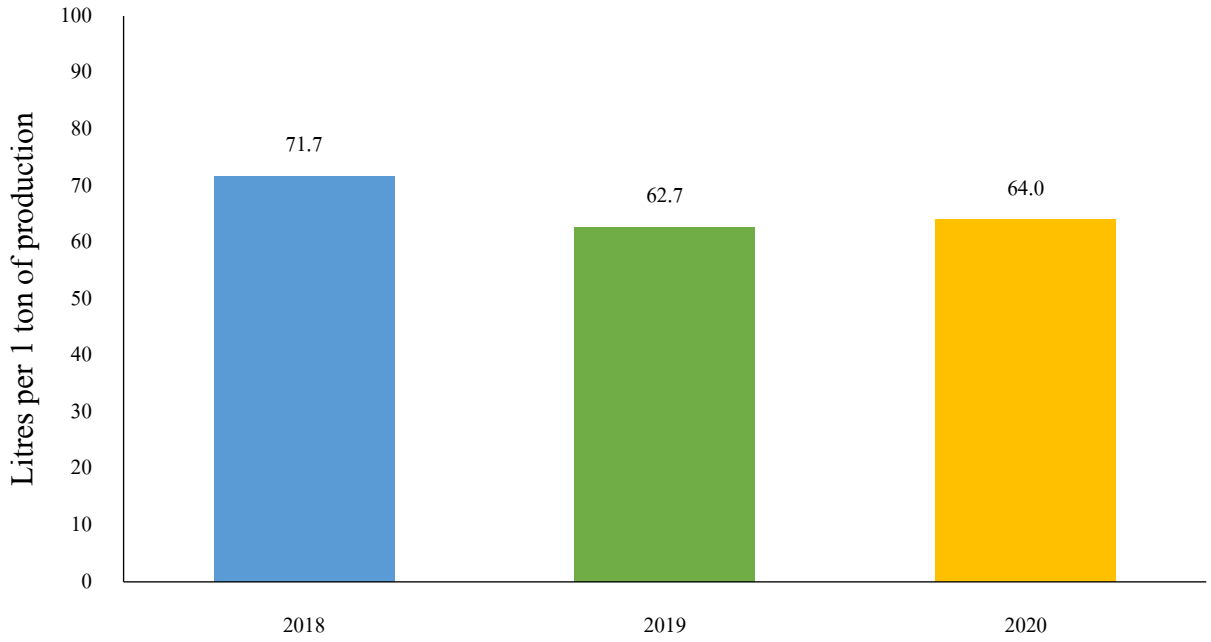


In 2020, the Company has complete installation of solar cell panels on the factory's rooftop and started testing since January to October 2020 and found that the solarroof can render 631,461.3 Kilowatt per hour of use per year or 1,754.0 Kilowatt per hour. And from the use in full capacity of the solarroof during November to December 2020, the factory can operate the business using clean energy from our own solar cell up to 23.6 and 22.7 respectively.



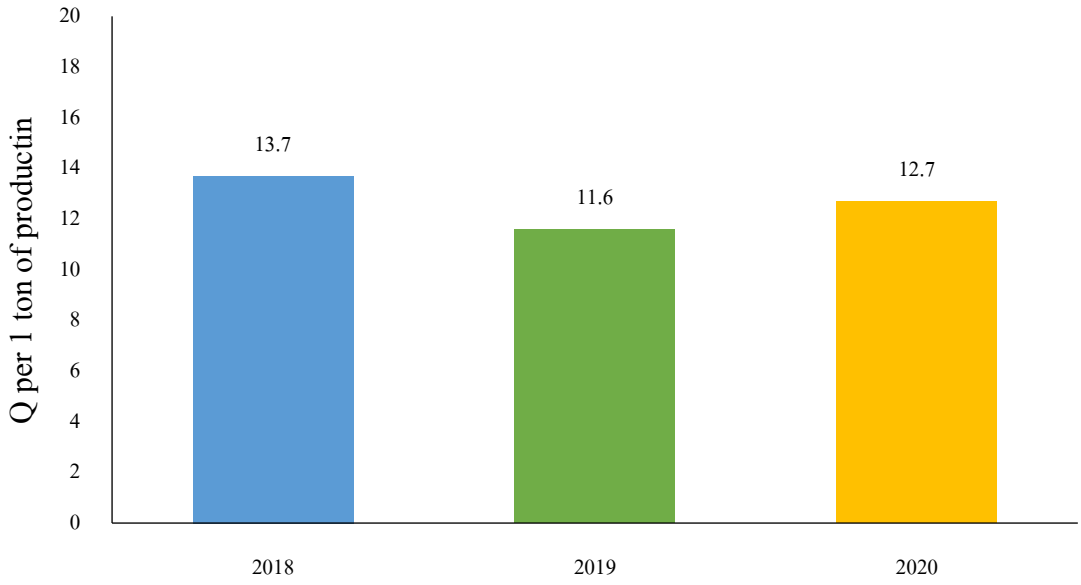
➢ Fuel energy

The Company has improved the fuel combustion system in the production line, for example, cleaning scale in the fuel pipeline and cleaning fuel injection to use crude oil efficiently. In 2020, the Company's average crude oil usage rate was 64.0 Litters per 1 ton of production which 2% increase from 2019's but 10.7 decrease from 2018's.



➢ Water management

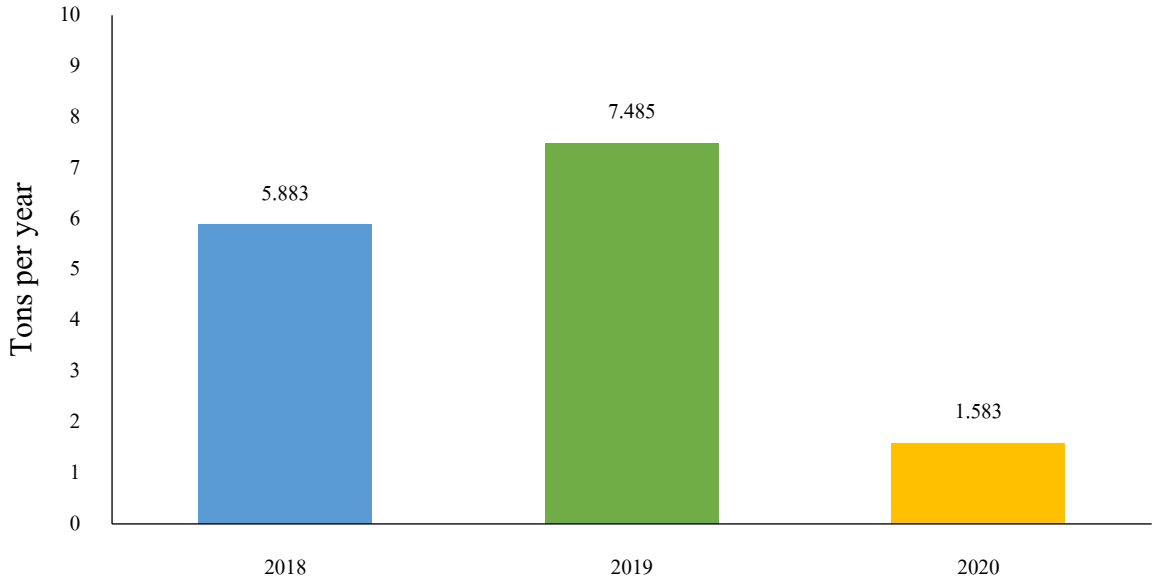
100% of company's raw water come from piped water which being used for the whole factory including office building and production building. The Company has checked the equipment regularly for cost-effective usage of water. We also set a campaign to save water and install censor in every faucet. We improve quality control of water to reduce quantity of soft water from washing the filter, and improve cooler system to consume less energy and shorten down the cooling period. In 2020, company's average water consumption rate is at 12.7 Q per 1 ton of production, 8.6% increasing from 2019 and 7.2% decreasing from 2018. In 2020, the average rate of wastewater running into wastewater influent is 162.7 Q/day. The Company aim to reduce wastewater release from the factory to not more than 160 Q/day.



➢ Waste management

The Company concern about the environment around the factory with an attempt to keep it clean, hygiene, and convenient for all staffs. We manage and control quantity of garbage and waste from the Company in compliance with standard that the Company being certified including BRC Global Standard and International Food Standard, and comply with all law and other relevant regulations. We check the result, improve and solve the problem incur from time to time. The Company engage the sub-contractor to perform garbage sorting and elimination by dividing into 5 group of waste, raw material waste, packaging waste, engineering waste, hazardous waste and general waste, set aside at the specific area, and clean the area once a week.

The Company set the goal to reduce waste within the Company by planning the usage of the resource efficiently, by, for example, buying raw material at the right quantity for each manufacturing to keep waste from agricultural raw material as low as possible. In 2020, the Company's waste that was improper for consumption or waste from plant only 0.943 ton/year, comparing with 2018 and 2019 at 3.888. and 6.051 per year respectively. Considering waste from the factory as a whole in 2020 is 1.583 ton/year, decreasing from 2018 and 2019 at 77% and 78.8% respectively. The Company target the waste management and waste quantity control in an attempt to reduce waste release to society and environment and to create value from the waste within 2021.



The Company place an important concern on environmental responsibility for community and society by promoting reduction of environmental impact and preventing activity that may negatively affect to quality of community directly and indirectly including to improve ecosystem and sustainable agricultural way. The Company also promote activity to support community as appropriate according to many social support projects sponsored by the Company in 2020. The Company plan to change business operation concept to become environmental and consumer friendly and reserve ecosystem by organizing activities that involve our staffs to manage environment within the Company as follows:

➢ **Waste Upcycling Project**

In 2020, the Company has idea to adopt circular economy concept in business operation. The Company then set up Waste Upcycling Project as an sample project to change agricultural waste, i.e. lemongrass waste from manufacturing to liquid fertilizer and biological insecticide with cooperation from community enterprise and farmer who made organic fertilizer from Ban Kao Noi, Kanjanaburu Province. The project is to transform

waste into valuable product which help community to save fertilizer cost and also reduce waste from factory up to 230 Kg.

This is the proof of the Company's mission for transform the business into zero waste organization. The Company plan to set up the machine to transform food waste into organic fertilizer in an attempt to reduce wet waste from factory's canteen into high quality fertilizer distributing to staffs and surrounding community.

➢ **Global Recycling Day**

With the new trend to use resource most efficiently according to Circular Economy concept and life style and economy that friendly to environment, to cope with insufficient natural resource that is running out and increase of waste, the "waste recycle" is the important way to transform waist or unused things into usable thing. The Company then implement "Global Recycling Day" project taking place during January to July 2020 by taking donation of UHT drink package, beverage can, and its ring, "This lid we need" activity, "changing plastic bottle into monk's robe" activity and giving to Jak Dang Temple, Samutprakan Province, "NRF Volunteer activity", "Precious Plastic Bangkok" activity, "Green Roof" activity, and Association of Persons with Physical Disability International. This project can make 2 prosthetic legs and 70 monk's rope, reduce office waste for 537.7 Kg., reduce greenhouse gas for 95.17 Kg. Carbon or equivalent to growing 819 teak trees.

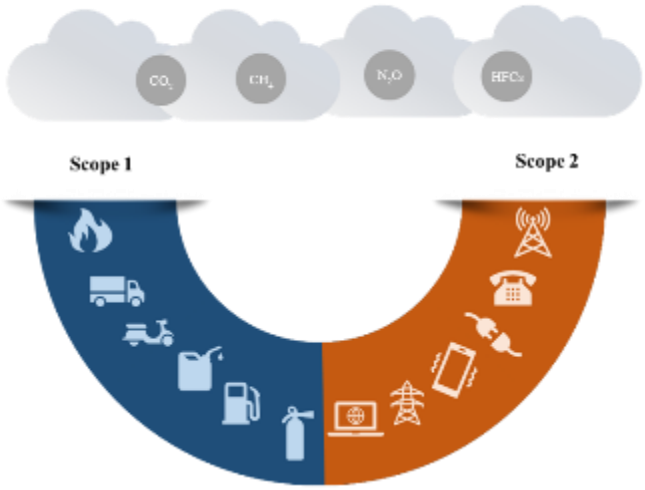
➢ **Earth Day**

The Company concern a lot about environmental impact and can foresee way to save environment and improve ecosystem. One of them is to create awareness of environment problem and its impact to the Company's staffs. In April 2020, the Company organize Earth Day and one of activities was to clean up the office's area to reduce garbage around water way near the factory. This help improve ecosystem and reduce greenhouse effect.

➢ **Greenhouse Gas Emission : GHG**

The Company has the sustainability policy in line with UN's mission which has all cooperation from all around the word in reducing global warming, and greenhouse gas emission. As the top concern of the Company, we have implemented the greenhouse gas emission assessment in 2019 in accordance with the guideline for carbon footprint assessment of organization set by Greenhouse Gas Management Organization (Public Organization) with the goal to efficiently manage and reduce greenhouse gas emission down to Zero Carbon.

GHG emission including CO_2 CH_4 N_20 and HFCs by the Company

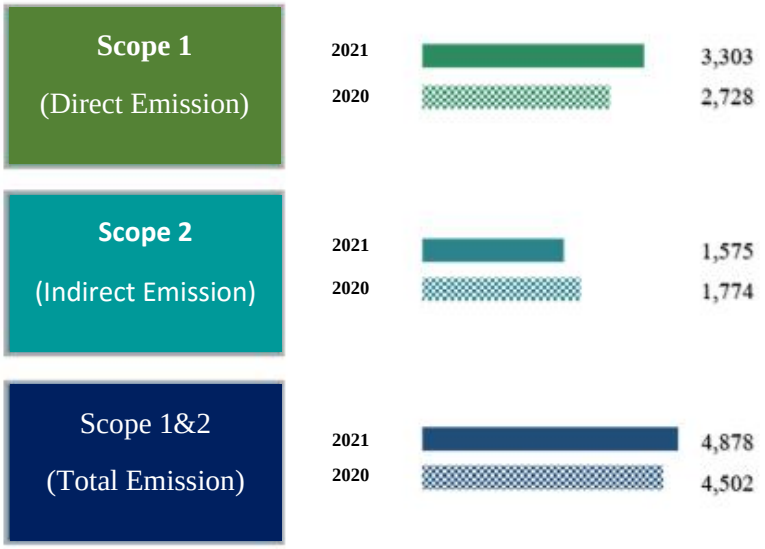


Greenhouse Gas Emission (GHG)

Scope 1 (Direct Green House Gas Emission)	Scope 2 (Indirect Greenhouse Gas Emission)
Stationary Combustion Mobile Combustion Fugitive Emissions	Indirect Emissions from Use of Purchased Electricity

Greenhouse Gas (GHG) Emission of the organization

(Unit: TonCo2/Year)



In 2020, the Company has disclosed the Company's direct greenhouse gas emission quantity equivalent to 2,728 Ton Carbon dioxide and indirect one equivalent to 1,774 Ton Carbon dioxide, totally 4,502 Ton Carbon dioxide (data from 2019) and got Carbon Offset in whole, therefore the Company has obtained Certificate from Greenhouse Gas Management Organization (Public Organization) as the Carbon Neutral organization. This is the important step in presenting the Company's vision and mission to truly operate sustainable business. Not only being a first company in food industry that obtained Carbon Neutral certificate, the management of the Company also obtained Certificate as an individual for 3 persons that are, Khun Dan Pathomvanich, CEO, Khun Teerapong Lorratchawee, Operation Managing Director, and Khun Chutinathon Anapiya, Sustainability & Public Relations and Farm Service.

In 2021, the Company has disclosed greenhouse gas emission equivalent to 4,878 Ton Carbon Dioxide and got Carbon Offset in whole. Greenhouse Gas Management Organization (Public Organization), by sub-committee meeting No. 2/2564, has announced on its website, names of the companies that obtain Carbon Label Registration, in which the Company is one out of six companies which have been registered as Carbon Footprint Organization and has been 1 out of 2 organizations that has been registered as Carbon Neutral Organization. The Certificate will be granted to the Company in due course.

Carbon Footprint Organization Certificate 2020

Carbon Neutral Certificate 2020

3.4 Sustainability Management in Social Aspect

3.4.1 Policy and Social Guideline

Policy and guideline that in compliance with law, and social regulations relevant to business operation including human right.

The Company emphasis on business operation with responsible to stakeholders and to become center to promote professional development and new activities to develop surrounding community for the sustainable good quality of life. Below is the summary of the Company's activities throughout the year.

- Fair corporate governance to make employees happy and ready to perform work in full capacity
- Providing opportunity and encourage the employees to show their own capability and self-develop in full capacity
- Ensure most safety to all employees at work
- Promote sustainable way of life and income for all producers and farmers
- Support all activities to develop/provide knowledge to community that can create drive to move forward for the better life

Respect human right

The Company has the human right policy to promote and protect right and freedom of person, by treating each other equally both within and out of organization, without discrimination, racist, gender, age, skin color, religious, physical appearance and ancestry. The Company does not do any act to violate person's right and freedom eighter directly or indirectly and shall not do any act to violate human right, such as supporting forced labor, or child labor. The Company aim to develop and implement Code of Conduct in respect of human right within 2021.

Fair Treatment to Labor

During 2020, the Company always recognize that all employees are the most precious resource of the Company and the factor of the Company's success. The Company then adopt the policy to provide fair treatment in opportunity, compensation, promotion, transfer, and potential development in accordance with the following principles:

- Keep working environment safe for life and property of employees
- Appointment, transfer, giving reward, and punishment must be done in good faith and based on their capability and suitability
- Focusing on professional development by providing training, seminar to all employees regularly
- Fair compensation to all employees upon state of industry, business competitiveness, type of work, performance and ability of the Company to pay
- Prevent any unfair act which might affect their career's security
- Provide channel for employee to give suggestion, making complaint, making solution for the benefit of all and build up good relationship in working together

Remedial measure for person affected by human right violation

In 2020, the Company recognize the important of social responsibility, and participation in community and social development.

The Company has provided support to social activity to develop quality of life of people in the community, i.e., promote volunteer work, create sense of awareness to all employees relating to continuing development of community, society, and environment.

The management of the Company has responsibility to enforce employees under their supervision to strictly comply with Code of Conduct of the Company. If any director, management, or employee violate Code of Conduct shall be disciplinary punished under the Company's work regulations. If there is any violation of law, the Company shall investigate and refer the case to competent authority. Employee who found any such violation can report to the Chairman, Chairman of Audit Committed, CEO or Executive Committee promptly. The Company shall investigate on the non-name basis, without disclosing the source in order to protect the person who make the complaint.

Communication with the Employees

During 2020, the Company provided channel for internal communication to provide employees with information and news, either about work regulation or policy by either posting announcement on the board, visiting the site, meeting, via e-mail, or leaflet.

Employment

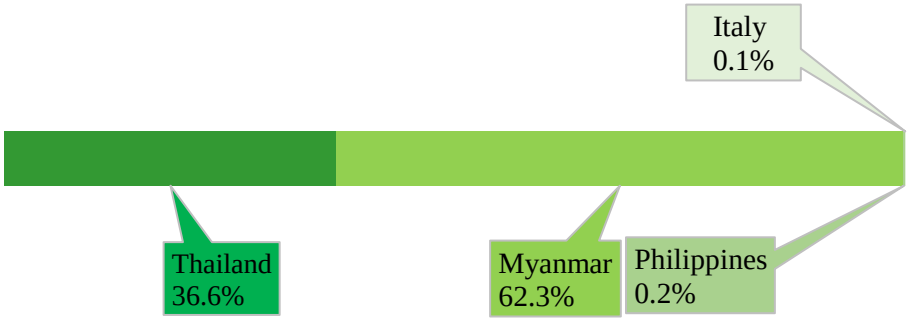
During 2020, the Company has strictly complied with human right principle starting from employing and taking care of all staffs. This is to build up royalty to the Company and willing to walk with the Company

to the sustainable goal. The Company also place high concern on equality of people and operate the Company with fair and without discrimination. The Company provide opportunity to all employee to develop themselves professionally without discrimination in gender and age as referred to below.

Table showing the amount of the Company's employee

Employment	Number of employee (person) (คน)						
	Age 18 – 35 years			Age 36 year and above			Total
	Male	Female	Total	Male	Female	Total	
Permanent	37	86	123	47	81	128	251
Temporary	199	269	468	58	133	191	659
Total	236	355	591	105	214	319	910

The Company also considers diversity and equality of the people who play the role in moving the Company forward disregarding the sexuality, or age. The Company respect and support diversity of race and provide them with opportunity to show their full capacity and equality. The Company plays an important role to promote business operation under diversity of business labor to set standard rule of equality for the people in the society and non-discrimination against the labor as referred to in the below table, the employment during 2020.



Employee Training

The Company held the employees' seminar to enhance the skill, knowledge, and capability both for temporally employee and head of work group. In 2020, there were 619 employees who attended the seminar out of 910, or 68%, with the detail referred to in the below table:

Table showing hours of employees' seminar

Item	Seminar of Employee		
	Number of Attendees (person)	Total Seminar (Hrs/year)	Average Seminar (Hrs/person/year)
Temporary employee or higher *Target at least 6 hrs/person/year	557	3,399	6.1
Head of team or higher *Target at least 12 hrs/person/year	62	342	5.5
Total	619	3,741	6.0

Employee relationship

The Company fully prioritizes employees and personnel in the organization by providing them opportunity to show their talent, being proud in doing their duties and having sense of unity. The Company regularly rewards the staffs who perform with their full capacity toward work, for example, giving raise, thank you party, improve environment and working atmosphere, provide them with comfortable space. The Company aims to build up relationship among the employees and accept suggestion from them in order to get right solution by making questionnaire to assess employees' satisfactory within 2021. The Company collects data and statistic concerning employees' turn-over rate in 2020 to control continuing quitting job rate as referred to in the below table:

Item	Employee Resignation	
	Amount (person)	%
Permanent employee *Target not exceeding 2%/year	50	1.76
Temporary *Target not exceeding 8%/year	412	5.82
รวม	462	7.58

Policy concerning safety, hygiene, and working conditions

In 2020, the Company recognize the important of safety, hygiene, and working conditions that might affect all employees, the Company, therefore set the policy as follows:

- Working safety is the first priority of all employees
- All employees must concern about their own safety, colleague's and the Company's property at all time at work
- All employees must concern about cleanliness and tidiness in working space
- The Company shall support activity that promote working safety to the highest result

- The Company shall recognize the important of measure to prevent accident incur to employees from working
- The Company shall promote improvement of environment and working safety practice including good health of employees

The Company has collected data of the employee's injury incur during working hour during 2020 as follows:

Item	Unit	2020
Employee Injury from working	person	30
Rate of injury and unable to work	Event/work/ 1,000,000 hrs	3.03
Death from working	person	0

Guideline to manage and handle the COVID-19 pandemic toward employees and society

In 2020, the Company has evaluated risk that might incur and cause damage to the business and has stipulated guideline to handle the effect by having measure to control and protect the virus in strictly compliance with measure announced by the government. The Company sets up the thermometer, alcohol spray and sterilize tunnel before entering the Company's area. All employees must strictly follow procedures set by the Company. Everyday, there will be the communication team to promote awareness to all personnel and giving advice for self-protection and care. On 4 January 2021, the Company, incorporation with Ministry of Public Health have conduct random proactive screening on all employees to entrust the people both within the organization and surrounding society. The result came out that 100% of employees were negative on covid test.

3.4.2 Social operation

The Company prioritize the Company's responsibility toward environment of community and society by promoting reduction of environmental impact and preventing operation causing negative impact to the community both directly and indirectly. That includes improvement of ecosystem and sustainable farming. The Company support all activities to help society at the appropriate time and circumstance as the Company has done many projects so far. The Company shall not involve in any human right violation and shall not infringe intellectual property right. During the year 2020, the Company has done many activities for society as referred to in the below table:

- Happy Employee Project

The Company has continuing organized many activities with an intention to help resident in crowded community, farmers, disable, children, elderly, and underprivileged. However, the dmost important persons according to the sustainability principle, “People, Planet, Performance” are employees of the Company. We then expand the “Food for Future Generation” project to our employees. This project is to make employees happy as we believe that being happy will make people do the good work, if the employees do the good work, they will pass on the happiness on to the products and deliver good quality of products to the customer. We set the kiosk to distribute soya milk under Shinpo brand at the canteen every lunch break during July 2020. This project got the warm welcome from all employees so that the Company expanded the project to give away the same every month. We hope that our employee will be happy.

- Green Army Green Project

Farmers in Thailand, mostly minor farmers, are still poor as they lack of knowledge in farming, wrong allocation of farmland, insect and plant decease. This causes quantity of product to become lower than standard, and poor quality of products resulting in low selling price. This problem is the long-term effect to standard of living of farmers as they cannot stand on their feet. The Company understand this situation and want to help the farmers to have better quality of life. The Company then set up the project in January 2020, the “Green Army Green Project”, incorporation with Medical Technology Faculty, Mahidol University in many farming areas around the country. Objectives of this project is to support and promote the production process of safe food, by planning with them the process from specifying type of plant to be grown, quantifying plant to be grown, price setting and time schedule to sell the products, quality control has been checked scientifically, harvesting, transporting to Asian region. The Company has help buying from them directly and can get from the lemongrass at 800 kg. with the value of Baht 14,297.52

➢ Donation for Corona virus pandemic (COVID -19)

COVID 19 pandemic (COVID -19) is not only crisis that affect life buy also affect way of life or people. The Company has followed up the crisis closely to set direction of the Company to help people in the society. The Company can see the dedication of the medical personnel in the frontline to fight against Corona Virus, in May 2020 the Company has organized “Donation in the Corona Virus Situation”. The CEO, Executive Committee and our staffs has played the part to encourage them at Siriraj Hospital, Ministry of Public Health by providing alcohol gel, and spray and PPE, and pasteurized soya milk. We also provide instant food in Happy Sharing Canine in the surrounding area, at Wadkarai community and hand out medical mask, alcohol gel and spray. These activities can help medical person for more than 51,402 persons and sharing food for more than 1,500 meals.

➢ Food For Future Generation Project

Food security around the world is increasing under pressure for many factor such as rapidly increase of population and the change of consuming behavior, and climate. All of them is the problem that need to be solved. The Company place an important on food and then organized “Food For Future Generation” that would help people happy. COVID -19 affect way of life, work and income earning for the sensitive family. The Company then jointly with Thai SOS Foundation played the part to help people in need in may areas by giving 38,441 packs of Shinpo Soya Milk to more than 44 communities around Bankok.

On mother day, the Company has organized activity to hand out mothers who came pick up their kids at community near Makkasan Raiway on 10 August 2020. The Company also support 40 kg/month rice to Grow Home Foundation, Chiang Rai Province for 5 months continuously, which would make 9,600 meals. The Company also support rice and rice wrap to Thai SOS Foundation to be used in “Rak Aharn Kitchen” on 9 November 2020. This project help people in need more than 11 communities or more than 6,930 meals.

The project's performance supported the sharing of a total of 55,919 meals over the course of the project, not only to saturate the stomach and receive adequate nutrients. It also fulfills the hearts of the society's vulnerable people to improve their quality of life and move on to society to the fullest.

➢ Knowledge Sharing Project

Nowadays, farming is another option for occupation to support oneself and family. But to pursue a successful career in agriculture, farmers must prepare and open to new learning in order to cope with any situation that may arise. Farmers must have knowledge and understand the planning management, management of plant diseases and pest control throughout the harvest which is basic foundation of farming to produce good quality product sufficient to market demand. Implementing organic farming is one element to reduce the use of chemicals and cost of maintain plants for the sustainable safety of farmers and consumers. The Company them implemented “Knowledge sharing” project in August to October 2063 to visit the area to educate them on contract farming basis to do the organic farming and provide direction to support young farmers in Young Smart Farmer project. This is to help them to step up and develop the agricultural in Thailand to the Navakaset Community, Organic Plants and Herbs Community Enterprise, Power Alumni of Agriculture Kanjanaburi Pattana, Organic Agriculture Ban Nong Sampran, Coco Western Ltd., Kaset Charoen Rungreang Community Enterprise. The Company has exchanged knowledge and listen to various problems in farming. There were 650 farmers who attended a lecture with the aim of improving the farmers’ living to become self-dependable, with stable income and sustainable agricultural career.

➢ NRF Contract Farming Project

Under the current situation, most small farmers in Thailand are in difficulties due to various factors that are not conducive to farming whether production problem, water resource, quality of seedling or seeds, higher production costs such as machinery or biological substance including market problem. The farmers receive unfair product price and cannot take part in determining price of product. Such problems directly affect farmers. Farmers cannot rely on themselves. The Company has therefore created the project “NRF Contract Farming” to support the productivity and development of agricultural products, improve the quality of life. The Company support all production factors as well as acting as their market to buy from them their product since 2019 until present and can help 10 farmers to earn more income and sustainable living.

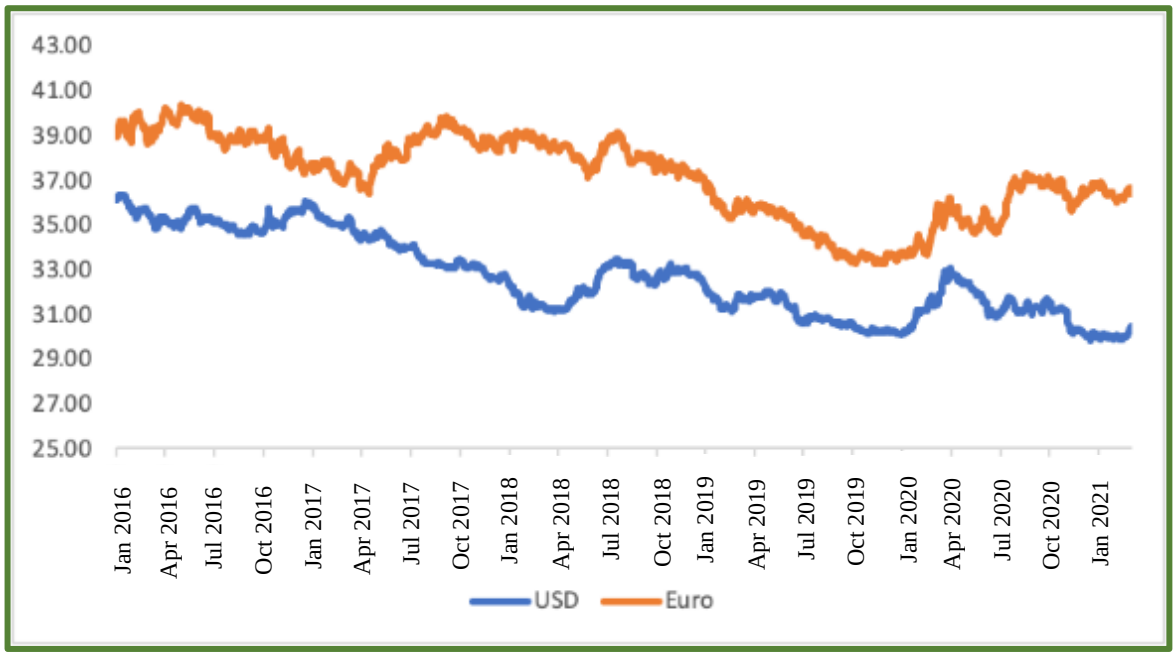
4. Management Discussion and Analysis

4.1 Operation and financial analysis

Overall operating result

The Company was registered as a limited company on 30 December 1991 and later became a public company on 16 December 2019. The Company operates as a manufacture, procurement and distribution of food seasoning, ready-to-food, seasoning for cooking food, plant-based food and instant drinking water and powder. The Company's business is divided into 3 main groups consisting of (1) Ethnic Food which consist of OEM products and product under the Company's brand (2) Plant-Based food, and (3) Functional Product. The Company distribute those products to many continents including America, Europe, Asia, Australia and Africa. 75% of the Company's income are mostly in foreign currency and have been impacted by Baht appreciation since 2017. The THB/USD exchange rate from 1 January 2016 to 31 December 2020 and the forecast of the exchange rate trend is shown in the graph below.

Unit: Baht per foreign currencies



Source: Exchange rates from 2016-2019 from the Bank of Thailand

The Company have exported products al across the world and distribute product within the country. In 2019, the Company earn 70% of the sale revenue in US dollar, 26% in Baht and only 4% in Euro. Although, the Company's sales rose up only 4.2% when compared to the year 2018. However, the impact from Baht appreciation in 2019 have cause the sale revenue to decrease by 1.2% when compared to 2018.

For the year 2020, the spread of COVID-19 has decreased the expansion of customer base, decrease many national product shows, and make baht depreciate. When compared to 2019, the Company's revenue grew

from the amount of product distributed and sale revenue. The Company has revue from the increase sale since 2019 in term of USD and Baht in the growth rate of 29.6% and 6.9% respectively.

Sales Revenue	2017 (million)	2018 (million)	Growth rate (%)	2019 (million)	Growth rate (%)
1) USD currency	24.6	25.3	+2.9%	32.8	+29.6%
2) Baht currency	278.0	292.2	+5.1%	312.3	+6.9%
Total baht	1,124.0	1,111.0	-1.2%	1,408.3	+26.8%
Currency rate according to average account	32.24	30.82	-4.4%	31.74	+3.0%
Production Quality	12,142	12,654	+4.2%	14,677	+16.0%

Type of product	2018		2019		2020	
	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)	Amount (MB)	Portion (%)
Sales revenue	1,124.0	98.7%	1,111.0	99.2%	1,408.3	97.5%
1) International	942.8	82.8%	921.7	82.3%	1,189.5	82.4%
1.1 North America	368.5	32.3%	350.4	31.3%	468.5	32.4%
1.2 Europe	353.9	31.1%	372.8	33.3%	432.5	29.9%
1.3 Asia	110.5	9.7%	101.6	9.1%	180.1	12.5%
1.4 Oceania and Africa	109.9	9.7%	96.9	8.7%	108.4	7.5%
2) Domestic[/1]	181.2	15.9%	189.3	16.9%	218.8	15.2%
Gain from exchange rate	5.8	0.5%	0.0	0.0%	0.4	0.0%
Other income[/2]	8.8	0.8%	8.6	0.8%	35.6	2.5%
Total income	1,138.6	100%	1,119.6	100%	1,444.3	100%

Remark [/1] Most domestic customer of the Company are product exporter

[/2] Other income comprise of other services income, tax card income from export, interest income and income from P&B for legal expenses paid by one of the subsidiaries of the Company in previous year according to the stated right of the Company in the contract

For the fiscal year ended on 31 December 2019, the Company's total income was 1,119.7 million baht in which the total revenue decrease from the previous year by 18.9 million baht (-1.7% decrease) due to the baht

continue to appreciate from the average of 32.31 baht per USD to 31.05 baht per USD or accounted for 4.4%. For the sale of foreign currency, the Company has an increase sale in USD from 24.6 to 25.3 million USD (+2.9% growth) which is lower than the growth rate in 2018 at 1.7%. This is because during June to July 2019, there was a factory improvement by moving the noodle production line into a specialized production line to increase the efficiency, capacity of noodle production and help debottleneck other production line. This resulted in a 19% drop in noodles product revenue, and the modification to certain import inspection affected the sale in North America like in the year 2019. Nevertheless, the Company has higher sales in other product e.g., ready to cook meal kit or ready to cook curry meal kit ("Meal Kit") which grew over 30% making the sale in Europe increase. The sale of baht currency increased from 278.0 million baht to 292.2 million baht (+5.1% increase from the same period last year).

For the fiscal year ended on 31 December 2020, the Company's total income was 1,444.3 million baht which is an increase of 324.7 million baht or 29.0 % from the same period in the previous year because of the profit from export increased in in every zone, including America, Europe, Oceania, Asia, and distribution channels for the Company to export from Thailand (Trader) in the country. The situation of COVID-19 positively impacted the Company due to social distancing and lock down in various countries increase the sales of all group of the Company's product. For the first time, the Company has a 29.5-million-baht sales from product which is not food namely product from alcohol gel in V-shape packaging and has the combined sales revenue from City Food Company which is Ethnic Food group in the amount of 32.9 million baht (the Company has invested 100% of shares in City Food Company Limited as of November 30, 2020).

For the fiscal year ended on 31 December 2019, the Company had a gross profit of 327.1 million baht or 29.4% gross profit. The reason for the decrease in gross profit was due to the impact from the exchange of the baht that appreciated. As a result, the revenue of the Company in foreign currency has decreased in value when converted back to Thai Baht while most of the production costs are in Thai baht. Therefore, the Company has a lower gross profit.

For the fiscal year ended on 31 December 2020, the Company had a gross profit of 434.1 million baht or 30.8% which an increase from the end of year 2019 gross profit. The increase is due to Company having better management in term of production efficiency (productivity), having sales from products that have an increase in gross profit and baht currency depreciates. The Company earns most of its revenues in foreign currency and most of the production costs are in Thai baht.

For the fiscal year ended on 31 December 2018, 2019 and 2020, the Company has selling and administrative expenses of 175.2, 217.9 and 256.6 million baht respectively. Most of the expense are amortization expenses arising from acquisitions due to the purchase price allocation that the existing shareholders acquired the Company in April 2017 (Purchase Price Allocation: PPA). As a result, the Company has an increase amortization cost in the amount of approximately 56.5 million baht per year. Additionally, there are costs associated with the acquisition and / or expenses related to stock exchange in 2018, 2019 and 2020 at a total of 13.1, 29.4 and 29.2 million baht, respectively. The expense in expanding and managing increased in 2020 in which most expense incurred from the expansion cost according to the increase sales because the expense relating to expanding officer were increased from according to expansion plan in the future. The management cost mostly from expense relating to the acquisition/expense for listing on the stock exchange and expenses from City Food Company Limited (The Company invested in 100% shares of City Food Company on 30 November 2020). However, if you look at the rate of selling and administrative expenses per total revenue, then it has decreased from 19.5% in 2019 and 17.8% in 2020.

For the fiscal year ended on 31 December 2018, 2019 and 2020, the Company had a net profit of 95.5, 40.8 and 124.4 million Baht respectively. The net profit margin was 8.4%, 3.6% and 8.8%, respectively. In 2019, the net profit margin decreased from 2018 partly due to the increase in expenses related to the acquisition

and / or being listed on the stock exchange. For of the year 2020, the Company had a net profit of 124.4 million baht which is an increase of 84.3 million baht from the year 2019. The extremely high increase was due to the increase in export revenue in all zones and a better management in production, cost and operation of the Company and lower interest from the lower borrowings. The Company incurred expenses that are not related to the normal business operations but arising from acquisitions and / or expense for listing on the stock exchange, amortization arising from acquisitions and interest from loans used in the acquisitions in 2018, 2019 and 2020 at a totaled of 148.0 142.47 and 127.59 million baht, respectively. Therefore, the normalized net profit in 2018, 2019 and 2020 were 243.5 183.2 and 251.9 million baht, respectively.

If considering profit before interest, tax, depreciation, and amortization (EBITDA), for the fiscal year ended on 31 December 2018, 2019 and 2020, the Company has profit of 277.4, 191.01 and 303.09 million baht, respectively. As mentioned above, the Company has expenses that are not related to the normal business operation which arise from the acquisition and / or expense for listing on the stock exchange in 2018, 2019 and 2020 at a total of 13.1 29.57 and 35.02 million baht, respectively. Therefore, the profit before interest, tax, depreciation, and amortization from operating (Normalized EBITDA) in 2018, 2019 and 2020 is 290.5, 220.58 and 338.11 million baht, respectively.

Performance and the ability to make profits

Revenue from sales of goods

The revenue from product sales can be divided into 4 types as follows: 1) Ethnic Food - revenue from OEM sales 2) Ethnic Food - revenue from sales of products under the Company's brand 3) revenue from protein from plant product and 4) products in consumer and environment friendly packaging (V-shape) with details as shown in the table below.

Type of product	2018		2019		2020	
	Amount (Million baht)	Portion (%)	Amount (Million baht)	Portion (%)	Amount (Million baht)	Portion (%)
Sale revenue	1,124.0	98.7%	1,111.1	99.2%	1,408.3	97.5%
1 Ethnic Food Group	1,059.2	93.0%	1,033.7	92.3%	1,251.5	86.7%
1.1 OEM	733.4	64.4%	729.9	65.2%	888.2	61.5%
1.2 Products under the Company's brand	325.8	28.6%	303.8	27.1%	363.3	25.2%
2 Plant-Based Food group	64.8	5.7%	77.4	6.9%	109.3	7.6%
3 Functional Product group	-	0.0%	-	0.0%	47.5	3.3%
Profit from exchange rate	5.8	0.5%	-	0.0%	0.4	0.0%
Other profits [/1]	8.8	0.8%	8.6	0.8%	35.6	2.5%
Total profit after lost from exchange rate	1,138.6	100%	1,119.7	100%	1,444.3	100.0%
Exchange rate (Baht per USD)[21]	32.24		30.82		31.74	

Remark [/1] Other income is dividend income, other service income, income tax card compensated from export, interest income, etc.

[21] Average exchange rate of the Company's account

The main revenue of the Company is from Ethnic food in which the revenue is mainly from the sales of OEM product, which accounted for approximately 61-65%of the total revenues from 2018 to 2020, and followed by products under the Company's brand which accounted for approximately 25-29% of total income.

For the years ended on 31 December 2018 and 2019, although the sales volume increased from the year 2018 at a rate of 4.2%, the revenue from production of OEM goods decreased slightly from 733.4 million baht to 729.9 million baht and the revenue from the Company's brand decreased from 325.8 million baht to 303.8 million baht. The revenue from plant-based food products is still growing from 64.8 million baht to 77.4 million baht. The Company is still affected by the appreciation of the baht continuously. However, the Company has a policy to use financial instruments to hedge foreign exchange risk. Also, the Company is affected by the stringent regulations on the standard of imported products from developed countries.

For the year ended on 31 December 2020, the overall revenue from product sales increased from the same period of the previous year by 297.2 million baht or 26.7%. The increase was due to the large increase in orders since March 2020 and baht began to weaken. The situation of COVID-19 resulted in better export income. The revenue from the sale of Ethnic Food products, which includes sales revenue from City Food Company after the Company acquired the business on 30 November 2020, both from OEM contract increased to 888.2 million baht or a 21.7% increase from year 2019 and from products under the Company's brand increased to 363.3 million baht or a 19.6% increase from 2019. The increase was due to the increasing trend in ethnic food consumption due to the COVID-19 situation with regard to both instant food and beverage products and a product for assembling and seasonings. At the same time, the revenue from plant-based food increased to 109.3 million baht or an increase of 41.2% from 2019. The Company started earning profit from products in consumer-friendly and environment-friendly packaging (V-shape). which are alcohol gel amounting to 28.1 million baht and the sale of V-shape machinery at 19.4 million baht.

Other incomes

In the year 2018 to 2019, other income of the Company consists of other service income and income from tax cards compensation from exports, interest income, etc. In addition, from the above-mentioned income, in 2020, the Company has higher other incomes from 2020 due to P&B have supported the legal expenses with regard to the transfer of protein from plant business from Breaks to P&B to Nove Foods Company Limited (which is a subsidiary of the Company "Nove"). Such expense is an expense that Nove had paid before in 2019, and Nove negotiated with P&B to get P&B to support the expense. When combing P&B funded funds and deducted legal expenses paid by Nove for the year 2020, the net balance to be recorded as other income amounted to approximately 9.1 million baht. The service fees in consulting, analyzing, and preparing a report to propose to investors about P&B fundraise is about 15 million baht.

Cost of sales

In 2020, the Company's cost of sales structure consists of: cost of raw materials and packaging is approximately 76% of total costs, costs of labor is approximately 14% of total costs and overhead and other costs are approximately 10% of total costs.

In 2018 to 2019, the ratio of raw material costs to total costs has a slight decrease trend because the Company was able to negotiate and select raw material suppliers efficiently However, the ratio of labor costs to total costs is likely to slightly rise because of the announcement of the government regarding minimum wage. The ratio of raw material and packaging costs to total costs slightly increased from approximately 75% in 2019 to approximately 76% due to the change in the sales proportion of the product group. The increase in sales

proportion of the product group was due to an increase in the proportion of packaged products that use modern design and has a higher cost of packaging than other product costs.

Selling expenses

Most of the Company's sales expenses are from expenses in sales activities such as travel expenses, accommodation costs, cost in contacting overseas customers, etc., which are likely to increase in line with higher sales revenue. For the year 2018, 2019 and 2020, the Company has selling expenses of 40.0 million baht, 55.1 million baht and 66.1 million baht, respectively. In 2019, the top management became aware of the importance in building a relationship with customers for the purpose of increasing sales, thus increasing the proportion of selling expenses to revenue from product sales to 55.1 million baht. Because of the expense in exhibiting at international food and beverage exhibition- Thaifex, and the expense of sales personnel from the increase in sales team adjustments in 2020, the Company has sales expenses of 66.1 million baht which is a 10 million baht increase from 2019. Most of the increase was mainly due to the increase in sales staff expenses according to future expansion plans and marketing and sales promotion expenses.

Administrative expenses

The administrative expenses of the Company in 2018, 2019 and 2020 were 135.2 million baht, 162.8 million baht and 190.5 million baht, respectively. The administrative expenses increased from 2017 because of the administrative adjustment in to meet the standards of listed companies, e.g., external auditor fees, Internal auditor fees, and fees and advisory fees regarding the additional new investments e.g. joint investments with Breaks, if the cost not arising from normal operation of business that happened once and amortization were eliminated. As a result of acquisitions in 2018, 2019 and 2020, the Company will have administrative expenses of 122.1 million baht, 133.22 million baht and 155.58 million baht, respectively. The increase expense in 2019 from 2018 arises mainly from employee salary, computer system cost, corporate membership fees, legal advisory fees regarding the investment and IPO preparation costs. The increase expense in 2020 from 2019 arises mainly from legal fee regarding the investment and IPO related expenses. The proportion of administrative expenses to total income decreased from 14.5% in 2019 to 13.2% in 2020.

Financial cost

The Company's financial expenses arises from a loan from a commercial bank as a group of existing shareholders has acquired the business through borrowing. By the end of the fiscal year on 31 December 2018, 2019 and 2020, the Company has financial expenses of 78.4 million baht, 60.9 million baht and 45.7 million baht, respectively. As shown, the financial expenses continuously decreased mainly due to the fact that the Company paid a higher percentage of the principal amount, the lower interest rate due to the decrease in the interest rate policy of the Bank of Thailand and negotiating regarding the interest rates in 2020. The Company has paid all loans using the proceeds received from the IPO capital increase on 6 October 2020.

Share of loss from investments in associate companies

In 2020, the Company had a share of loss from investments in P&B associates amounting to 15.4 million baht, mainly due to legal expenses in transferring the plant protein business from Breaks to P&B. P&B started to receive business profit on 13 May 2020. After the business transfer from Brecks, P&B performance was still

at a loss as the revenues was just recognized and the income, thus, cannot support the fixed cost and legal expenses in business transfer which is a one-time transaction.

Net profit

For the end of the fiscal year on 31 December 2018 and 2019, the Company had a net profit of 95.5 million baht and 40.8 million baht, respectively. The net profit in 2019 decreased by 54.7 million baht was due to the baht appreciation in 2019 by 4.4% which led to a decrease in sales revenue of 35.9 million baht even if the dollar sales increased from 24.6 million USD in 2018 to 25.3 million USD in 2019. Also, the decrease in net profit was due to an increase in sales expenses by 15.1 million baht to build relationships with customers, an increase in cost of sales, the expenditures in exhibiting in international food and beverage trade fair called Thaifex and cost from hiring sales personnel from the adjustment to increase the sales team. As an overall, the administrative expenses increased as a result of advisory fees in the joint venture with Brakes and increased personnel costs in the Company and its subsidiaries according to the manpower plan set by the Company. For the year 2020, the Company has a net profit of 124.4 million baht which is an increase of 83.6 million baht compared to 2019 due to the increase in export revenues in all zones and the better management in production, cost and operational of the Company and lower interest from lower borrowing.

Asset overview

The main assets of the Company are intangible assets. (customer relationship, trade name) property, plant and equipment and goodwill. As of 31 December 2020, such core assets accounted for 42.8%, 18.6% and 7.2% of total assets, respectively. Intangible asset and goodwill has high value was due to due to acquisitions from existing shareholders.

As of 31 December 2018, 2019 and 2020, the Company has total assets of 2,459.5 million baht, 2,595.8 million baht and 3,358.4 million baht, respectively. In 2018, the total asset of the Company increased due to the construction of a noodle factory, investing in a company that produces plant-based foods (investment in Meatless Farms) and group of startups overseas at a total of approximately 108.4 million baht. The Company's total assets increased in 2020 due to the Company's consolidation of assets with City Food Company Limited which the Company acquired it 100% on 30 November 2020, investment in P&B worth 198 million baht, investment in Boosted Ecommerce, Inc worth 93.7 million baht and investing in a group of startups namely New Protein Fund I LP, Big Idea Ventures GP I, LLC, Phuture Limited worth 29.5 million baht.

Trade and other receivables

The Company had trade receivables and other receivables at the end of fiscal year 2018 and 2019 amounting to 208.1 million baht and 194.5 million baht, respectively which is a decrease of 13.6 million baht from 2018. The amount of credit term receivables increased as a result of better strategies in negotiating with clients with good credit to increase sales. The allowance for doubtful accounts in 2019 increased to 3.1 million baht from 0.3 million baht in 2018 which mainly increase from the allowance for overdue receivables by managing the debtor under close control of the management. For the year 2020, the Company had trade and other receivables amounting to 284.4 million baht which an increase 46% due to the consolidation of the financial statements with City Food Co., Ltd. The Company calculated the allowance for doubtful accounts according to the Expected Credit Loss Model method which resulted in an increase in the allowance for doubtful accounts when compared to the end of 2019

(Unit: thousand baht)

	31 December 2020	31 December 2019	31December 2018	31 December 2017
Trade receivables – unrelated transaction				
Overdue date counting from due date				
Not due yet	209,368	145,012	137,125	117,911
Overdue				
Not over 3 months	46,459	21,581	48,577	51,560
3 - 6 months	1,885	13,724	1,284	3,310
6 - 12 months	1,767	6,880	5,252	14
Over 12 months	1,826	3,668	8,867	429
Total trade receivable-unrelated transaction	261,305	190,865	201,105	173,224
Less: Allowance for doubtful accounts	(3,551)	(3,107)	(282)	(282)
Total trade receivable- unrelated transaction	257,754	187,758	200,823	172,942

Inventory

The Company had inventories at the end of fiscal year 2018, 2019 and 2020 amounting to 92.5 million baht, 85.1 million baht and 188.1 million baht, respectively. The detail of the inventories are as follows:

List	**31 December 2018**		**31 December 2019**		**31 December 2020**	
	Amount (Million baht)	**Portion (%)**	**Amount (Million baht)**	**Portion (%)**	**Amount (Million baht)**	**Portion (%)**
Inventories						
1) Finished goods	5.2	6%	5.9	7%	52.7	29%
2) Semi-finished goods	23.1	25%	19.9	23%	28.8	15%
3) Raw materials	17.8	19%	16.3	19%	27.9	15%
4) Packaging and factory supplies	46.4	50%	43.0	51%	59.1	31%
5) Goods in transit	-	-	-	-	19.5	10%
Total inventories	**92.5**	**100%**	**85.1**	**100%**	**188.1**	**100%**

Most of the Company's inventories in 2019 are packaging which accounted for about 51% of the inventories. The inventories in 2019 increased from 2019 to 102.9 million baht because the Company consolidate the inventories of City Food Company Limited and the postponement of product exports in 2021. Also, most of the increased inventories was caused by the ship's cancellation. The ship’s cancellation was due to the the situation of COVID-19 product cannot be exported as of 31 December 2020.

Other current assets

The Company had other current assets at the end of fiscal year 2018, 2019 and 2020 amounting to 21.5 million baht, 10.3 million baht and 24.8 million baht, respectively.

Other non-current financial assets

In 2019, the Company had other long-term investments worth 28.4 million baht by investing in Dusit Gourmet Company Limited, New Protein Fund I LP, Big Idea Ventures GP I, LLC and convertible debentures of the Meatless Farm Limited in the year. In 2020, there has been a change in account name from "other long-term investments" to "other non-current financial assets" due to the shift to Financial Reporting Standards No. 9 on financial instruments. In 2020, the Company had other non-current financial assets in the amount of 104.0 million baht which is an increase from the end of 2019 by 75.6 million baht. This increase was due to the Company making additional investments in startups in plant-based protein businesses. The Company invested in New Protein Fund I LP and Big Idea Ventures GP I, LLC for a total of 155,821 USD or 4.99 million baht, respectively. The Company invested in Phuture Limited for a total of 25,000 USD or 0.79 million baht. The Company invested in Boosted Ecommerce, Inc. in the amount of 3 million USD or 94 million baht. The Company transfer the investment in City Food Company Limited worth 30 million baht (holding 15% of the paid-up capital) from other non-current financial assets because it is an investment in a subsidiary company- the Company holds 100% of the paid-up registered capital of City Food Company Limited on 30 November 2020. Lastly, gain from currency translation in the financial statements of 5.8 million baht.

Investments in associates

On 30 June 2020, the Company has investments in associates company worth 187.4 million baht as the subsidiary company invested in 25% of ordinary shares of P&B in May 2020 in the amount of 5 million pounds or 198 million baht. The difference from financial statement translation as of 31 December 2020 and share of loss in 2020 worth 15.4 million baht was due to P&B recently transferred the plant protein business from Brake in May 2020 to P&B and the revenue cannot support the fixed costs and legal expenses in a one-time transfer of business.

Net property, plant and equipment

The Company has lands, buildings and equipments at the end of fiscal year 2018, 2019 and 2020 amounting to 279.4 million baht, 375.2 million baht and 626.1 million baht, respectively, with details as follows:

List	31 December 2018		31 December 2019		31 December 2020	
	Amount (Million baht)	Portion (%)	Amount (Million baht)	Portion (%)	Amount (Million baht)	Portion (%)
Property, Plant and equipment						
1) Land	99.2	35.5%	119.7	31.9%	183.5	31.6%
2) Plant	113.6	40.7%	173.7	46.3%	262.3	45.1%
3) Machine and equipment	50.4	18.0%	47.9	12.8%	165.2	12.7%
4) Office supplies	7.3	2.6%	10.8	2.9%	12.8	1.6%
5) Vehicles	4.3	1.5%	3.4	0.9%	1.4	0.4%
6) Assets under installment and construction	4.6	1.7%	19.7	5.3%	1.0	8.6%
Total Property, plant and equipment	**279.4**	**100%**	**375.2**	**100%**	**626.1**	**100%**

On 31 December 2020, the value of land, buildings, machinery and factory equipment office supplies has been merged with City Food Company Limited, thus making the value of the land, buildings and equipment significantly higher.

Goodwill

The Company has the value of goodwill at the end of the fiscal year 2018, 2019 and 2020 of 241.6 million baht, resulting from the business acquisitions from existing shareholders in 2017. In such accounting year, the value of the Company's goodwill has not change in any way.

Intangible assets

The Company had intangible assets at the end of fiscal year 2018, 2019 and 2020 in the value of 1,547.7 million baht, 1,491.0 million baht and 1,433.1 million baht, respectively. Intangible assets include relationship with customers, computer software and mostly trademarks. The intangible assets will gradually be amortized according to its usage period in the amount of approximately 56.5 million baht per year. The Company expects that the customer relationship to have a usage period of 25 years and the computer software to have a usage period of 5 and 15 years.

Other non-current assets

On 31 December 2020, the Company had other non-current assets in the value of 3.9 million baht which is an increase of 3.1 million baht from the end of 2019. Other non-currently assets mainly includes withholding taxes and upfront expenses.

Overview of liabilities

The Company had total liabilities at the end of the fiscal year on 31 December 2018, 2019 and 2020 in the amount of 1,461.3 million baht, 1,423.0 million baht and 783.9 million baht, respectively. The Company incurred the liabilities because it borrowed money from financial institutions for the business acquisitions in the year 2017 and for liquidity in the Company in the total amount of 1,193.3 million baht. As a result, the Company's total liabilities increased significantly. In the second quarter of 2020, the Company borrowed 180 million baht to invest in 25% of P&B's shares. However, in 2020, the Company used the proceeds from the IPO to pay for the long-term debt to financial institution.

Short-term loans from financial institutions

The Company has short-term loans from financial institutions in the year 2019 in the amount of 90.0 million baht. There is no short-term loans from financial institutions in 2018 due to the Company's cash management policy. In 2020, the Company has short-term loans from financial institutions equal to 143.5. million baht which increased from the end of 2019 by 53.5 million baht. The increase was due to the consolidation of short-term loans from financial institutions with City Food Company Limited on 31 December 2020.

Trade payables and other payables

The Company had trade payables and other payables at the end of fiscal year 2018 and 2019 in the amount of 100.8 million baht and 126.1 million baht, respectively. Most of trade payable and other payables include trade creditor, overdue interest, overdue payment, and advance earning. In 2019, the Company's trade and other payables increased by 25.3 million baht due to fact that the Company receive a significant increase in advance income. The increase in advance income was due to the Company collected advance payments from customers who made pre-orders and there was an increase in overdue expenses which has not been collect. In 2020, the Company had trade and other payables in the amount of 202.1 million baht due to the consolidation of trade and other payables with City Food Company Limited on 31 December 2020.

Income tax payable

In the year 2018, 2019 and 2020, the Company has income tax payable in the amount of 15.8 million baht, 9.5 million baht and 29.0 million baht, respectively. Income tax payable in 2020 increased significantly from the end of 2019 due to the Company having higher sales and profit. Also, due to the consolidation of income tax payable with of City Food Company Limited on 31 December 2020.

Other current liabilities

The Company had other current liabilities at the end of fiscal year 2018, 2019 and 2020 in the amount of 2.4 million baht, 2.0 million baht and 7.6 million baht, respectively. Other current liability includes overdue payment that must be submitted to a government agency e.g. overdue withholding tax and overdue social security.

Long-term loans from financial institutions

For the end of the fiscal year on 31 December 2018, the Company still has long-term loans. However, it was not shown in the long-term loan section of the financial statements because the Company was unable to maintain the financial ratio at the end of the period in accordance with the requirements of the commercial bank. Therefore, it was classified as a long-term loan that is due within one year. However, on 15 February 2019, the Company received a waiver letter to waive the performance of certain contractual term from the commercial bank. On 31 December 2019, the Company had long-term loans from financial institutions in the amounted of 873.2 million baht due to repayment of principal according to the term of loan agreement. In 2020, the Company had long-term loans from financial institution in the amount of 5.4 million baht which belonged to City Food Company Limited on 31 December 2020. The Company made full payment of all long-term loans on 6 October 6 2020 by using the proceeds from IPO.

Deferred Tax Liabilities

The Company had deferred tax liabilities at the end of fiscal year 2018, 2019 and 2020 in the amount of 326.6 million baht, 315.1 million baht and 311.5 million baht, respectively. Deferred tax liabilities includes trade name and surplus from asset appraisal.

Equity

The Company had shareholders' equity at the end of the fiscal year on 31 December 31, 2018, 2019 and 2020 in the amount of 998.2 million baht, 1,172.8 million baht and 2,574.5 million baht, respectively. In such time, the Company has a constant increase in capital making the issued and paid-up capital in 2018 and 2019 equal to 1,020.9 million baht, 1,065.8 million baht, and 1,355.8 million baht, respectively. The Company received the share premium in the amount of 66.0 million baht by the end of 2018, 155.7 million baht on 31 December 2019 and 1,185.2 million baht on 31 December 2020 (IPO on 9 October 2020) The Company has a lower equity due to the merger of the Company with Panthera Company Limited amounting to 290.8 million baht since the end of fiscal year on 31 December 2017. The Company retained earnings for the end of the fiscal year on 31 December 2018, 2019 and 2020 were 202.0 million baht, 242.1 million baht and 359.4 million baht, respectively.

Cash flow analysis

The management of liquidity and working capital in the business of the Company has great importance to the operation of the business as it can support the management in normal business operations. The cash flow can be used as working capital in order to pay for debt repayment and to pay for various expenses. In the past, the Company was able to manage the liquidity with the cash flow received from the operation of the Company and loans from financial institutions. For the end of the fiscal year on 31 December 2018, 2019 and 2020, the Company's cash flow statement can be summarized as follows.

Cash flow statement (Unit: Million Baht)	**(Audited) For the end of the year 31 December**	**(Audited) For the end of the year 31 December**	**(Audited) For the end of the year 31 December**
	2018	**2019**	**2020**
Net cash flows from (used in) operating activities	38.5	153.3	118.5
Net cash flows from (used in) investing activities	(21.3)	(141.3)	(468.8)
Net cash flow from (used in) financial activities	(42.2)	84.3	432.4
Unrealized gain (loss) from the exchange rate for the cash and cash equivalent	(0.1)	0.4	0.0
Net increase (decrease) in cash and equivalent	**(25.1)**	**96.7**	**82.1**
Cash and cash equivalent at the begging of the period	70.7	45.6	142.3
Cash and cash equivalent at the end of the period	45.6	142.3	224.4

Cash flows from operating activities

For the end of fiscal year on 31 December 2018, 2019 and 2020, the Company's net cash flow from (used in) operating activities was 38.5 million baht, 153.3 million baht and 118.5 million baht, respectively. In 2017, the Company has profit from the operation before the change in operating assets and liabilities in the amount of 276.9 million baht which was mainly from profit before tax, depreciation, amortization, and interest expenses. However, the Company received cash from operating activities in the amount of 167.0 million baht, mainly due to the Company made payments to trade payable and other payables in the amount of 72.3 million baht. When combining the adjustment transaction e.g. interest payments, income tax payments, the Company received net cash from operating activities in the amount of 38.5 million baht. In 2019, the Company has profit from the operation before the change in operating assets and liabilities in the amount of 195.9 million baht, mainly from profit before tax, depreciation, amortization and interest expenses. However, the Company received cash from operating activities in the amount of 247.9 million baht, mainly due to an increase in trade payable and other payables in the amount of 24.5 million baht. The Company's trade receivables and other receivables decreased by 9.6 million baht, inventories decreased by 7.4 million and other current assets decreased by 11.2 million baht. When combining the adjustment transaction e.g. interest payments, income tax payments, the Company received net cash from operating activities in the amount of 153.3 million baht. In 2020, the Company received cash from operating activities in the amount of 197.5 million baht which mainly came from profit from the operation before the change in operating assets and liabilities in the amount of 307.0 million baht. Lastly, there was an increase in trade accounts receivable, inventory and trade payables since the financial statements of City Food Company Limited have been included in the consolidated financial statements.

Cash flows from investing activities

For the end of the fiscal year on 31 December 2018, 2019 and 2020, the Company's cash flow used in investing activities was 21.3 million baht, 141.3 million baht and 488.8 million baht, respectively. In 2018, the Company's main investment activities was using cash to acquire land, building and equipment in the amount of 16.8 million baht, which is an investment in additional to the investment on land and machinery used in business operations. The Company has net cash used in investment activities in the amount of 21.3 million baht. In 2019, the Company's main investment activities was to use cash to acquire land, buildings and equipment in the amount of 115.4 million baht, which was an investment in a noodle factory and additional investment on land. Other long-term investments accounted for 26.1 million baht, which was an investment in Meatless farms and overseas startups. As a result, Company's net cash used in investing activities was 141.3 million baht. In 2020, the Company invested 198 million baht in associated companies namely, Plant and Bean, and invested 98.1 million baht in New Protein Fund I LP, Big Idea Ventures GP I, LLC, Phuture Company Limited and Boosted Ecommerce, Inc (purchase of non-current financial asset). Also, the Company purchased machinery and equipment in the amount of 15.0 million baht, paid to acquire City Food Company Limited for 181.8 million baht. The Company received cash from dividend payment of City Food Company Limited, interest income and from sales of V-shape machine for 6.2 million baht.

Cash flows from financing activities

For the end of the fiscal year 31 December 31 2018, 2019 and 2020, the Company had cash flow from financing activities (used) in the amount of 42.2 million baht, 84.3 million baht and 432.3 million baht, respectively. In 2018, the Company's main financing activities was as follows: Short-term loans from financial institutions decreased by 70.0-million-baht, long-term loan repayment of 121.5 million baht, capital increase of 100.0 million baht. As a resulting, the Company had net cash used in financing activities in the amount of 42.2

million baht. In 2019, Company's main financing activities was taking short-term loans from financial institutions of 90.0 million baht, long-term loans repayment of 190.6 million baht, taking long-term loans from financial institutions of 51.0 million baht and cash from capital increase of 134.6 million baht. As a result, the Company has net cash from financing activities in the amount of 84.3 million baht. In 2020, the main financing activities was cash received from the capital increase (IPO) of 1,334 million baht, long-term loans from financial institutions of 180 million baht, short-term loans from financial institutions of 25.0 million baht, long-term loan repayment to financial institutions of 1,083.4 million baht, pay the transactional costs arising from the issuance of shares of 39.0 million baht and repayment of principal payment under the lease contract of 4.2 million baht. As a result, the Company has a net cash from financing activities in the amount of 432.3 million baht.

Financial ratios analysis

Liquidity ratio

For the end of fiscal year on 31 December 2018, 2019 and 2020, the Company's liquidity ratio was 0.3 times, 0.9 times and 1.6 times respectively. For the end of the fiscal year on 31 December 2018, the liquidity ratio was 0.3 times from the Company having a long-term loan due within 1 year in the amount of 1,010.2 million baht due to breach of financial conditions in the loan agreement. Later, the Company received a waiver letter from the commercial bank in which if the Company made an adjustment to such items, the liquidity ratio in 2018 will be 1.2 times.

For the end of fiscal year on December 31 2018, 2019 and 2020, the Company had a cash cycle of 41.6, 53.9 and 66.0 days, respectively. The Company's cycle continuously increasing from 2018 to 2019 as the Company had shorter trade debt period in every year, with the year 2018 and 2019 equal to 64.6 and 52.1 days, respectively. Most of the Company's trade payable is raw materials trade payable both fresh vegetable and marine products that focuses on quality. The Company intended to do business with these vendors fairly and wish to maintain these sources of raw materials for long-term benefits. The efficiency in debt settlement management will enable the Company to obtain quality raw materials. Moreover, in the past, the Company has continuous increase in production and has a policy to not stocking the raw material and packaging for a long time. The Company will buy in the amount needed, thus, cause the merchant payable turnover rate to continue to rise. Therefore, this result in faster repayment period as well.

- The period of product sales is continually faster in 2017, 2018 and 2019 equal to 44.6, 44.1 and 40.8 days, respectively. This is due to the Company's policy to not stock for a long time for a more efficient inventories management.

- The debt collection period has been slower from 62.1 days in 2018 to 65.2 days in 2019 due to the extension of the repayment period for some customers to increase sales.

In 2020, the Company has an increased cash cycle from the end of 2019 because the Company's average debt collection period decreased from 65.2 days to 57.9 days. The decrease was due to the Company having systematic debt collection management. However, the sales period has been increased from 40.8 days in 2019 to 51.3 days in 2020 due to the cancellation of shipping lines in December. The cancellation was due to the situation of COVID-19 for both the Company and City Food Company Limited. Moreover, the Company paid off debt faster from 52.1 days in 2019 to 43.2 days in 2020 due to fresher ingredients. and faster production cycles which resulted in faster payment of raw materials

Profitability ratio

The Company has the gross profit margin ratio for the end of the fiscal year on 31 December 2018, 2019 and 2020 equal to 32.2%, 29.4% and 30.8%, respectively. For the end of the year on 31 December 2019, the Company's profitability ratio decreased by 2.8% as a result of the baht appreciation. As a result, the income according to the account do not reflect the reality of the increase in sales. For the year end of the year on 31 December 2020, the profitability ratio improved because the Company has economies of scale making an increase in sales, has better management on production efficiency (Productivity) and the baht currency depreciated. The baht depreciation is good to the Company because the most of the Company's incomes are in foreign currency and most of the production costs are in Thai baht.

The Company had profit rate before interest, tax, depreciation and amortization to the net sales revenue (EBITDA Margin) for the end of the fiscal year on 31 December 2018, 2019 and 2020 at 24.7%, 17.2 and 21.0%, respectively. For the year ended on 31 December 2019, the Company's profit margin before interest, tax, depreciation, and amortization to net sales revenue (EBITDA Margin) decreased by 7.5% from 2018 due to the baht appreciation. As a result, the accounting income did not actually reflect the increase in sales volume. For the end of the year on 31 December 2020, the Company's profit margin before interest, tax, depreciation, and amortization to net Sales Revenue (EBITDA Margin) increased by 3.8% from the end of 2019 due to increase in export revenue in all zones and the Company's better production, cost, and operational management.

The Company's net profit margin for the end of the fiscal year on 31 December 2018, 2019 and 2020 was 8.4%, 3.6% and 8.6%, respectively. In 2019, the Company's net profit margin decreased by 4.8% due to the baht appreciation which resulted in lower sales. Although foreign currency income increased, when converted into baht currency, it increased at a lower rate than the additional cost. This is because most of the costs are in Thai baht. Also, partly because of an increase in expenses related to business acquisitions and / or listing on the stock exchange. In 2020, the Company's net gross margin increased by 5.0% from 2019 as the Company has higher economy of scale, which increased the sales, and has better production, costs, and operations management. The baht currency depreciated slightly which is good to the Company as most of their income is in foreign currency and most of the production costs are in Thai baht. Lastly, the increase was due to lower interest from lower borrowing.

Financial ratios on loan terms

Financial ratio according to loan terms		**End on 31 December 2018**	**End on 31 December 2019**	**End on 31 December 2020**
Net Debt/EBITDA**	Times	3.5	4.3	n.a
Debt to equity	Times	1.5	1.2	0.3
DSCR***	Times	1.0	0.5	n.a
CAPEX	Million baht	19.5	116.8	n.a
Financial ratio according to loan terms				
Net Debt/EBITDA	Times	≤ 4.0x	≤ 3.5x	≤ 2.5x
Debt to equity	Times	≤ 2.0x	≤ 2.0x	≤ 2.0x
DSCR	Times	≥ 1.2x	≥ 1.2x	≥ 1.2x
CAPEX	Million baht	≤ 30	≤ 30	≤ 30

** EBITDA does not include share of loss from associated companies as it is not cash.

*** Before 2019, the DSCR formula is calculated from Adjusted EBITDA, ie EBITDA - invested since 2019, so DSCR calculation does not require investment to be deducted.

From the table above, it can be seen that the Company was unable to maintain the Net Debt / EBITDA ratio according to the conditions in 2017 and 2019. Regarding DSCR, the Company was unable to maintain the ratio in all years. Regarding CAPEX, the Company was unable to maintain CAPEX according to the conditions in 2019 due to the Company invested in a noodle factory and bought land adjacent to the original factory. In the past, the Company was able to request for a waiver for the performance of the conditions from the bank at any time.

The loan agreement speficied the financial ratio maintenance test to be every 6 months. Due to the COVID-19 situation, the Bank has a policy to aid its customers. Therefore, Company benefited from this policy by receiving a moratorium on the principal payment of the loan from the bank until April 2021 and was approved a waiver to maintain the financial ratios for the 6-month period which ended in June 2020 as well. Currently, the Company has received fund from the sale of capital increase shares to the general public which is used to pay the debt under the money contract and long-term loan with a commercial bank. After the full long-term loan's repayment, the Company has no risk from failing to maintain financial ratios in accordance with the terms of the loan agreement.

4.2 Factors or events that may significantly affect the financial status or operations in the future

There are five main factors or events that may affect the Company's financial status or operations as follows:

1. Changes in currency exchange rates

The Company's products sold in USD and euros accounted for approximately 77% and 1% of net sales revenue in 2019. If Thai baht strengthens more against such currency, the Company's income when converted to Thai baht is valued less. When the revenue from sales in baht currency, compared with the cost of sales or expenses that are mostly incurred in baht, the ratio of expenses to income is higher or the profitability ratio is lower.

However, the Company has a policy to sell more products in Thai baht currency in the future to new customers. New products include the use of financial instruments namely futures contracts to hedge against exchange rate fluctuations. This will help the income of the Company less vulnerable to exchange rate changes.

2. Regulations on food and drugs

Food and Drug Administration (FDA) of countries such as the United States is a federal agency responsible for monitoring and controlling the safety of the use of drugs, food, medical equipment and cosmetics. In the past 1-2 years, the United States has strictly controlled and inspected the quality of food and drug imports. Anyhow, the Company has developed the quality of production throughout the supply chain to ensure that the Company's products sold to each country including the United States pass the specified standards.

3. Public offering of ordinary shares

After the public offering of capital increase shares, the number of paid-up shares of the Company increased from 1,065,780,300 shares to 1,355,780,300 shares, which is an increase of 290,000,000 shares or equivalent to 21.4% of paid-up capital, with a par value of 1.0 baht per share. As a result, the ratios compared with the shareholders' equity or the number of shares of the Company decreased. The decrease was due to the increase in the number of shares used as the base for the calculation (Dilution Effect) such as earnings per share, return on equity rate, etc.

However, the Company expected to gain other benefits from being a listed company in the stock exchange e.g. the flexibility in financing sources and a good image of being a listed company that can better supports the flexibility in business operations, etc., As a result, the Company will have higher revenues and net profits in the future to offset the effect of the increased number of shares.

4. Additional investment in Plant and Bean Company

On 13 May 2020, the Company invested in the newly issued ordinary shares of Plant and Bean in the amount of 25% of the total shares of such company or in the amount of 5 million pounds (198 million baht). The investment was to support the expansion of production capacity. All of the plant protein business of Breaks (75% of the shareholders in such company) to Plant and Bean. For additional investment under the terms of the agreement, the Company has the right to purchase shares (option) in the amount of 25% of the total shares of Plant and Bean, or in an amount of 6 million USD. The acquisition can be made only when the conditions precedent according to the agreement are completed by the year 2021. The Company recognized profit (loss) from this associated company in the form of share of profit (loss) from investments in associated company and will affect the performance of the Company in the future.

5. Additional investment in City Food Co., Ltd.

.The Company acquired 100% City Food Company Limited on 30 November 2021, enabling the Company to recognize more revenue from the sales of City Food Company Limited. Also, the Company is able to increase the production capacity of the Company's Ethnic Food products from 13,200 tons to approximately 19,000 tons. Currently, City Food's factory uses approximately 67.5% of the production capacity. The Company is expected to be able to improve the production process within City food's factory to be more efficient, so that the Company will have significant revenue growth in 2021 from 2020.

Additional information

1. Past performance of Brakes especially the meat free business

Breaks has transferred all of its plant-based protein businesses to Plant and Bean in May 2020. The Company has recognized a share of loss from its investment in Plant and Bean in the amount of 15.4 million baht as a result of taking on the liability arising from the operation of purchasing a new plant e.g. new employees who have to be trained first, and executives who make sales growth rate lower than their expenses. It is expected that when the new factory can significantly increase sales revenue which can be profitable in 2021 onwards.

2. Past Performance of City Food Company Limited

The past performance of City Food Company Limited can be summarized as follows:

Profit and loss statement (Unit: Million baht)	**2018**	**2019**	**2020**
Total profit	315.2	301.8	422.8
Preliminary profit	59.7	56.2	119.3
Profit and loss statement (Unit: Million baht)	**2018**	**2019**	**2020**
Profit (loss) from operation	15.5	14.6	39.2
Gross profit	7.7	8.3	23.9

Revenue from sales in 2020 increased 40% from 2019 due to the situation of COVID-19.

4.3 Important financial information

Summary Table of Financial Statements / Consolidated Financial Statements

Statement of financial position	31 December 2018		31 December 2019		31 December 2020	
	MB	%	MB	%	MB	%
Asset						
Current assets						
Cash and cash equivalents	45.6	1.9	142.3	5.5	224.3	6.7
Trade and other receivables	208.1	8.5	194.5	7.5	284.4	8.5
Inventories	92.5	3.7	85.1	3.3	188.1	5.6
Other current assets	21.5	0.9	10.3	0.4	24.8	0.7
Total current assets	**367.7**	**15.0**	**432.1**	**16.6**	**721.6**	**21.5**
Non-current assets						
Restricted bank deposits	18.9	0.7	18.9	0.7	7.9	0.2
Other non-current financial assets	-	-	-	-	104.0	3.1
Loan to related companies	-	-	-	-	-	-
Investment in associate	-	-	-	-	187.4	5.6
Other long-term investments	2.1	0.1	28.4	1.1	-	-
Property, plant and equipment	279.4	11.4	375.3	14.5	626.1	18.6
Right-of-use	-	-	-	-	11.1	0.3
Unalloated cost of business acquisition	-	-	-	-	5.0	0.1
Goodwill	241.6	9.8	241.6	9.3	241.6	7.2
Intangible assets	1,547.7	62.9	1,491.0	57.4	1,433.1	42.8
Deferred tax assets	1.7	0.1	7.7	0.3	16.7	0.5
Other non-current assets	0.4	0.0	0.8	0.0	3.9	0.1
Total non-current assets	**2,091.8**	**85.0**	**2,163.7**	**83.4**	**2,636.8**	**78.5**
Total assets	**2,459.5**	**100.0**	**2,595.8**	**100.0**	**3,358.4**	**100.0**
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institution	-	-	90.0	3.5	143.5	4.3
Trade and other payables	100.8	4.1	126.1	4.9	202.1	6.0
Current portion of long-term loans due within 1 year	1,010.3	41.1	255.1	9.8	62.9	1.9
Current portion of lease liabilities due within 1 year	0.6	0.0	0.6	0.0	4.0	0.1

Statement of financial position	31 December 2018		31 December 2019		31 December 2020	
	MB	%	MB	%	MB	%
Income tax payable	15.8	0.6	9.5	0.4	29.0	0.8
Other current liabilities	2.4	0.1	2.0	0.1	7.6	0.2
Total current liabilities	**1,129.9**	**45.9**	**483.2**	**18.6**	**449.1**	**13.3**
Non-current liabilities						
Long term loan- net of current portion due within 1 year	-	-	618.1	23.8	-	-
Lease liabilities- net of current portion due within 1 year	1.5	0.1	0.9	0.0	5.4	0.2
Reserve long-term employee benefits	3.3	0.1	5.7	0.2	15.3	0.4
Defered tax liabilities	326.6	13.3	315.1	12.1	311.5	9.3
Other non-current liabilities					2.6	0.1
Total non-current liabilities	**331.4**	**13.5**	**939.8**	**36.2**	**334.8**	**10.0**
Total liabilities	**1,461.3**	**59.4**	**1,423.0**	**54.8**	**783.9**	**23.3**
Shareholders' equity						
Share capital						
Registered capital	1,020.9	41.5	1,421.0	54.7	1,421.0	42.3
Issued and fully paid capital	1,020.9	41.5	1,065.8	41.1	1,355.8	40.4
Share premium	66.0	2.7	155.7	6.0	1,165.2	34.7
Deficit on amalgamation	(290.7)	(11.8)	(290.8)	(11.2)	(290.8)	(8.6)
Gross profit						
Appropriated - statutory reserve	20.0	0.8	23.1	0.9	30.4	0.9
Unappropriated	182.0	7.4	219.0	8.4	327.0	9.7
Other components of shareholders' equity	-	-	-	-	(13.1)	(0.4)
Total shareholders' equity	**998.2**	**40.6**	**1,172.8**	**45.2**	**2,574.5**	**76.7**
Total liabilities and shareholders' equity	**2,459.5**	**100.0**	**2,595.8**	**100.0**	**3,358.4**	**100.0**

Profit and loss comprehensive statement	1 January – 31 December 2018		1 January – 31 December 2019		1 January – 31 December 2020	
	MB	%	MB	%	%	ร้อยละ
Revenues						
Sales	1,124.0	98.7	1,111.1	99.2	1,408.3	97.5
Dividend income	-	-	-	-	5.8	0.4
Interest income	-	-	-	-	0.2	-
Other income	8.8	0.8	8.6	0.8	29.6	2.1

Profit and loss comprehensive statement	1 January – 31 December 2018		1 January – 31 December 2019		1 January – 31 December 2020	
	MB	%	MB	%	%	ร้อยละ
Exchange gains	5.8	0.5	-	-	0.4	0.0
Total revenues	**1,138.6**	**100.0**	**1,119.7**	**100.0**	**1,444.3**	**100.0**
Expenses						
Cost of sales	762.6	67.0	783.9	70.0	974.2	67.4
Selling and distribution expenses	40.0	3.5	55.1	4.9	66.1	4.6
Administrative expenses	135.2	11.9	162.8	14.5	190.5	13.2
Exchange losses	-	-	6.1	0.5	-	-
Total expenses	**937.8**	**82.4**	**1,007.9**	**90.0**	**1,230.8**	**85.2**
Profit before financial cost and corporate income tax cost	**200.8**	**17.6**	**111.8**	**10.0**	**213.6**	**14.8**
Loss on change in status of investment	-	-	-	-	(0.9)	(0.1)
Share of loss from investment in associate	-	-	-	-	(15.4)	(1.1)
Finance income	-	-	-	-	-	-
Finance cost	(78.4)	(6.9)	(60.9)	(5.4)	(45.7)	(3.1)
Loss on impairment of financial assets	-	-	-	-	-	-
Profit before income tax expenses	**122.4**	**10.8**	**50.9**	**4.5**	**151.6**	**10.5**
Income tax expenses	(26.9)	(2.4)	(10.1)	(0.9)	(27.2)	(1.9)
Profit for the year	**95.5**	**8.4**	**40.8**	**3.6**	**124.4**	**8.6**
Other comprehensive income:						
Transaction that will not be recorded to profit or loss in subsequent periods						
Share of other comprehensive income from investment in associate	-	-	-	-	4.7	0.3
Differences in exchange rate from the transformation of financial statements to foreign rates	-	-	-	-	-	-
Transaction that will not be recorded to profit or loss in subsequent periods						
Profit from investment in equity securities that is measured at fair value through comprehensive profit and loss	-	-	-	-	-	-
Actuarial losses	-	-	(0.8)	(0.1)	(8.3)	(0.6)
Income tax effect	-	-	0.2	0.0	1.6	0.1
Loss from investment in equity securities that is measured at fair value through comprehensive profit and loss	-	-	-	-	(19.4)	(1.3)
Income tax effect	-	-	-	-	3.9	0.3
Other comprehensive income for the year	-	-	**(0.7)**	**(0.1)**	**(17.5)**	**(1.2)**

Profit and loss comprehensive statement	1 January – 31 December 2018		1 January – 31 December 2019		1 January – 31 December 2020	
	MB	%	MB	%	%	ร้อยละ
Total comprehensive income for the year	**95.5**	**8.4**	**40.1**	**3.6**	**106.9**	**7.4**

Cash flow statement	1 January – 31 December 2018	1 January – 31 December 2019	1 January – 30 December 2020
	MB	MB	MB
Cash flows from operating activities			
Profit before tax	122.4	50.9	151.6
Adjustments to reconcile profit before tax to net cash received (paid)			
Allowance for doubtful debts (Allowance for doubtful debts list)	-	2.8	-
Reversal of impairment loss on financial assets	-	-	(0.7)
Depreciation and amortization	76.5	79.8	89.7
Gains (loss) on disposals of assets	0.0	(0.0)	(0.0)
Amortization of trade receivables	-	-	
Write-off of inventories	-	2.3	
Reducing the cost of inventories to net realizable value (reversal)	0.3	(2.3)	4.0
Share of loss from investment in associate	-	-	15.3
Reserve long-term employee benefits	0.8	1.6	1.1
Unrealized (profit) losses on exchange	(1.2)	0.4	1.3
(Gains) loss from fair value measurement of derivatives	-	-	(0.3)
Loss on fair value adjustments of financial instruments	-	-	0.0
Dividend income	-	-	(5.8)
Interest income	(0.3)	(0.6)	(0.2)
Loss on change in status of investment	-	-	0.9
Direct expenses related to the share offering	-	-	4.4
Interest cost	78.4	60.9	45.7
Profit from operating activities before changes in operating assets and liabilities	**276.9**	**195.9**	**307.0**
Changes in operating assets and liabilities			
Operating assets (increase) decrease			

Cash flow statement	1 January – 31 December 2018	1 January – 31 December 2019	1 January – 30 December 2020
	MB	MB	MB
Trade and other receivables	(27.3)	9.6	(26.8)
Inventories	1.5	7.4	(66.2)
Other current liabilities	(13.0)	11.2	(11.7)
Other non-current liabilities	(0.4)	(0.4)	(2.6)
Operating liabilities increase (decrease)			
Trade and other payables	(72.3)	24.5	(6.5)
Other current liabilities	1.7	(0.3)	1.7
Other non-current liabilities	-	-	2.6
Paid for employee benefit	-	(0.1)	-
Cash flows from operating activities	**167.1**	**247.9**	**197.5**
Cash paid for interest expenses	(75.5)	(60.8)	(50.0)
Cash paid for corporate income tax	(53.1)	(33.7)	(29.0)
Net cash flows from (used in) operating activities	**38.5**	**153.3**	**118.5**
Cash flows from investing activities			
Increase in restricted bank deposits	(0.1)	(0.1)	17.5
Increase in other non-current financial asset	-	-	(98.0)
Cash paid for investment in associate	-	-	(198.0)
Cash paid for investment in subsidiaries	-	-	(181.6)
Cash paid for other long-term investments	(2.1)	(26.1)	-
Cash paid for acquisition of property, plant and equipment	(16.8)	(115.4)	(15.0)
Cash received from proceeds from disposals of equipment and vehicle	0.1	1.1	0.1
Acquisition of intangible assets	(2.6)	(1.5)	-
Interest received	0.2	0.6	0.4
Dividend received	-	-	5.8
Net cash flows used in investing activities	**(21.3)**	**(141.3)**	**(468.8)**
Cash flows from financing activities			
Increase (decrease) of short-term loan from financial instiution	(70.0)	90.0	24.9
Cash received from long-term loan	50.0	51.0	180.0

Cash flow statement	1 January – 31 December 2018	1 January – 31 December 2019	1 January – 30 December 2020
	MB	MB	MB
Repayment of long-term loans from financial instiution	(121.5)	(190.6)	(1,063.4)
Repaymen of debt under finance lease contract	(0.7)	(0.7)	(4.2)
Cash receipt from increase share capital	100.0	134.6	1,334.0
Payment of direct expenses related to the share offering	-	-	(39.0)
Net cash flows from (used in) financing activities	**(42.2)**	**84.3**	**432.3**
Unrealized gains (loss) on exchange for cash and cash equivalents	(0.1)	0.4	0.0
Net increase (decrease) in cash and cash equivalents	**(25.1)**	**96.7**	**82.0**
Cash and cash equivalents at beginning of year	70.7	45.6	142.3
Cash and cash equivalents at end of year	**45.6**	**142.3**	**224.3**

Financial Ratio	Unit	1 January – 31 December 2018	1 January – 31 December 2019	1 January – 31 December 2020
Liquidity ratio				
Liquidity ratio	Times	0.3	0.9	1.6
Quick liquidity ratio	Times	0.2	0.7	1.2
Cash flow liquidity ratio	Times	0.1	0.2	0.3
Trade accounts receivable and general customer turnover ratio	Times	5.8	5.5	6.3
Average debt collection period	Day	62.1	65.2	57.9
Inventories turnover ratio	Times	8.2	8.8	7.1
Average product sales period	Day	44.1	40.8	51.3
General trade creditor turnover ratio	Times	5.6	6.9	8.5
Repayment period	Day	64.6	52.1	43.2
Cash cycle	Day	41.6	53.9	66.0
Profitability ratio				
Gross profit ratio	%	32.2%	29.4%	30.8%
Operating profit ratio	%	17.6%	9.8%	15.1%
Profit before tax, interest, depreciation, and amortization ratio[22]	%	24.7%	17.2%	21.0%
Cash-to-profit ratio	%	20.7%	140.3%	55.5%
Gross profit ratio	%	8.4%	3.6%	8.6%
Return on equity ratio	%	10.6%	3.8%	6.6%
Operating efficiency ratio				
Return on assets ratio	%	3.9%	1.6%	5.1%
Return on fixed assets ratio	%	61.5%	36.8%	30.8%

[22] Excludes share of loss from associated company-Plant and Bean

Financial Ratio	Unit	1 January – 31 December 2018	1 January – 31 December 2019	1 January – 31 December 2020
Asset turnover ratio	Times	0.5	0.4	0.5
Financial policy analysis ratio				
Debt to equity ratio	Times	1.5	1.2	0.3
Debt bearing interest to equity ratio	Times	1.0	0.8	0.1
Capacity to pay interest ratio	Times	2.1	4.1	6.3
Capacity to perform obligation ratio	Times	0.8	0.6	0.1
Dividend payment ratio	%	-	-	-
Financial ratios according to loan terms				
Net Debt/EBITDA[23]	Times	3.5	4.3	n/a
Debt to equity ratio	Times	1.5	1.2	n/a
DSCR[24]	Times	1.0	0.5	n/a
CAPEX	Million baht	19.5	116.8	n/a
Loan terms[25]				
Net Debt/EBITDA[2]	Times	≤ 4.0x	≤ 3.5x	n/a
Debt to equity ratio	Times	≤ 2.0x	≤ 2.0x	n/a
DSCR	Times	≥ 1.2x	≥ 1.2x	n/a
CAPEX	Million baht	≤ 30	≤ 30	n/a

[23] EBITDA excludes share of loss from associated company-Plant and Bean
[24] Before 2019, the DSCR formular is calculated from Adjusted EBITDA คือ EBITDA – invested since 2019. DSCR calculation do not require capital deductions and EBITDA excludes share of losses from associated company-Plant and Bean.
[25] The loan agreement specified that the maintaining financial ratios test to be every 6 months. Therefore, the Company do not need to test the maintenance of financial ratios in the first quarter of 2020. Due to the situation of COVID-19, the Bank has a policy to aid Bank's customers. Therefore, the Company have received benefit from this policy by receiving a waiver to principal debt of the bank's loan until April 2021 and the financial ratio maintenance waiver for the six-month period ending on June 2020 was also approved.

5. General Information and Other Material Information

5.1 General information

1. Securities Registrar : Thailand Securities Depository Company Limited

   Number 93, 14th floor, Ratchadaphisek Road, Din Daeng sub-district, Din Daeng District, Bangkok 10400

2. Auditor : Miss Sirinart Chirachaikhueankhan with certified public accountant number 6287

   Ey Company Limited

   Level 33rd floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey sub-district, Klongtoey district, Bangkok 10110

3. Internal Auditor : Miss Kwanjai Kiatkangwarnklai

   ASV Advisory Company Limited

   43 Soi 53, Rama 3 Road, Bang Phongphang Yannawa Bangkok 10120

4. Legal Advisor : Miss Anchalee Limviriyalers

   Allen & Overy (Thailand) Company Limited

   23rd floor, Sindhorn Tower III, 130-132 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand

5. Financial advisor : Miss Darin Kanjana

   Siam Commercial Bank

   Number 9 Ratchadaphisek Road, Chatuchak sub-district, Chatuchak district, Bangkok 10900 (84 Company Limited)

5.2 Other important information

5.2.1 Other information that may significantly affect the decision of investors

Events after this reporting period

In January 2021 and February 2021, the Company's subsidiary invested in 55 preferred shares of Boosted NRF Corporation, which is a Company incorporated in the United States, or in an amount of 10 million USD or 301 million baht. Such subsidiary company holds 55% of the said company.

In Board of Directors Meeting No. 3/2021 on 1 March 2021 and the Board of Directors Meeting No. 4/2021 on 11 March 2021, the Company passed the following resolutions:

A. Approved the allocation of 2020 operating profit by paying dividends as ordinary shares in the amount of not more than 54,231,212 shares with a par value of 1 baht per share to the Company's shareholders.

The existing shareholder will receive at the rate of 25 existing shares per 1 dividend share calculated or a dividend payment rate of 0.04 baht per share and a rate of 0.004444 baht per share if paid in cash. The total amount is 60,256,902.23 Baht.

B. Approved the reduction of the Company's registered capital from 1,421,040,000 baht to 1,355,780,300 baht by canceling 65,260,100 unissued ordinary shares at the par value of 1 baht per share.

C. Approved the increase of the Company's registered capital from 1,355,780,300 baht to 1,502,900,527 baht by issuing new ordinary share of 147,120,227 shares at par value of 1 baht per share to support:

- Dividend stock payment of not more than 54,231,212 shares
- Issuance and offering of warrants to purchase newly issued ordinary shares of the Company No. 1 (NRF-W1) to existing shareholders in the amount not exceeding 67,789,015 shares.
- Issuance and offering of warrants to purchase newly issued ordinary shares of the Company No. 2 (NRF-W2), to specific investors in the amount up to 6,000,000 shares.
- Issuance and offering of warrants to purchase the Company's newly issued ordinary shares to employees of the Company and / or subsidiary for the first time (NRF-ESOP W1) in the amount not exceeding 3,500,000 shares.
- Investment by the Company's subsidiary namely Super Plans Company Limited in Golden Triangle Health Company Limited in the amount not exceeding 7,643,892 shares
- Issuance and offering of debentures in the amount not exceeding 2,000 million baht and / or in equivalent amount but in foreign currency. The debenture’s age and interest rate is to be determined each time depending on the suitability and market conditions at the time the debentures are issued and offered. The meeting of the Board of Directors has assigned the power to take any action necessary in connection with the issuance and offering of such debenture to the Board of Directors and / or the person assigned by the Board of Directors in order to comply with the relevant laws and regulations.

In this regard, the Company will present the above resolution for further approval at the 2021 Annual General Meeting of Shareholders of the Company.

5.2.2 Restrictions on Overseas Shareholders

The Company will ask for the resolution of the shareholders' meeting to issue the capital increase shares or issue warrants to purchase newly issued shares that can be transferred (Transferable Subscription Right or TSR) to the shareholders in proportion to their shareholding. However, the Company will not issue and offer to shareholders that will cause the Company to have duties under foreign law. Also, the Company will issue debentures in Thailand only.

5.2.3 Legal disputes

None

5.2.4 Secondary market

None

5.2.5 Regular Contacted financial institutions (only in the case of debt instruments)

None

บริษัท เอ็นอาร์ อินสแตนท์ โปรดิวซ์ จำกัด (มหาชน)

NR Instant Produce Public Company Limited

Section 2 Management and Corporate Governance

6. Corporate Governance Policy

6.1 Corporate Governance Policy in relation to the Board

6.1.1 Corporate Governance Policy in relation to the Board and 6.1.2 Corporate Governance Policy in relation to the Shareholders and Stakeholders

The Company operate the business by following the guideline of Stock Exchange of Thailand (SET) and Securities Exchange Commission (SEC) including ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) concerning Corporate Governance Policy to create efficiency, transparency and effectiveness in business operation, fair to the shareholders, investors, creditors, employees, government sector, customers, general people and related persons. In 2017, SEC has developed as practice principles, the Corporate Governance Code: CG Code, for the Company to adopt as the guideline for the Company's corporate governance policy to enhance the Company's long-term sustainable value creation.

The Company therefore adopted such principles as guideline practice for the directors of the Company. The Company has clearly set duties of management. The board of directors has duty to specify policy and supervise management to perform according to the Company's objectives and policy. The manage has duty to make profit for the Company. By doing so, the board of directors and management shall jointly responsible to stake holders equally, either employees, creditor, government sector, customer and society in compliance with (Corporate Governance Code : CG Code). The board of directors of the Company have additionally set the policy. This is not only to continue better operating result, but the long-term growth is also important for sustainable business value.

The Company has implemented Good Corporate Governance Policy and Code of Conduct in writing to covering all segment of business operation of the Company and in line with law as standard ethic. The policy has been disclosed to all directors and employee for acknowledgement and comply with. The Company will regularly review the Policy and Code of Conduct to make them most up-to-date. The Company's CG Code for 2017 are as follows:

Principle 1 : Establish clear leadership role and responsibilities of the Board

Principle 2 : Define objectives that promote sustainable value creation

Principle 3 : Strengthen Board Effectiveness

Principle 4 : Ensure effective CEO and people management

Principle 5 : Nurture innovation and responsible business

Principle 6 : Strengthen effective risk management an internal control

Principle 7 : Ensure disclosure and financial integrity

Principle 8 : Ensure engagement and communication with shareholders

Principle 1 Establish clear leadership role and responsibilities of the Board

The board of director has responsibility to perform their duties independently from management for the highest benefit of the Company and shareholders. Duties of board of directors and management shall be

clearly separated. The board of director shall set the policy and supervise all working system in line with the policy according to the law and ethic.

The board of director shall review Good Corporate Governance Policy and Code of Conduct and approve before bringing them into force. The Company shall disclose name, profile and duties of the directors and 4 sub-committee, which are Executive Committee, Audit Committee, Risk Management Committee and Nomination, Remuneration, and Good Governance Committee.

The Board of Directors shall be responsible for the correctness and completeness of the Financial Statement of the Company on the transparency, accuracy and sufficiency disclose information in the note of the Financial Statement and all financial information disclosed in the Annual Report. The Financial Statement must be prepared according to General Account Accepting Principle and audited by auditor certified by the SEC. The board of director has appointed 3 directors as the Audit Committee, comprising of directors who are the Independent Director and not the management to review the Financial Statement, every fiscal quarter and Annual Financial Statement to be complete and correct according to GAAP prior to propose to Board of Director for consideration.

Accountant of the Company shall propose to Audit Committee for consideration, all information concerning related-party transaction and conflict of interest transaction pursuant to Securities and Securities Exchange Act (No. 4) B.E. 2551 Section 89/12 and Notification of Capital Market Committee No. Tor.Jor. 21/2551 Re: Criteria for related party transaction, and Notification of Security Exchange Committee Re: Disclosure and requirement for listed company concerning related party transaction B.E. 2546 and as amended.

1.1 Term of the Board

Term of the director of the Company shall be in accordance with the Public Company Act B.E. 2535. Each term of the Independent Director shall be 3 years and shall not be 3 consecutive terms except unanimous approval has obtained from Nomination, Remuneration and Good Governance Committee with the reason that such director is highly beneficial to the Company and such extension of term shall not prevent his/her independent decision, and shall be approved by Board of Directors' Meeting and Shareholders' meeting as well.

1.2 The Directors' Remuneration

The Nomination, Remuneration and Good Governance Committee shall propose to the Board of Director to set the meeting allowance, expenses, money, reward, bonus and other benefit in the form of compensation to directors of the Company, and propose to the shareholders to approve in the Annual General Meeting every year except, entitlement under the Company's regulations.

1.3 Sub-Committee

The Board of Director shall appoint sub-committee from appropriate persons. Each sub-committee must perform duties as assigned by the Board of Directors and shall have power to ask the management to join the meeting or making report. The Board of Director shall approve Code of Conduct of each sub-committee.

The Board of Director has appointed 6 sub-committee as follows:

1. Executive Committee comprises of executive director and top management of the Company.

2. Audit Committee comprises of 3 Independent Director, at least 1 director has accounting knowledge and having sufficient experience to review the Financial Statement. Term of Audit Committee is 3 years, and re-electable after retire from the office.

3. Nomination, Remuneration Committee mostly comprises of Independent Directors. Term of Nomination, Remuneration and Good Governance Committee is 3 years and re-electable after retired from the office.

4. Risk Management Committee comprises of at least 3 directors. Term of the Risk Management Committee is 3 years and re-electable after retired from the office.

5. Good Governance and Social Affairs for Sustainability Committee comprises of at least 4 directors. Term of Good Governance and Social Affairs for Sustainability Committee is 3 years and re-electable after retired from the office.

6. Investment Committee comprises of at least 4 directors. Term of Investment Committee is 3 years and re-electable after retired from the office.

1.4 Board of Director's meeting

The Board of Directors shall hold the meeting to perform their duties and to acknowledge operating results at least once every 3 months. In the meeting, the directors shall be able to express their opinion independently. Quorum for Board of Directors' meeting shall not be less than half of the directors. The directors shall attend all meetings unless in the Force Majeure circumstance which such director shall inform the Company Secretary in advance.

The Company shall report number of attending times of such director in the Annual Report. The Company has appointed the Company Secretary to set the meeting schedule for the whole year to let all directors know the meeting schedule in advance. The Company Secretary shall send the invitation letter to all directors to confirm date, time, venue, and agenda by sending 5 days prior notice. The Company Secretary shall collect all meeting documents from the management and send to all directors in advance. Such documents must contain sufficient information for the directors to make decision independently. Company Secretary shall take minutes of the meeting and make the report that contain complete detail discussed in the meeting within 14 days after the meeting and propose to the Chairman of the Board for signing. Minutes of the meeting must be kept in good system, convenient for searching and confidentially.

1.5 Performance evaluation of the Board of Directors (as a team and individually) and Sun-Committee of the Company

The Company shall evaluate performance of all members of the Board of Director (as a team and individually) at least once a year by evaluating as a group of Board of Directors and as an individual person and propose to the Board of Director to consider and improve the performance. Every year end, the Company Secretary and secretary to the sub-committee which are, Audit Committee, Nomination and Remuneration Committee, Good Governance and Social Affairs for Sustainability Committee, Risk Management Committee, Investment Committee and Executive Committee shall send the evaluation form, together with self-assessment form and the director shall send the form back to secretary to each committee to summarize the evaluation and report to each sub-committee in due course.

Evaluation issues for directors and sub-committee

1. Structure and qualification of Board of Directors
2. Performance, duties and responsibilities of the Board of Directors
3. Meeting attended
4. Relationship with the management staffs
5. Relationship with the management staffs
6. Self-development of Board of Directors and management's development

Criteria for self-assessment of all directors (a group and individual) and sub-committee of the Company

Below 50% / Score
50-65%
66-75%
76-85%
86-100%

1.6 Directors' meeting (non-management)

The Board of Directors requires the directors who is not management to hold the meeting to discuss independently at least once a year compliance with Good Governance Policy

1.7 Report

1. The Board of Director has the responsibilities to report financial information and other information to shareholder and investor completely and transparently with explanation and supporting number, including operating policy, future trend and successful and obstruction of the business.

2. The Board of Directors understand and support work of the auditors according to accounting standard of the auditor.

3. The Board of Director has prepared the report of Board of Director's responsibility to prepare and disclose Financial Report of the Company in the Annual Report together with Financial Statement and Auditors' Report covering:

3.1 Legal implication that stipulated the Board of Director to prepare Financial Statement showing financial status and operating result of the past year correctly and reasonable.

3.2 Board of Director's responsibility to provide correct, complete and sufficient accounting data to maintain the Company's asset and to know weakness in order to prevent corruption or misconduct.

3.3 Confirm that the Company has comply with general acceptable accounting standard and using suitable accounting policy.

1.8 Succession Plan

Board of director has developed the management's succession plan to ensure that the Company have management that are knowledgeable, skill and can succeed the important role in the future. The criteria for consideration have been developed systematically.

1.9 Director and top management development

The Company encourage the Board of Directors and top management to attend the seminar useful for their performance of duties and to meet and exchange opinion with directors and top management of other companies, at least the Directors Certification Program (DCP) program, Directors Accreditation Program (DAP), Advance Audit Committee Program (AACP), Executive Development Program (EDP) program arrange by IOD, Institute of Directors.

The Board of Directors encourage the top management of the Company to attend the meeting both with Executive Committee and Board of Director's meeting to present in the agenda relevant to their responsibility to the meeting so that the Board of Directors can have direct information and opinion from them and at the same time the Executive Committee can learn and understand perspective of the Board of Directors and having an opportunity to provide opinion and suggestion useful for the Company.

The Board of Directors encourage the directors and management to meet and exchange opinion in addition to attending the meeting in order to get to know each other and to exchange idea in business operation, questioning and get advice from each director that have specific expertise and apply to the Company's management.

Principle 2 Define objectives that promote sustainable value creation

VISION

NR Instant Produce Company Limited, has vision to become top manufacturer experiencing in food manufacturing with sustainability and create satisfactory to stakeholders, shareholders, employees, management, suppliers, customers, creditor, and world population.

MISSION

We are partner with brand owner to produce condiment with good taste, safe and different to the satisfactory of the customer and better life of consumer.

STRATEGY

1. Business strategy of the group company to achieve main objective of the Company
2. Marketing strategy
3. Professional strategy and experience of the management

The Company prioritize professional management with qualified team. Management of the Company are experienced, knowledgeable and in capability in food business. Internal management of the Company is transparent and innovative. The Company adopt new concept and applied in organization management.

The Company play important on all employees emphasizing on giving basic knowledge in food business by organizing seminar. Most employees of the Company are new generation with creativity. The Company wants the employee take part in the Company's business and create new product and service to serve targeted customers. The Company believes that this would drive the Company forward in the long-term basis to keep qualify employees with the Company.

4. Research and Development Strategy

The Company strive forward to continue develop new product to serve and satisfy the customer.

5. Market Analysis

Although the Company has set objective or target in doing business both in short, middle and long term. The Company still prioritize on the studying and analyzing market data in general to establish strategy and plan to keep up to date with the market situation. The Company assigns data analysis department to analyze and follow up to control the Company's strategy to achieve the annual operation target.

Principle 3 **Strengthen Board Effectiveness**

The Company is aware that the shareholders, investors, and regulators see more significance in the responsibilities of the board of directors, who act as a representative of the shareholders. The Company,

therefore, put its emphasis on seeking and recruiting directors and sub-committee directors with good quality as well as the ability to strengthen the Company in the long run.

The Company has established the criteria and the guideline for recruitment of directors while taking into account the guideline provided by Thai Institute of Directors. The Board of Directors has appointed the Remuneration and Good Governance Committee to decide the qualifications of each committee by emphasizing on the versatility in skills, experiences and other expertise which are beneficial to the Company, and insisted the recruitment procedure be transparent so that the confidence of the shareholders and third parties are acquired.

The Nomination and Remuneration Committee has come up with a required skill sets for the Board of Directors and the committees to allow each committee to efficiently decided on policies and strategies which are in accordance with the Company's aim. The skill sets for each committee are compiled in the Board Skill Matrix in the form of a table.

Principle 4 Ensure Effective CEP and People Management

Apart from the recruitment of Board of Directors, the Company also put its emphasis on recruiting and developing chief executives as well as managing personnel who are the important cogs in propelling the Company toward the policies and strategies planned by committees.

In recruiting managers and other personnel, the Board of Directors has come up with the skills, experiences and qualities which are required for each director or personnel in their field of work in order to efficiently recruit the most appropriate who is in accordance with the Company's recruitment plan.

The Nomination and Remuneration Committee has been appointed by the Board of Directors to decide on the criteria for the recruitment of chief executives, namely, the Assistant Managing Director, the Chief Officers, and the Chief Executive Officer.

There are 2 parts to the criteria for the chief executives. The first part is the Managerial Competency which includes the skills in leadership, strategic management, project management, risk management, and business management. The second part is the Functional Competency which includes the knowledge, skills, and qualities that are required for an executive to achieve the goals e.g., the skills in data analysis, design, planning and management.

Additionally, the Nomination and Remuneration Committee has established a remuneration structure and chief executive performance assessment. The remuneration includes monetary payment such as the salary, bonus in the short run and the Employee Stock Ownership Plan in the long run as well as other non-monetary remuneration including healthcare and training. The performance of the chief executives, executive and other personnel shall be assessed every year end under the established criteria to ensure accurate assessment in line with the Company's goal.

Principle 5 Nurture Innovation and Responsibility Business

As the Company's business involves many stakeholders, interest management must be conducted prudently and fairly, complying strictly with the law to ensure protection of stakeholder's rights whether they are the shareholders, the employee, executives, business partners, customers, lender as well as the general public.

5.1 Respecting the Rights of Stakeholders

The Company adhere to fair treatment among stakeholders, without discrimination and any kind of bias, providing equal opportunity without regard of race, nationality, religious belief or gender. The Company is well aware of its responsibility toward the society and the community. It is considered a primary objective for the Company to arrange projects and activities that are beneficial to the society and the community. The followings are the Company's guideline for each stakeholder:

1. Shareholder: The Company is determined to develop its business, aiming for growth and long-run competitive capability as well as properly distributing profit to shareholders and presenting accurate, complete, transparent, timely and equal information to the shareholders.
2. Employee: The Company shall treat its employees equally and fairly using KPI and 360 degree performance assessment to reflect the actual performance. Moreover, the assessment will be used in training planning, scholarship offer and fair employee remuneration. The Company has also established a provident fund and provided other benefits for the employees as well as safe and healthy workplace. The Company:

2.1 consider its current employees' eligibility for a higher position before recruiting outsiders whereas the outsiders who are chosen must be knowledgeable, skillful, having a mindset appropriate for the Company. The choice shall be made by considering the necessity and the appropriateness of each department with the utmost efficient utilization of human resources.

2.2 promote employee progress by providing them a clear development path and make sure that the employees are systematically and continually developed accordingly, to ensure that they are able to handle their current responsibilities and ready to take on a higher responsibility in the future.

2.3 manage wage, salary and benefits fairly and be on par with leading companies while being appropriate for the current situation. Merit System is to be used in considering raise and promotion, taking into account each employee's skills, performance and potential.

2.4 encourage teamwork, cooperation and familial unity among employee which is one of the values that led the Company to its jump in growth. For this matter, the Company has provided the following guidelines:

2.4.1 Recruitment

The qualification of each position is based on the job responsibility. Race, color, sexual orientation, religion, nationality, background, political view, age or disability is not a factor for a successful candidate. The selection shall be based on the criteria and under a inside-first policy, seeking candidates from current employees before outsiders. The choice shall be made by considering the necessity and the appropriateness of each department with the utmost efficient utilization of human resources.

2.4.2 Training

The Company uphold the importance of personnel development on all level through its policy to continually improve the employee skills and potential by providing training both inside the Company and with third party in order to apply the newly learned expertise for the improvement in their performance. The Company also aims to encourage and support teamwork among colleagues as well as between the supervisor and the supervised. The Company has been keeping record of the employee's training hour.

The Company aspire to improve their employee's performance as well as their happiness in workplace by holding activities to help relieve them from stress and improve relationship between employees to ensure efficiency.

2.4.3 Remuneration

The Company provides fair work condition and ensures appropriate remuneration based on potential, responsibilities, and positions. In addition to the regular salary, the Company has a policy to offer fair raise in accordance with the Company criteria based on the Company's performance in the long and the short run.

In the beginning of each year, the Company, together with the employees, shall set up a yearly goal and use KPI in calculation of bonus. The Company also provides other benefits and holds activities for employees e.g., New Year Party, Present Drafting and other parties to award employees and encourage good internal relationship.

2.4.4. Health and safety

The Company provide a safe workplace with good hygiene e.g., factory safety measure requiring employees to wear protective suit every time they work in the food manufacturing area to prevent accident. Workplace is also managed to ensure safety from fire and disease. As for the corporate employee, the Company has provided healthcare benefit. The followings are the numbers of accidents in the past year:

Statistics of Workplace Accidents 2020

Month	Death	Disabled	Amputation	Over 3-day leave	Not over 3-day leave	No Leave	Total	Medical Expense Fund
January	-	-	-	-	1	-	1	855
February	-	-	-	-	-	-	-	
March	-	-	-	-	1	-	1	521
April	-	-	-	-	-	-	-	
May	-	-	-	-	1	-	1	841
June	-	-	-	-	-	-	-	
July	-	-	-	-	-	-	-	
August	-	-	-	-	-	-	-	
September	-	-	-	-	1	-	1	1,032
October	-	-	-	-	-	-	-	
November	-	-	-	-	1	-	1	-
December	-	-	-	-	-	-	-	
Total	**0**	**0**	**0**	**0**	**5**	**0**	**5**	**3,249**

3 Customer: The Company is mindful and hold responsibility toward customers, providing services with service mind and hospitality to provide accurate information of the Company's products and takes care of customers like family. The service must fast, correct, and credible. Confidential information is well kept and will not be used inappropriately for other purposes. The Company is well aware of consumer's rights e.g., good quality food and responsive after service which serve the customer's utmost

satisfaction. The Company currently is conducting a customer survey which is expected will be adopted as a method for Q3 2021 survey as well.

4 Business Partner: Purchase of goods and services from partners are done according to the commercial terms. Agreements are strictly complied with, according to the law and fair under good corporate governance. The Company provide purchasing guideline to allow partners to follow the bidding procedures and to appropriately choose the partner qualified under the Company's conditions under the following criteria:

i. Accurate to the specified spec
ii. Safe, following international standard
iii. Timely delivery of goods

5 Competitor: The Company adhere to ethical competition and refrain from using dishonest method to disrupt competitors. The Company upholds the policies to not infringe confidential information or trade secret. The policies are as followed:

i. Adhere to ethical competition
ii. Refrain from dishonestly and inappropriately seeking confidential information from competitors
iii. Refrain from defaming competitors
iv. Promote free trade, without monopoly or exclusive dealing
v. Promote cooperation with competitors in the manner that benefit the customers instead of attempting to monopolize which include profit transfer, quality reduction, price discrimination which adversely affect customers in general

6 Lender: The Company honors all of its agreements and complies with related laws to repay its debt to the lender who supported the Company through loan. In the event that the Company cannot fulfill repayment obligation, it shall give a 7-day advance notice to the lender to plan about the repayment or sort out other problems related to repayment. However, the Company never defaulted on any lender in the past.

7 Society: The Company emphasizes on and holds responsibilities toward the environment of the society and the community. It has provided support for many community activities to support them in time of need through its continually arranged CSR projects. The Company shall not involve itself with human rights or intellectual property violation. It shall be environmental friendly and supports activities which improve hygiene and preserve environment as well as maintaining workplace safety.

8 All employees shall protect and keep secret of the Company's intellectual property and shall not use such property for their own goal.

9 All employees shall respect intellectual property of the others and shall not partly or entirely use such property without the owner's

Principle 6 Strengthen Effective Risk Management and Internal Control

The Company ensure investor's confidence by disclosing significant information accurately, timely, transparently and equally whether it is financial or operation information. Other types of information are managed in accordance with the Company's rules and regulations and the Company's practice to not allow distribution of such information to competitors. This is in compliance with the regulations of the Security and Exchange Commission and the Stock Exchange of Thailand.

The Company has appointed units and coordinators to coordinate and inform shareholders, investors and SET as well as allowing for opportunities to have a Q&A session with the executives.

1. Appointing an Audit Committee which works independently

The Board of Directors has arranged an internal audit unit to periodically monitor every department to ensure accurate recording of information, compliance with work standard and Company's policy without violation of laws. The results of internal audit are required to be regularly reported to the Executive Committee and the Audit Committee.

The Board of Directors have appointed 3 independent directors to serve as the Audit Committee who make sure that the financial report is accurate and timely, that the internal control and audit are appropriate, efficient as well as ensure compliance with laws. Disclosure of information is also required to be accurate, clear, transparent and timely according to the requirement as a listed company. In the event of related party transaction or potential conflict of interest, the Company shall present it to the Audit Committee to consider the appropriateness and reasonability before proceeding.

2. Risk management

The Board of Directors has appointed a Risk Management Committee to determine and present policies work plans and performance to the Board of Directors. Risk management policy covers every unit in the Company and covers factors regarding visions, goals, business strategy, finance, production and other operation. The Committee shall also determine the potential risks and its possible impact, find a countermeasure, appoint a responsible person, and establish reporting and assessment policy.

During the past year, the Risk Management Committee played an important role, as appointed by the Audit Committee and the Board of Directors, in determining risks from rapid expansion of business as well as giving suggestions for measures allowing the Company to understand the risks and prepare for countermeasures.

3. The Board of Directors follow up with and manage potential conflicts of interest, prevent inappropriate use of proprietary information as well as the Company's opportunity, and inappropriate transaction with related party

The Company has provided for a data security system with measures which control the use of written internal information to prevent executives or employees from utilizing such information for themselves or for any third party before the disclosure of such information, which is an unfair act toward the other shareholders.

The Board of Directors requires the directors and the executives to disclose their conflict of interest and conflict related to their related party once every year to allow for the Board to determine the transactions in conflict and to make decisions favorable to the benefit of the Company in general before attending a specified meeting. The directors or executives who are in involved in conflicts are not allowed to participate in the meeting to vote on the agenda on such transactions.

The Board of Directors has provided for information security policy and personal data protection policy to help the Company's main operation comply with the law and be beneficial to the Company and shareholders as well as monitoring actions that lead to potential conflicts of interest and complying with the regulations of SEC and SET regarding acquisition and disposal of securities and related party transaction.

4. The Board ensures that anti-corruption policies are made clear and communicated through all levels of the Company as well as outsiders to promote practicality.
5. The Board provided mechanism for whistleblowing and the following procedures.

Principle 7 **Ensure Disclosure and Financial Integrity**

1. The Borad is responsible for ensuring that financial report preparation and disclosure of important information are accurate, sufficient and timely, in compliance with the related standard and guideline.
2. The Board monitors the liquidity and the ability to repay debt.
3. In the event of financial problems or a potential problem, the Board should be confident that the Company has a plan or a mechanism to resolve such financial with the rights of stakeholders being taken into account.
4. The Board shall provide a sustainability report as appropriate.
5. The Board arranged for a unit or a responsible person to handle investor relation to coordinate correctly and adequately with shareholders and stakeholders such as investor and analyst.
6. The Board encourages the use of information technology for disclosure.

Principle 8 **Ensure Engagement and Communication with Shareholders**

The Company has already complied with the good corporate governance for listed company regarding shareholder's rights as follow:

1. Basic shareholder's rights

The Company is well aware of the importance of shareholders. Therefore, it emphasizes on the rights and equality among shareholders. As stipulated in the Company's Article of Association and related laws, the shareholder basic equal rights are right to attend shareholder meeting, right to appoint a proxy for voting, right to propose new agenda, right to nominate directors, right to vote for appointment or removal of director, right to vote on the appointment of auditor and remuneration, right to vote on other matters, right to receive equal distribution of profit and dividend, right to comment and ask question in the meeting, right to receive adequate, timely and equal information as well as the right to being facilitated for meeting attendance, the right to be informed in the event of important occurrence and the right to nominate. The Company has closely monitored the compliance with such polices and other rules and regulations to protect shareholder's rights. The Board has provided for the shareholder to propose agenda for the Annual General Shareholder Meeting 2021 and nominate in advance any person they deem knowledgeable, capability and appropriate qualifications to be appointed as a director. The window for proposal and nomination lasted from November 13, 2020 to January 13, 2021 via e-mail address NRF.comsec@nrinstant.com. No shareholder, however, has proposed any agenda for the AGM 2021 or nominate a director.

2. Shareholder Meeting

2.1 In arranging a general and extraordinary shareholder meeting, the Company shall specify a date, time and the venue for the meeting which is equally convenient to attend for all shareholders. Shareholders may send registration documents or power of attorney form to the Company in advance for verification before the meeting date. The Company shall choose the venue that is convenient for the attending shareholders.

2.2 The Company shall send out notice convening the meeting together with each agenda attachment, stating the objective and the rational along with the Board's opinion, to allow the shareholders to adequately understand the agenda before the meeting. The notice and the attachments shall be sent within the time period stipulated by related laws or regulations. In the event that shareholders cannot attend the meeting, they may assign power of attorney to an independent director or other person to act as a proxy.

On the meeting day, the Company has provided staff and representatives of legal adviser to verify the power of attorney and attachments e.g., a copy of ID card, a copy of passport or civil servant

card in case of ordinary person, and company affidavit and a copy of binding signatory's ID card in case of juristic person.

2.3 The Company provides stamp duty for power of attorney without any cost at the registration point to facilitate shareholders.

2.4 The Company encourage the Board and all committees to attend the meeting with the Chairman of the Board sitting as the Chairman of the meeting. Other attendants include chief executives, external audit or representatives of legal adviser who hear the comments from shareholders and answer the questions raised by shareholders.

2.5 At the beginning of the shareholder meeting, the shareholders will be informed of the number and proportion of attending shareholders, either by themselves or by proxy, to confirm the quorum is met. The spokesperson shall also inform shareholders of meeting procedures, voting and vote counting in each agenda in order. No change in material information or uninformed agenda may be added abruptly. The shareholders are allowed to exercise their equal right to review the performance, ask questions, comment and make suggestions. Related directors and executives shall join the meeting to answer questions raised by shareholders.

2.6 The Company provide news related to shareholders on its website. Notice convening shareholder meeting is also published in advance for shareholders to conveniently download the content of each agenda.

2.7 Minute of meeting shall be recorded thoroughly, accurately, timely, transparently and include material questions and answers to allow for shareholders to review. The Company shall publish the minute and deliver it to the SET within 14 days starting from the date of the meeting or deliver to other related authority such as the Ministry of Commerce., depending on the rules and regulations.

2.8 Facilitate distribution of dividends by transferring the amount to bank account (in case of dividends being declared) to allow timely receipt of dividend and prevent problems related to cheques such as defect, loss or late delivery.

3. Responsibility toward shareholders

The Board has the responsibility to supervise the executive and employees to work honestly with the sense of duty and with accountability to the result of their performance. It is to give shareholders confidence that any taken actions are fair and take the utmost benefit of all shareholders into account.

Shareholders should also be able to exercise their right whether by stating opinions, making suggestions or casting vote regarding material changes including appointment of the board, remuneration of directors, profit and dividend distribution, appointment and remuneration of auditor. The Company shall disclose true, correct, thorough and transparent information. As for the remuneration of directors, the Board shall propose to the shareholders for their permission annually and present the remuneration policy to the shareholders for their consideration.

4. Anti-corruption

The Company has declared anti-corruption every year since 2018. The Board has ratified the declaration of intention to participate in CAC Certificate on March 1, 2021 in the Board of Directors No. 3/2021.

6.2 Code of Conduct

1. Business Ethics

NR Instant Produce Public Company Limited shall and shall ensure that its staff operate in accordance with the business ethics as follow:

1. Operate business honestly, with good faith and responsibility toward the society both in terms of law and ethics and strive to support individuals, community, society and environment.
2. Treat customers fairly in terms of goods and services, without discrimination
3. Operate business on system that meets the standard and has good control, using skills to the best of their ability and carefully work on the information which is sufficient and backed by evidence as well as comply strictly with related laws and regulations.
4. Not disclose customer's data which shall be kept confidential by nature unless required by laws to disclose.
5. Allow for customers to complain about defects in goods and services
6. Disclose all information regarding goods and services, comply with the terms and conditions established between the Company and the customers and promptly inform customers if certain conditions cannot be met in order to sort out the problem.

2. Rights and Equality among Shareholders

It is the Company's policy to treat all shareholder's fairly in accordance with related laws and regulations, conduct shareholder meeting transparently and fairly, ensuring shareholders' equal rights as follow:

1. Right as the owner exercised through nomination of directors
2. Right to trade or transfer shares
3. Right to attend shareholder meeting, cast vote, express opinion and join the decision making process on material changes
4. Right to appoint proxy to attend meeting and cast vote on their behalf
5. Right as the owner exercised through nomination of directors
6. Right to trade or transfer shares
7. Right to attend shareholder meeting, cast vote, express opinion and join the decision-making process on material changes
8. Right to appoint proxy to attend meeting and cast vote on their behalf
9. Right to appoint and relieve directors from position
10. Right to vote to appoint and determine remuneration for auditor
11. Right to be regularly and timely informed of performance, policy
12. Right to receive equally distributed profit
13. Right to be informed of related party transaction

Shareholder Meeting

1. Date, time and venue of shareholder meeting

The Board shall choose the date, time and venue of shareholder meeting that is convenient for shareholders to attend.

2. Notice Convening the Meeting

The Company shall send out the notice convening the meeting, the agenda, the Board's opinion together with supporting documents which provide the shareholder with sufficient information for

decision-making in each agenda before the meeting date. The related laws and regulations shall be fully complied.

3. Proposal of Additional Agenda

Shareholders may propose additional agenda in advance of the meeting by sending a written notice of the agenda in details at least 3 days before the meeting date for the Board to consider including such agenda to the meeting.

4. Meeting Attendance and Registration

Shareholders have the right to attend the meeting and cast vote or appoint a proxy to attend the meeting and cast vote on their behalf. The Company allows for the shareholders to register for their attendance before the meeting time and provides resources for shareholders to facilitate their registration.

5. Questioning, Commenting, Voting and Minute Recording

The Board guarantee equal shareholder's rights in reviewing the Company's performance. In every meeting, shareholders may question, comment, and make any suggestions. Decision-making and vote casting are made independently. Each share constitutes one vote equally. The Company records minute of meeting including the questions, suggestions, resolution and number of votes (approved, not approved or abstain) as a written evidence to allow the shareholders and related party to review. The minute will also be published on the website of the Company after the meeting.

6. Attendance of the Board

The Board considers the shareholder meetings as significant. It is deemed a duty of all members of the Board to attend every shareholder meeting, present all information to shareholders as well as hearing comments, suggestions and answer questions posted by the shareholders.

3. Ethics and Recommended Actions for Executive and Employees

NR Instant Produce Public Company Limited has specified a set of ethics for executives and employees and published on www.nrinstant.com as follow:

Shareholder Treatment

Executives and employees shall conduct their duty honestly, with care and vision, not seeking benefit for themselves and related party from the information undisclosed to the general public as well as refrain from disclosing the organization secret to outsiders and conducting any activities which might lead to conflicts of interest.

Employee Treatment

Executives and employees shall treat each other fairly, work without bias, encourage advancement and enhance efficiency of employees, encourage understanding of ethics, provide appropriate benefits for employees and treat the supervised and colleagues with honesty, being open to reasonable comments and suggestions.

Customer Treatment

Executives and employees shall treat customers strictly according to the business ethics as established by the Company.

Partner Treatment

Executives and employees shall treat partners fairly, not asking to or received any unjust benefits from partner and promptly inform the partner if any conditions are not met.

Competitor Treatment

Executives and employees shall compete fairly and not dishonestly seek to learn of the competitor's confidential information.

Society and Environment Treatment

Executives and employees shall ensure compliance with related laws and regulations, and be responsible to society, assisting, supporting and volunteering to do activities that is beneficial to the community and society.

NR Instant Produce Public Company Limited has established a guideline for the executives and employees to comply, as follow:

A. Guideline for Executives

Executives must comply with the regulations, rules, order, announcement of the Company and of their supervising staff as follow:

1. Support policy and comply strictly with regulations, rules, order, announcement or circulating letter which is notified to all employees.
2. Complete their work honestly and justly as well as promptly report potential impact to the reputation and property of the Company.
3. Be polite, respectful and treat colleagues with manner.
4. Complete their work with determination, perseverance and maintain the order and the governance of the Company to be a good example for other employees in order to lead the Company towards advancement ethically.
5. Strictly secure all benefits and secrets of the Company and the customer or that which is related to activities that the Company does not wish to disclose. Disclosure of news regarding the Company's financial status and personnel require permission and any such disclosure must be done carefully and efficiently. Employees shall maintain such confidentiality during and after the termination of their employment. Disclosure or transfer of information for other purposes rather than for the duty toward the Company shall result in damage which employees agree to compensate the Company for the actual damage occurred.
6. To the best of their ability, cooperate with each other to safeguard the Company's property from loss or damage either by men or by disaster. The Company's property shall not be used for personal purpose or for other parties not related to the Company's business.
7. Manage business with ethics and morals, supporting them in all levels of the Company as well as monitoring and resolving conflicts of interest.
8. Supervise their subordinates closely, fairly and without bias.
9. Be ready to work as a team and able to listen to the opinions of other people.
10. Strictly comply with, support and supervise their underling to strictly comply with rules and regulations of the Company regarding computer system, computer data, the Company's traffic data in order for the Company's computer to be incompliance with computer laws, copyright laws or other related laws to prevent damage to the reputation of the Company.

B. Prohibition for Executives

All executives shall refrain from behaving in the way that defame the Company and themselves, namely:

1. Spend the working time on other matters or personal purposes.
2. Operate an enterprise with the same characteristics as the Company and compete with the Company either for personal gain or for other parties or have control over such enterprise, leading to direct or indirect damage to the Company.
3. Behave in a manner that defame the Company and themselves.
4. Falsely notify or report the Company or keeping the information that should have been informed to the Company.
5. Complete their work carelessly or behave in a manner unfitting of a good executive who acts on good faith.
6. Conceal or distort information for personal gain or other parties, leading to direct or indirect damage to the Company.
7. Obstruct or behave in a manner that obstructs a lawful action of the Company's authority or command employees to behave unethically.
8. Violate the Civil law and the Criminal law, resulting to damage to self or others whether intentionally or not.
9. Disclose wage or salary, the rate of raise of self or others whether intentionally or not.
10. Demand or accept any property or benefits from customers, partners, competitors, or other parties dealing business with the Company or host a reservation which is proven to be unnecessary, except for custom gifts or a reservation in regular manner of business or business support expense which helps promote commercial awareness, if such exceptions are to exceed Baht 3,000 in value, then the supervisors must be informed immediately.
11. Bribe directly or through a third party or wrongly influence a representative of the state, customer or partner, which is a violation of the Company's policy.
12. Add, cut or revise any record or information to change or distort performance and intentionally put false record in accounting for any purposes.
13. Intentionally make payment or arrangement or misdirect that a part of the payment or arrangement involves a hidden agenda not expressed in the documents of such payment or arrangement.
14. Become insolvent or with any legal ground to be deemed insolvent
15. Not keep the Company's intellectual property or one earned by the Company because of an employee.
16. Copy other people's products or intellectual property.
17. Behave in any manner to wrongly seek benefits for self or other parties.
18. Allowing any non-procurement unit to request support from partners (if such support is needed, the unit shall consult and ask procurement unit to handle the process, except for joint marketing activities for which marketing and business development unit shall be responsible)
19. Omitting to prevent other parties from or aiding other parties in exploiting or accessing or disturb the computer system, computer data, Company's traffic data without justifiable cause or without consent from the Company, or intentionally allow for wrongdoings by service providers according to computer law or copyright law or other related laws.

C. Punishments for Executives

1. Minor violation: The executive will be given a written warning, describing the nature and the ground for such violation, and giving the executive the chance to defend his case before his supervisor. If the incident remains unsorted, it shall be presented to the Board for consideration and the Board's decision shall be absolute. In the event of a second violation or failure to amend the

first violation according to the warning, the executive shall face severe disciplinary punishment which might result in termination.

2. In case of major violation, including bribery, fraud, disclosure of the Company's confidential information or intellectual property to third parties, any defamation of the Company, concealing or failure to report any information, discussion or document to supervisor, the Company may terminate such executive's employment without severance pay without requirement to give a written warning in advance.

D. Guideline for Employee

To promote efficient operation, employees shall comply with the followings:

1. Carry out their work with honesty, determination, perseverance and improve their efficiency for the benefit of themselves and the Company.
2. Strictly comply with the Company's work rules and regulations.
3. Be respectful and obedience of supervisor's justifiable command according to the policy and regulations of the Company.
4. Unite with other employees, be helpful toward each other, and refrain from causing conflicts which might cause damage to other parties or the Company.
5. Value other each other's rights, be respectful toward each other and refrain from disclosure other employee's information about work or personal life or criticize in the manner that will damage both the employee and the Company.
6. Refrain from accepting gift which makes them uncomfortable to carry out their future duty and inform the supervisor if such acceptance cannot be avoided.
7. Refrain from using their position or exploit their duty to seeks benefits for self, related parties or compete with the Company.
8. Treat customer, partner with honesty and equality.
9. Keep confidential the secret of the customer, partner and the Company.
10. Promptly report to their supervisors upon learning of possible impacts on the Company's operation or reputation.
11. Safeguard the Company's benefit and property to allow maximized utilization, be economical and prevent such property from being exhausted, lost, damaged, or deteriorating before reasonable time.
12. Attend training at least once per year or when material changes occur.

E. Punishments for Employees

In the event that an employee behaves in a manner that results in conflicts of interest, the Company shall handle such issues according to the Company's organization structure and regulations. Each unit will conduct the preliminary determination and pass the issues along the line of command for higher-positioned supervisors to make the decision and decide on the appropriate punishment. If such conflicts are severe, and the damage exceeds the authority of their respective department, it shall be presented to the executives to make the decision and decide on the punishment.

Punishment

1. Verbal warning
2. Written warning
3. Pay cut
4. Suspension
5. Termination without severance pay according to labor protection laws

6. Litigation

6.3 Material Changes and Development in Policies, Guidelines, and Corporate Governance in the Past Year

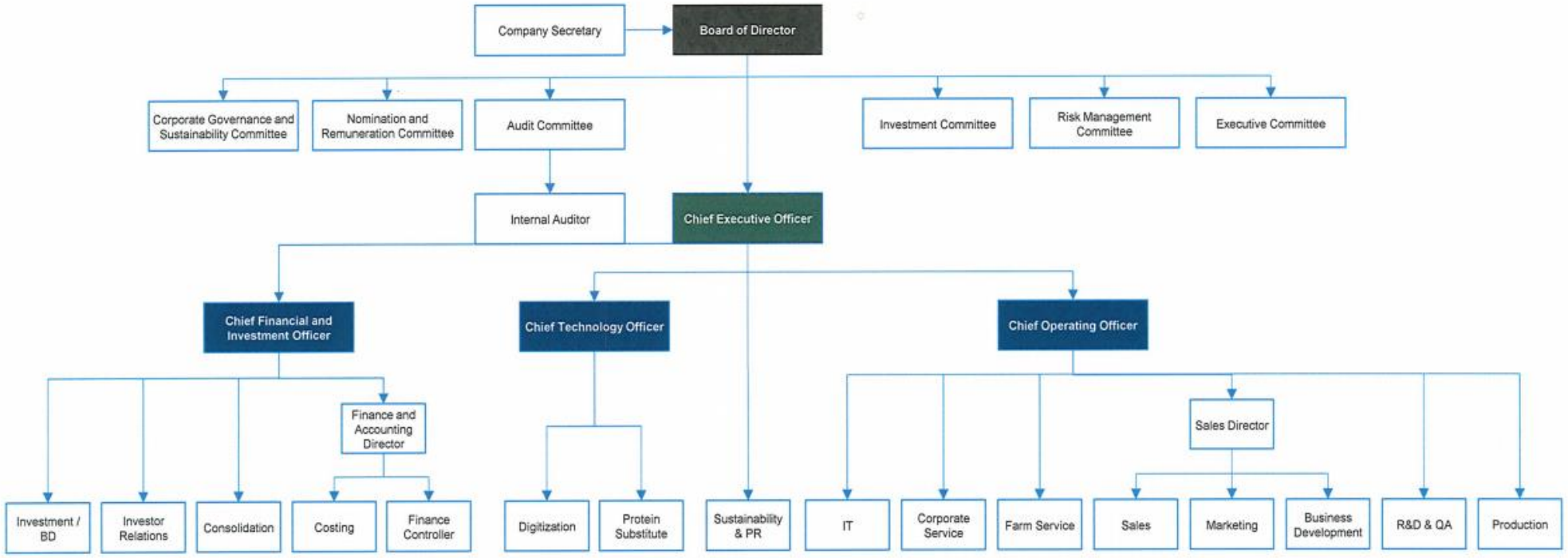
6.3.1 The Board has reviewed the policies, guidelines, and governance scheme or the Board Charters in the year 2020 and come to the following conclusions:

- Reviewed and approved the amendment of the Board Charter, Audit Committee Charter and Risk Management Committee Charter.
- Approved the adjustment in the Risk Management Committee by appointing Mr. Dhas Udomdhammabhakdi as the Chairman of the committee, Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval and Mr. Teerapong Lorratchawee as the members of the Committee. This is shift from past structure in which Mr. Teerapong Lorratchawee was the Chairman of the Committee while the executive of each department serves as members of the committee.
- Approved the establishment of Investment Committee, appointing Mr. Tai-Chuan Lin as the Chairman of the Committee, Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval and Mr. Udomkarn Udomsub as the members of the Committee, on September 15, 2020, in the Board of Directors meeting No. 7/2020 as well as approving the Investment Committee Charter in the Board of Directors meeting No. 8/2020, dated November 13, 2020.
- Approved the establishment of Corporate Governance and Sustainability Committee in the Board of Directors No. 8/2020 on November 13, 2020 with Mrs. Kesara Manchusree as the Chairman of the Committee, Mr. Dan Pathomvanich, Mr. Dhas Udomdhammabhakdi and Mr. Teerapong Lorratchawee as the members of the Committee.
- Approved the adjustment in Nomination and Remuneration Committee and its Charter in the Board of Directors meeting No. 8/2020 on November 13, 2020, transferring the duty and responsibility regarding corporate governance to the Corporate Governance and Sustainability Committee.

6.3.2 Other actions regarding good corporate governance

None

7. Corporate Governance Structure and Material Information related to the Board, the Committee, Executive, Employee and others



Effective Date 16 November 2020

Proposed by _____
Mr. Teerapong Lorratchawee
Chief Operating Officer

Approved by _____
Mr. Dan Pathomvanich
Chief Executive Officer

7.2 Directors

7.2.1 Board of Directors Structure

- Board of Directors Structure shall consist of

1. According to the Article of Association, the Board of Directors must have at least 5 members and at least half of the total directors must have their domicile in the Kingdom of Thailand. The directors must have the qualities required by the law and may or may not be a shareholder of the Company.
2. The Board of Directors consists of executive directors, non-executive directors and independent directors. Independent directors shall constitute 1/3 of the Board members and there must always be at least 3 independent directors. The qualifications of the independent directors shall be as specified by the SET.
3. The Board of Directors shall select 1 director to act as the Chairman, and the Chairman must be an independent director.
4. The Board of Directors shall appoint a company secretary.

- Board of Directors Selection Criteria

1. Nominated by shareholders: Shareholders holding at least 25% percent of the registered capital may nominate 1 director.
2. The candidate must be insightful, possessing experiences in strategic and business planning, finance, accounting, production, marketing, law, human resources, information technology, corporate governance, internal control and risk management.
3. The candidate must pass at least 1 Director Certification Program from Thai Institute of Directors.
4. Nomination and Remuneration Committee shall be responsible for assessing the candidate by considering qualifications and expertise required by the Company to support the Company's strategy and objective and take on challenges which will lead the Company to success.
5. In reassigning a director who has completed their term, the Board shall consider his performance during the term and assessment results.
6. Nomination and Remuneration Committee shall present every eligible candidate, either shareholder representative director or independent director, to the Board for appointment in case the position becomes available for reasons other than the completion of his term. Candidates shall be presented to the shareholder meeting to approve the appointment in case the director has completed his terms.

- New Director Orientation

The Board requires that newly appointed directors shall be orientated to enhance understanding in the business and the direction of Company's direction and to be ready to serve as a director. At the same time, the Company has the policy to help inform and provide new point of views for new directors in terms of corporate governance, situation of the industry, and innovation to help the director's efficiency in carrying out his work with company secretary serving as the coordinator for different matters, as follow:

A. Structure of the business and director as well as the scope, responsibility and necessary law
B. General business insight, direction of operation and visit to production line
C. Arrange for meeting with Chairman, directors and executives to inquire about the in-depth business operation of the Company

- Director Training Policy

The Board has a policy to support at least 1 director and executive to keep improving their insight continually and constantly by training in any such relevant program which can be applied to business operation to induce active change in the Company to tackle future competition.

- Director Diversity Policy

The Board sees the significance of diversity among directors and deems it a factor in the efficiency of decision making and the work of the Board. Such diversity is not limited to gender, but also race, age, education, experience in profession, skills, knowledge and point of views. Nomination and appointment of directors shall be based on the expertise while taking into account the benefit of diversity.

There was no appointment of new director during the past year.

7.2.2 Directors and Individuals with Controlling Authority

The followings are the Company's board of director and their background:

1. **Mrs. Kesara Manchusree**		Independent Director, Chaiman of the Board of Directors, Chairman of the Corporate Governance and Sustainability Committee	
Date of office		July 13, 2018	
Proportion of Shareholding		none	
Highest educational background		Master of Science in Finance, Golden Gate University	
IOD Program		Director Certification Program (DCP) 2006	
Experiences	Present	Chairman/ Chairman of the Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited /Food manufacture - TSFC Securities Public Company Limited /Securities Business - All Inspire Development Public Company Limited /Real Estate Development - We Asset management Company Limited /Securities Business
		Director	- Social Enterprise Thailand Association /Social Enterprise - Thammasat Economics Association /Alumni Association
		Director and Chairman of Audit Committee	- KTB Securities (Thailand) Public

			Company Limited /Securities Business - Interlink Telecom Public Company Limited /Technology Business
		Advisory Director	- Office of the University Counsel
	2014 -2018	Director and Manager	- The Stock Exchange of Thailand /Stock Exchange

2. Mr. Dan Pathomvanich Director, Risk Management Committee, Investment Committee, Corporate Governance and Sustainability Committee

Date of office		September 22, 2017	
Proportion of Shareholding		none	
Highest educational background		Master's degree MA International Finance and Economics, Chulalongkorn University	
IOD Program		Director Certification Program (DCP) 207/2015	
Experiences	Present	Director/Chief Executive Officer/ Risk Management Committee/ Investment Committee/ Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited / Food manufacture
		Director	- Nove Foods Company Limited /Food Manufacture - Dusit Gourmet Company Limited /Food Manufacture - Prime Capital Company Limited /Holding Company - DLN 2017 Company Limited /Holding Company - Pattanasuk 2015 Company Limited /Holding Company - Asian Food Corporation Company Limited

			/Holding Company - NFR Consumer Company Limited /Holding Company - Hatton Equity Partners (Thailand) Company Limited /Financial Advisory - Foundation Group Company Limited /Holding Company - Mall Media (Thailand) Company Limited /Holding Company - Sabai Cash International Company Limited /Holding Company - Tasty Ventures Company Limited /Holding Company - Hatton Capital (Thailand) Company Limited /Financial Advisory
	2013 -2014	Director	- Bangkok Ranch Public Company Limited /Food Product

3. Ms. Penhurai Chaichatchaval Director, Risk Management Committee, Nomination and Remuneration Committee, Investment Committee

Date of office		September 22, 2017	
Proportion of Shareholding		1,278,200	
Highest educational background		Master's degree MBA Roosevelt University, Chicago, USA	
IOD Program		- Director Certification Program (DCP) 248/2017 - Strategic CFO in Capital Markets Program 6/2018 by the Stock Exchange of Thailand	
Experiences	Present	Director/Chief Financial Officer/ Risk Management Committee/ Investment Committee/ Nomination and Remuneration Committee/ Investment Committee	- NR Instant Produce Public Company limited / Food manufacture

Director	- Nove Foods Company Limited /Food Manufacture - MMK (Alpha) Company Limited /Holding Company - MMK (Beta) Company Limited /Holding Company - NFR Consumer Company Limited /Holding Company - Asian Food Corporation Company Limited /Holding Company - DLN 2017 Company Limited /Holding Company - Pattanasuk 2015 Company Limited /Holding Company - Hatton Equity Partners (Thailand) Company Limited /Financial Advisory - Foundation Group Company Limited /Holding Company - Mall Media (Thailand) Company Limited /Holding Company - Tasty Ventures Company Limited /Holding Company - Sabai Cash International Company Limited /Holding Company - Allan and Associates Company Limited /Restaurant - Prime Capital Company Limited /Holding Company

		CFO	- Hatton Capital (Thailand) Company Limited /Financial Advisory
	2013-2014	Group CFO	- Bangkok Ranch Public Company Limited /Food Product
	2011-2012	Accounting Director	- National Power Supply Public Company Limited /Electricity
	2008-2011	CFO	- Bangkok Ranch Public Company Limited /Food Manufacture
	2006-2008	Accounting Director	- Advance Agro Public Company Limited /Wood pulp and paper manufacture

4. Mr. Teerapong Lorratchawee Director, Risk Management Committee, Corporate Governance and Sustainability Committee

Date of office		September 22, 2017	
Proportion of Shareholding		none	
Highest educational background		Master's degree in Business Management, Thammasat University	
IOD Program		Director Certification Program (DCP) 155/2018	
Experiences	Present	Director/ Chief Operating Officer/ Risk Management Committee/ Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited /Food manufacture
	2006 – 2017	CFO	- Bangkok Ranch Public Company Limited /Food Manufacture

5. Mr. Tai-Chuan Lin Director, Chairman of Investment Committee

Date of office		November 19, 2018	
Proportion of Shareholding		none	
Highest educational background		Master's degree, Vienna University of Business and Economics	
IOD Program		Taking Directors Accreditation Program (DAP)	
Experiences	Present	Director/ Chairman of Investment Committee	- NR Instant Produce Public Company limited /Food manufacture

			- Equity - Credit Suisse /Investment Banking - HSBC /Investment Banking

6. Mr. Yeo Kok Tong		Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee	
Date of office		February 23, 2018	
Proportion of Shareholding		none	
Highest educational background		Bachelor Degree of Marketing, Singapore Institute of Management	
IOD Program		Directors Accreditation Program (DAP) 115/2015	
Experiences	Present	Independent Director/ Chairman of Audit Committee /Nomination and Remuneration Committee	- NR Instant Produce Public Company limited /Food manufacture
		Director	- Bangkok Ranch Public Company Limited /Food Manufacture - Golden Maple /Food Manufacture - Neo Group Limited /Delivery, Retailer, Manufacture, Food trading

7. Mr. Udonkarn Udomsub		Independent Director, Chairman Nomination and Remuneration Committee, Investment Committee	
Date of office		February 23, 2018	
Proportion of Shareholding		none	
Highest educational background		Master's Degree, MBA, Case Western Reserve University	
IOD Program		Directors Certification Program (DCP) 206/2015	
Experiences	Present	Independent Director/ Chairman of Audit Committee /Nomination and Remuneration Committee	- NR Instant Produce Public Company limited /Food manufacture

		Director	- Krungsri Securities Public Company Limited /Securities

8. Mr. Dhas Udomdhammabhakdi Independent Director, Chairman of Risk Management Committee, Nomination and Remuneration Committee, Audit Committee

Date of office	February 23, 2018
Proportion of Shareholding	none
Highest educational background	PhD. in Social Science, Magadh University
IOD Program	- Board That Make a Difference (BMD) 8/2018 - Diploma Director Certification Program (Exam) 62/2018 - Director Certification Program (DCP) 248/2017, Thai Institute of Directors - Board Nomination and Compensation Program (BNCP) 2/2017 - Risk Management Program for Corporate Leaders (RCL) 3/2016 - Directors Accreditation Program (DAP) 121/2015

Experiences	Present	Independent Director/ Chairman of Risk Management Committee /Nomination and Remuneration Committee/ Audit Committee	- NR Instant Produce Public Company limited /Food manufacture
		Independent Director/ Audit Committee	- Grand Prix International Public Company Limited /Automotive Exhibition

Remark: Mrs. Suphajee Suthumpun has resigned from the Board of Directors, effective on October 15, 2020

- Company Secretary

The Board has appointed Incredible Resolute Company Limited, with Ms. Boontharika Boonkhum as the Company secretary on November 13, 2020. Her background can be found in topic 7.6.1

- Compliance Unit

The Company does not have a compliance unit. Compliance depends on each department as follow:

A. Company Secretary shall monitor rules and regulations to ensure compliance with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
B. Internal audit shall monitor the compliance with criteria of the Company's business regulator.

C. Chief Operating Officer shall monitor quality control to ensure compliance with international food safety standard and review customer's complaints to jointly work with sales and production for improvement and customer's satisfaction.
D. Legal advisor, Allen and Overy (Thailand) Company Limited, with Mrs. Anchalee Limviriyalers, handles the Company legal matter

- Internal Audit

The Company has not established an internal audit unit. Matters regarding internal audit shall be handled by the Company's internal auditor, ASV Advisery Company Limited, with the following duties and responsibilities:

A. Present annual internal audit plan to the Audit Committee
B. Monitor and audit the operation of each unit to comply with audit plan , in line with the Company's rules and regulations and related laws.
C. Advise employees on the Company's rules and regulation of the Company and the Government.
D. Summarize changes in rules and regulations to present important issues to related parties and the Audit Committee.
E. Quarterly report the results of internal audit to the Audit Committee.

- Director Training Record

In 2020, Mr. Dhas Udomdhammabhakdi participated in the Role of Chairman Program (RCP) 46/2020.

7.2.3 Roles, Duties and Responsibilities of the Board of Directors

- Authority, duties and responsibilities

1. Carry out their duty in compliance with laws, rules and regulations or any announcement related to the Securities and Exchange Commission and the Stock Exchange of Thailand, Company's objectives and Article of Association as well as the resolution of the Board of Director meetings and the shareholder meetings, with due care, honesty, taking into account the Company's benefit and good corporate governance.
2. Consider and approve appointment of candidates, who have no prohibited quality as stipulated in the Public Company Act B.E. 2535 and the laws regarding securities and exchange, and/or regulations related to director position, in the event that a director position becomes available for other reasons rather than terms completion.
3. Consider and approve the appointment of Independent Director and the Audit Committee from candidates who have no prohibited quality for the position as stipulated in the laws and regulations regarding securities and exchange and propose to the shareholder meeting for approval.
4. Consider and make amendment to the binding signatory.
5. Assign any person to carry on the Company's business under the surveillance of the Board or assign an authority to such person as the Board sees fit. Such assignment may be canceled, revoked, or amended by the Board.
6. Appoint a company secretary to assist the Board in operations to ensure compliance with applicable laws and regulations.
7. Consider and approve the Acquisition or Disposal of Securities except in the scenario that such approval must be given by the shareholder meeting. The consideration shall be based on the laws and regulations related to the stock exchange.

8. Consider and approve Related Party Transaction except in the scenario that such approval must be given by the shareholder meeting. The consideration shall be based on the laws and regulations related to the stock exchange.
9. Consider and approve interim dividend payment when the Board finds that the Company has sufficient profit to do so and report such payment to the shareholders in the next shareholder meeting.
10. Establish the vision, policy and direction of business operation, business strategy, annual budget and monitor the executives to ensure that their management is efficiently in line with the policy for the utmost economic benefit of shareholders and sustainable growth.
11. Regularly be responsible toward shareholders, securing their benefits and inform adequate material information to investors with standard and transparency.
12. Establish authority level manual for transaction and operation and assign to the appropriate personnel in accordance with the related laws. Such authority shall be reviewed at least once every year.
13. Provide Balance Sheet and Profit and Loss statement at the end of the fiscal year end, and sign on the statements to propose to Annual General Shareholder Meeting for approval.
14. Approve appointment of auditor and auditing fee to propose to the shareholders for approval.
15. Seeking professional from third parties as necessary for the appropriate decision making.
16. Report the responsibility of the Board to prepare Financial Statement along with the auditor's report and provide in the annual report, covering the important matters in accordance to the guideline for the listed company director.
17. Appoint and monitor committees to ensure compliance with their Charter.
18. The Board shall assess performance by itself and assess general performance.
19. Assess the performance of directors and chief officers.
20. Ensure that the Company adopt appropriate and efficient accounting system as well as establish internal control and internal audit.
21. Establish written policy regarding good corporate governance and apply such policy efficiently to ensure fair treatment toward all stakeholders.

    The authority and the responsibilities of the Board shall not be in a manner that allow the Board or its assignee to approve transactions that they have conflicts of interest in (as defined by the regulations of the Securities and Exchange Commission or Capital Market Commission) unless the transaction is permitted by the Company's policy or approved by the shareholder meeting or the Board of Directors.

- <u>The Board's Authority</u>

1. Appoint, relieve or assign authority to committees and the Chief Executive Officers.
2. Approve borrowing, bond issuance to use for the Company working capital and expenditure.
3. Approve lending to companies with business relationship with the Company as shareholders or companies with trading relationship or other companies.
4. Approve guaranteeing loan made by companies with business relationship with the Company as shareholders or companies with trading relationship or other companies.
5. Approve constitution, merger or dissolution of subsidiaries.
6. Approve investments and disposal of investment in ordinary shares and/or other securities.
7. Approve investment in permanent asset when the value exceeds executive's authority level.
8. Approve sale of permanent asset when the value exceeds executive's authority level.
9. Approve adjustment, impairment, write-off of permanent asset and/or intangible assets which are out of use, impaired, lost, damaged, deteriorated, obsolete or not functioning when the value exceeds executive's authority level.
10. Approve transaction which is not the Company's regular business.

11. Approve the mediation, arbitration, petition, litigation and/or other proceeding on behalf of the Company for matters which are not the Company's regular business when the value exceeds executive's authority level.
12. Propose increase, decrease, change in par value of shares or amendment to the Memorandum of Association, Article of Association or the Company's objectives to the shareholders.
13. Approve the Executive Committee to establish an operation manual or other operation guideline as appropriate.
14. Appoint and relieve company secretary from position.
15. All authority of the Board regarding the Acquisition and Disposal of Securities and Related Party Transaction shall comply with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- Binding Signatory

The binding signatory are 2 of the following directors, Mr. Dan Pathomvanich, Ms. Penhuarai Chaichatchaval and Mr. Teerapong Lorratchawee signing jointly and affix the Company's sign.

7.3 Committees

7.3.1 Structure

The structure of the Company's committee consists of 6 committees which are the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Corporate Governance and Sustainability Committee, the Investment Committee and the Executive Committee.

Scope of Responsibilities

1. The Scope of Duty and Responsibilities of the Audit Committee

1.1 Review the Company's financial report to ensure accuracy and sufficiency.

1.2 Review internal control and internal audit to ensure appropriateness and efficiency, independence, and commenting on appointment, transfer, termination of head of internal audit and/or hiring internal audit corporation or other parties which is responsible for internal audit.

1.3 Ensure that the Company comply with laws regarding securities and exchange, rules and regulations of the stock exchange and laws related to the Company's business.

1.4 Consider, select, and appoint independent party to serve as the Company's auditor as well as propose the remuneration for the auditor to the Board to ask approval from the shareholder meetings. At least once a year, the Committee shall attend a meeting with the auditor without attendance from the executive.

1.5 Review related party transactions with conflicts of interest to ensure compliance with the law and the regulations of the stock exchange and that the transactions are reasonable and beneficial to the Company.

1.6 Prepare and include Audit Committee Report, signed by the Chairman of the Audit Committee, in the annual report. The Report must at least include:

(1) Opinion regarding the accuracy and credibility of the financial statement
(2) Opinion regarding adequacy of the internal control
(3) Opinion regarding compliance with securities and exchange law, the stock exchange regulation of laws related to the Company's business.
(4) Opinion regarding the eligibility of the auditor
(5) Opinion regarding related party transactions
(6) Number of Audit Committee members and each member's participation

(7) Opinion or observations perceived as part of their duty under Charter

(8) Other issues which should be communicated to shareholders and investors under the scope and responsibilities appointed by the Board

1.7 During the performance of their duty, if any suspicion arises regarding the following actions which materially affect the financial standing and the Company's performance, the Audit Committee shall report to the Board to resolve the issues within the period they see fit

(1) Conflicts of interest

(2) Fraud, abnormality, or flaw in the internal control system

(3) Violation of the laws regarding securities and exchange, regulations of the stock exchange or other laws related to the Company's business.

If the Board or the Executive does not resolve such issues in the given time, the Audit Committee or any of its member may report such activities to the Securities and Exchange Commission or the Stock Exchange.

1.8 Perform any other duty as assigned by the Board and agreed on by the Committee

1.9 Review regulations and performance at least once a year.

2. The Scope of Duty and Responsibilities of the Nomination and Remuneration Committee

Recruitment

2.1 Establish a procedure to recruit candidates who are eligible for the position of the Board, committees and Chief Executive Officer and make sure the compatibility with the Company's and its subsidiaries' business by determine the quality and expertise required for each position.

2.2 In the event that a director needs to be nominated for the Board consideration, select from the existing director to renew his term or accept nomination from shareholders or utilizing outside party's service or select from the profession association or nomination by directors or other methods.

2.3 Review the candidate's qualification to ensure compliance with applicable laws.

2.4 Engage eligible candidates to ensure their willingness to accept the position if appointed.

2.5 Propose the candidate to the Board and provide the information in the Notice Convening a shareholder meeting for shareholder's consideration.

2.6 As assigned by the Board, recruit the successful candidate for the position of Chief Executive Officer.

Remuneration

2.7 Determine the remuneration criteria for directors, committees, and the Chief Executive Officer to ensure appropriateness and review the current criteria on regular basis, compare with other business in the same industry in order to find the appropriate criteria, reflective of the expected performance, which shall be fair and rewarding toward the individuals who contributed to the Company's success.

2.8 Review all kinds of remuneration, e.g., regular remuneration, performance-based remuneration and meeting allowance by taking into account the practice of other business in the same industry, with same performance and size as well as the skills and responsibilities of the director or the Chief Executive Director.

2.9 As assigned by the Board, establish criteria for assessment of the Chief Executive Officer's performance.

2.10 Specify the annual remuneration of the Chief Executive Officer according to the established criteria and propose to the Board to approve of such remuneration. As for the remuneration of the directors, the Board shall propose for approval from the shareholder meeting.

2.11 Consider and approve the offer of new stocks to directors and employees by maintaining fairness toward shareholders and encouraging directors and employees to increase value of the shares for shareholders in the long run and to keep the quality employees.

3. The Scope of Duty and Responsibilities of Risk Management Committee

3.1 Establish policies for strategic risk, operational risk, financial risk, compliance risk and other risks as well as establishing a general risk management structure of the Company, which shall cover all important risks e.g., financial risk, investment risk and risk of defamation, and propose to the Board for approval based on the risk management guideline of COSO Enterprise Risk Management 2017 (COSO ERM 2017).

3.2 Establish risk management strategy and guideline in line with the risk management policy in order to monitor and control all risk at the tolerable level by allowing participation by all department.

3.3 Monitor risk application of risk management policy under the guideline and policy approved by the Board.

3.4 Establish a measurement of risk and the risk tolerance level.

3.5 Establish a measure to manage risk in accordance with the current situation.

3.6 Assess organization-level risk and establish a measure to manage such risk at the tolerance level as well as ensure the compliance with established risk management measure.

3.7 Review and revise risk management policy to ensure efficiency in risk control.

3.8 Authority to call for question and appoint operation at every level to handle risk management and report to the Risk Management Committee in order to achieve the projected objective of risk management.

3.9 Report the results of management, operation, and risk position of the Company as well as any change and required improvement to ensure compliance with the Board's policies and strategies.

3.10 Prepare risk management manual.

3.11 Identify risks and determine the probability of such risk as well as the impact on the Company.

3.12 Organize workplan to prevent or mitigate risk.

3.13 Evaluate and report risk management result.

3.14 Establish risk management system incorporated with information technology.

3.15 Other matters as the Board deems necessary.

4. Scope of Duty and Responsibilities of the Corporate Governance and Sustainability Committee

<u>Corporate Governance</u>

4.1 Determine and review all policies which the Company is required to comply with the Corporate Governance Code for Listed Companies 2017

4.2 Compile information regarding the Board performance to make decision on appointment of director after end of terms.

<u>Social Enterprise for Sustainable Development</u>

4.3 Establish policies, guidelines, and budget for social enterprise with sustainable development to propose for the Board's yearly approval.

4.4 Monitor the Board's and the Corporate Governance and Sustainability Committee's compliance with the established policies and goals.

4.5 Report the progress and results of performance to the Board regularly after Corporate Governance and Sustainability Committee's meeting.

4.6 Assess the performance of Corporate Governance and Sustainability Committee and report to the Board.

4.7 Review and suggest on any amendment in the Corporate Governance and Sustainability Committee's Charter to ensure the appropriateness and the timeliness.

4.8 Other matters as the Board deems necessary.

To carry on its assignment under the scope, Corporate Governance and Sustainability Committee has the authority to summon executives, head of department or employees to give opinion, attend meetings or submit documents which they deem necessary. Corporate Governance and Sustainability Committee may consult independent advisors or experts in any profession. If necessary and appropriate, the Company shall be responsible of all expenses made as part of the Corporate Governance and Sustainability Committee's duty.

5. Scope of duty and Responsibilities of the Investment Committee

5.1 Establish appropriate investment strategies, goals and policies to ensure Company's growth.

5.2 Consider and screen various projects and investment opportunities that is in accordance with the goals and strategies of the Company by considering the return on investment and various risk factors involved; and those which are their management are at an acceptable level.

5.3 Supervise, inspect, monitor, and evaluate projects that have been approved for investment.

5.4 Report the investment results to the Board of Directors for acknowledgment on a regular basis.

5.5 Perform duties as assigned by the Board of Directors.

6. Scope of Duties and Responsibilities of the Executive Committee

6.1 Present goals, policies, business plans, business strategies, annual budget of the Company, business expansion, financial plan, human resource management policy and consider and screen the proposal of the management which will be presented to the Board of Directors for further approval.

6.2 Supervise the Company's business operations and follow up on the performance of the Company so that it is in accordance with the policies, plans, goals set, and budget approved by the Board of Directors.

6.3 To consider and approve operations that are normal business transactions as well as operations with general commercial conditions in the amount not exceeding the budget approved by the Board of Directors or as the Board of Directors has approved in principle and that can support the normal business transactions of the Company. Anyhow, the operation must be in accordance with the regulations of the Office of the Securities and Exchange Commission and the stock exchange relating to the connected transaction and the acquisition of assets and including the

operating power handbook approved by the Board of Directors. The Executive Committee has the power to consider and approve expenditures in accordance with the operational approval framework approved by the Board of Directors.

6.4 Consider the profit and loss of the Company and the proposal to pay interim dividend which is to presented Board of Directors for approval.

6.5 Consider the proposal to pay annual dividend which is to be presented to the Board of Directors for approval before presenting to the shareholders' meeting.

6.6 Has the power to delegate one or more persons to perform any action under the control of the Executive Committee or may delegate power to such person within the period as the Executive Committee deems appropriate. The Executive Committee may cancel, revoke, change or amend the authorized person or such delegation as deems appropriate.

6.7 Perform other duties as assigned by the Board of Directors from time to time.

The delegation of powers, duties and responsibilities of the Executive must not have the characteristic as a delegation of power of attorney or delegation of power to an assignee who at that time may have a conflict of interest to approve transactions (according to the definition of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand) or may have any other conflict of interest with the Company and / or related companies. In such matter stated, the Executive Committee does not have the authority to approve and must be submitted to the Board of Directors' meeting and / or the shareholders' meeting (as the case may be) for further approval, unless it is an approval for transactions that are in normal business and normal trade conditions in accordance with the announcement of the Capital Market Supervisory Board and / or stock exchange and / or related agencies.

7. Scope of Duties and Responsibilities of Chief Executive Officer

7.1 Governing the overall operation of the Company in accordance with the objectives of the Company's business operation and as assigned by the Board of Directors.

7.2 Establish strategies and business plans to be presented to the Board of Directors and perform to achieve strategic goals and business plans as approved by the Board of Directors.

7.3 Execute and perform duties assigned by the Board of Directors and in accordance with the policy of the Board of Directors.

7.4 Issue regulations, announcements, records to ensure the implementation of the policy.

7.5 Approve and / or authorize juristic acts which is a normal business transaction of the Company and those which the Chief Executive Officer is authorized by the Board of Directors to carry out on their behalf to bind the Company. This includes any transactions that are not directly binding on the Company's assets.

7.6 Coordinate manager and employees to comply with the policies and business directions received from the Board of Directors.

7.7 Seek new business and investment opportunities relating to the main business of the Company and its subsidiaries to increase revenues for the Company.

7.8 Consider the occurrence of any encumbrances on the Company's rights and assets with individuals, companies, stores, or financial institutions which are to be present to the Board of Directors for approval.

7.9 Consider and approve the payment of normal operating expenses in the amount approved by the Board of Directors.

7.10 Consider and approve investments in securities and securities for the Company's account in the amount approved by the Board of Directors.

7.11 Approve in principles for investment in business expansion as well as joint ventures with other operators which is to be present to the Board of Directors for approval at the next meeting.

7.12 Approve major expenditure used investment expenditures that are specified in the expenditure budget of the year or which the Board of Directors has previously approved in principle.

7.13 Oversee the work of employees so that it is in accordance with the policies, regulations, as well and ensuring that employee perform work according to the principles of good governance in doing business.

7.14 Promote the development knowledge, abilities, and potential of employees to increase the organization's potential.

7.15 Consider and appoint advisors necessary for the operation of the Company.

7.16 Consider and approve connected transactions with normal trade conditions, such as trading of goods at market price, charging of service fees at normal rates and giving term credit like general customers, etc. in accordance with the policy approved by the Board of Directors as set out in the Operation Power Manual.

7.17 Empower to hire, appoint, and transfer, defining the scope of authority and duties, determining appropriate returns and have the power terminate the employment as appropriate of employees in different levels as deemed appropriate and as well as set out in the Handbook of Authority.

7.18 Perform other businesses as assigned by the Board of Directors on a case-by-case basis. However, the Chief Executive Officer has no power to approve connected matters or transactions which are not normal commercial terms, acquisition and disposal of Company’s important assets and / or items in which the Chief Executive Officer or a person may have conflict of interest or other of interests against the Company and its subsidiaries, except for normal commercial conditions which have been approved in accordance with the policies and criteria approved by the Board of Directors and have approval from the shareholders. The acquisition or disposition of important assets of the Company or its subsidiaries must comply with the regulations of the Stock Exchange of Thailand.

8. Scope of Duties and Responsibilities of the Company Secretary

8.1 Provide basic advice to directors and executives on compliance with the law, requirements, rules, and regulations of the Company and to monitor and ensure that those people correctly done it. Also, report significant changes in legal requirements to directors and executives.

8.2 Monitor and supervise the disclosure of information and related information in accordance with the regulations, announcements and requirements of the Stock Exchange of Thailand, Securities and Exchange Commission and the Capital Market Supervisory Board.

8.3 Prepare and maintain the following important documents.

(a) Director registration

(b) Invitation letter and minutes of the Board of Directors meeting.

(c) Invitation letter and minutes of the shareholder meeting

(d) Annual report of the Company

8.4 Keeping reports of conflict of interest reported by directors or executives along with sending a copy to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the Company received that report on behalf of the Company and / or the Board of Directors.

8.5 Oversee the activities of the Board of Directors and perform any other matters in accordance with the law and / or as specified in the notification of the Capital Market Supervisory Board and / or as assigned by the Board of Directors.

8.6 Monitor and ensure the shareholders 'meetings and the Board of Directors' meetings are in accordance with the law, Company's Articles of Association, and related practices. Also, to ensure the compliance with the resolutions of the shareholders' meeting and the resolutions of the Board of Directors meeting.

8.7 Conduct an evaluation of the performance of the committee, Executive Committee, and various sub-committees to review the performance, problems, and obstacles each year and use the results of the assessment to develop and improve performance in various fields. Also, prepare a summary of the assessment results and inform the committee, Executive Committee, and various sub-committees to consider and acknowledge the results of the assessment further.

7.3.2 Names of Each Sub-Committees

Sub-committees

(1) Audit Committee

The Audit Committee consists of 3 directors as follows:

Name	Position
1. Mr. Yeo Kok Tong	Independent Director and Chairman of the Audit Committee
2. Mr. Udomkarn Udomsab	Independent Director and Audit Committee
3. Mr. Dhas Udomdhammabhakdi	Independent Director and Audit Committee

Mr. Dhas Udomdhammabhakdi is an audit committee member who has knowledge and experience to review the reliability of the Company's financial statements.

The secretary of the Audit Committee is Ms. Penhurai Chaichatchaval.

(2) Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 directors as follows:

Name	Director
1 Mr. Yeo Kok Tong	Chairman of Nomination and Remuneration Committee
2. Mr. Udomkarn Udomsab	Nomination and Remuneration Committee
3. Mr. Dhas Udomdhammabhakdi	Nomination and Remuneration Committee

The secretary of the Nomination and Remuneration Committee is Miss Penhurai Chaichatchaval.

(3) Risk Management Committee

Risk Management Committee consists of 4 directors as follows:

Name	Position
1. Mr. Dhas Udomdhammabhakdi	Chairman of Risk Management Committee
2. Mr. Dan Pathomvanich	Risk Management Committee
3. Mr. Teerapong Lorratchawee	Risk Management Committee
4. Ms. Penhurai Chaichatchaval	Risk Management Committee

The secretary of the Risk Management Committee is Ms. Penhurai Chaichatchaval.

(4) Corporate Governance and Sustainability Committee

Corporate Governance and Sustainability Committee consists of 4 directors as follows:

Name	Position
1. Mrs. Kesara Manchusree	Chairman of Corporate Governance and Sustainability Committee
2. Mr. Dhas Udomdhammabhakdi	Corporate Governance and Sustainability Committee
3. Mr. Dan Pathomvanich	Corporate Governance and Sustainability Committee
4. Mr. Teerapong Lorratchawee	Corporate Governance and Sustainability Committee

Note: The Board of Directors Meeting No. 8/2020 on 13 November 2020 resolved to appoint the establish the Corporate Governance and Sustainability Committee. The secretary of the Corporate Governance and Sustainability Committee is Ms. Chutintorn Ananpiyapha.

(5) Investment Committee

The Investment Committee consists of 4 directors as follows:

Name	Position
1. Mr. Tai-Chuan Lin	Chairman of Investment Committee

Name	Position
2. Mr. Udomkarn Udomsab	Investment Director
3. Mr. Dan Pathomvanich	Investment Director
4. Ms. Penhurai Chaichatchaval	Investment Director

Note: The Board of Directors Meeting No. 7/2020 on 15 September 2020 resolved to establish the Investment Committee. The secretary of the Investment Committee is Ms. Penhurai Chaichatchaval

(6) Executive Committee

The Executive Committee consists of 3 directors as follows:

Name	Position
1. Mr. Dan Pathomvanich	Chairman of Executive Committee
2. Mr. Teerapong Lorratchawee	Executive Committee
3. Miss Penhurai Chaichatchaval	Executive Committee

7.4 Executives Information

7.4.1 Name and Position of the Executives

The management team consists of 7 executives, 3 being executive directors and 4 being non-executive directors as follows:

Name	Position
1. Mr. Dan Pathomvanich	Chief Executive Officer
2. Mr. Teerapong Lorratchawee	Chief Operating Officer
3. Ms. Penhurai Chaichatchaval	Chief Financial and Investments Officer
4. Mr. Puri Thatsuwan	Chief Financial Officer
5. Mr. Varanyu Pinprapai	Manufacturing Manager
6. Mr. Nataphol Udomtasanee	Information Technology Manager
7.Ms. Kotchaphon Suntornpratum	Research and Development and Quality Control Manager

7.4.2 Remuneration for Executive Directors and Executives

The Company does not have a policy to pay executives who are directors of the Company and subsidiaries. The Executives who are directors who do not receive remuneration are Mr. Dan Pathomvanich, Mr. Teerapong Lorratchawee and Ms. Penhurai Chaichatchaval

7.4.3 Total Remuneration of Executive Directors and Executives

The total compensation for the executives for the year 2020 is 40.98 million baht. The executive who is the director of the subsidiary will not receive directors' remuneration from the subsidiary company. However, Mr. Dan Pathomvanich received remuneration from Plant and Bean Company Limited which is a subsidiary of the Company in 2020 amounted to 41,666.67 Pound sterling.

Type	2020	
	Amount (item)	Remuneration (Million baht)
Salary and bonus	7	30.84
Other remuneration includes social security fund, provident fund, and other employee benefits	7	10.14
Total	**7**	**40.98**

7.5 Information about employees

Table showing details of the number of employees in each line of work (excluding executive officers) as of 31 December 2018, 31 December 31 2019 and 31 December 31 2020.

Department	As of 31 December 2018		As of 31 December 2019		As of 31 December 2020	
	Regular	Temporary	Regular	Temporary	Regular	Temporary
1 Management	5	-	8	-	9	-
2 Production	71	433	75	454	79	516
3 Engineering	11	2	12	2	13	3
4 Warehouse	10	39	7	50	8	54
5 Research and development Quality control Quality assurance Central planning and development	37	11	40	17	38	22
6 Accounting and finance department	18	-	14	-	14	-
7 Human Resources Registrar Performance Development	16	6	16	16	23	19
8 Information Technology	11	-	14	-	16	-
9 Sales and marketing Product design department and document control	25	-	26	2	32	4
10 Purchasing Project Control (General)	6	-	8	-	8	-
11 New Product Development and Project Control (Alternative protein)	-	-	2	-	2	-
12 Sustainability	-	-	4	-	6	-
Total	**210**	**491**	**226**	**541**	**248**	**618**

The Company pays compensation to its employees in various ways (excluding executive level officers) in 2018, 2019 and 2020 as follows:

Remuneration (Million baht)	2018	2019	2020
Salary	21,680,465.04	28,749,538.38	38,361,726.89
Bonus	1,161,903.35	2,115,387.50	6,530,210.20
Other remuneration[/1]	4,589,627.14	7,801,104.16	9,286,637.17
Total	**27,431,995.53**	**38,666,030.04**	54,178,574.26

Provident Fund

The Company has assigned SCB Asset Management Company Limited to be the Company's provident fund manager of the Company and subsidiary under the name NR Instant Produce Company Limited

Name of company/subsidiary	Have/Do not have PVD	Amount of employee who joined the PVD (Person)	Ratio of employee who joined PVD/total employee (%)
NR Instant Produce Public Company Limited	Have	195	78.6%
Nove Foods Company Limited	Do not have		
NRF consumer Company Limited	Do not have		
Root the Future Company Limited	Do not have		
City Food Company Limited	Do not have		

7.6 Other important information

7.6.1 List the persons assigned to be responsible for the following:

Company Secretary

The Board of Directors has appointed Incredible Resolute Company Limited by Ms. Boontharika Boonkhum as the Company Secretary, which the Company used the outsource services on 13 November 2020.

Ms. Boontharika Boonkhum as the qualifications, educational background and work experience as follows:

Education / Training Background

- Master of Business Administration, Flinders University, Australia.
- Bachelor of Accounting, Chiang Mai University

Training history

- Company Secretary Program (CSP) Class 110/2020, Thai Institute of Directors Association (IOD)

Strategic CFO in Capital Markets Program, Class 6/2018, The Stock Exchange of Thailand

Shareholding Proportion (Percent) -None-

Family relationship with directors and executives -None-

Work experience in the past 5 years

2020 - Present	Director and Finance Director, Incredible Resolute Company Limited
2018 - 2019	Deputy Chief Financial Officer, FN Factory Outlet Public Company Limited
2016 - 2018	Director of Investor Relations and Acting Finance Division Manager
	FN Factory Outlet Public Company Limited
2014 - 2016	Director of Investor Relations, GMM Grammy Public Company Limited
2013 - 2014	Investor Relations Manager, Berli Jucker Public Company Limited

Person directly responsible for the supervision of bookkeeping.

Miss Penhurai Chaichatchaval is the Chief Financial Officer directly responsible for accounting supervision.

Person who holds the position of Head of Internal Audit of the Company

The Company assigns ASV Advisory Company Limited by Mrs. Kwanchai Kiatkangwanklai as an internal auditor to supervise the compliance with the rules of the government agencies that regulate the business of the Company.

Person who holds the position of Supervisor of the Company (Compliance)

The Company has separated the supervision of the Company's operations according to the following segments.

- ASV Advisory Company Limited by Mrs. Kwanchai Kiatkangwanklai who is responsible for the internal control of the Company.
- Allen & Overy (Thailand) Company Limited by Anchalee Limyiriyalers who is responsible for the legal aspect of the Company.
- Incredible Resolute Company Limited by Ms. Boontharika Boonkhum overseeing who is responsible for regulation related to the Stock Exchange of Thailand and the Securities and Exchange Commission.
- Mr. Teerapong Lorratchawee is the Chief Operating Officer who is responsible for the quality control system in the Company's production.

7.6.2 List of Investor Relations Supervisors

Ms. Penhurai Chaichatchaval is responsible for the Investor Relations department with Ms. Yanisa Chaichatchaval being the Assistant Investor Relation responsible for investor relations. The investor relation is working directly for the Chief Financial Officer and can be contact through the following channels.

Website: www.nrinstant.com

E-mail: ir@nrinstant.com

Phone number: 065-508-9666

In the past years, there have been 6 meetings with investors, 4 times for institutional investors and 2 times for individual investors.

7.6.3 Auditor's Remuneration

EY Company Limited is an audit firm by Ms. Sirinart Chirachaikhueankhan with Certified Public Accountant No. 6287 is the Company's auditor in 2020 and was appointed by the 2019 Annual General Meeting of Shareholders.

The auditing firm and the auditor has no relationship or any interest with the Company / executives / major shareholders Or any person related to such person.

Remuneration of the auditor for 2 years as follows:

Company	2019	2020
NR Instant Produce Public Company Limited	2,200,000.00	2,400,000.00
Nove Foods Company Limited	205,000.00	390,000.00
City Food Company Limited	-	180,000.00
NRF consumer Company Limited	100,000.00	100,000.00
Root the Future Company Limited	-	-
Total	**2,505,000.00**	**3,070,000.00**

In the past year, the auditors' remuneration was only the audit service fee for the quarter and 2020 and no other service fee.

8. Report on Corporate Governance Activities

8.1 Summary of work performed by the Board of Director during the previous year

The Board of Directors has an important role in setting the policy and strategy to increase ability to compete, tradition and organization values including enhancing efficiency of internal control, risk management and other opinion for the Company's development.

1. Review and approve business plan and annual budget as a guideline to operate sustainable business.
2. Providing advice and help connect with financial institution in procurement of fund.
3. Help recruit management personnel to enhance business growth.
4. Consider, review, advice together with internal auditor for corporate government.

In compliance with the Corporate Governance Code for listed company, the Board of Director shall implement the performance assessment for Board of Directors (wholly and individually), sub-committee and Chief Executive Officer at least once a year both by individual assessment and the whole team assessment, for the Board of Director jointly consider an improvement his/her own performance. Assessment result of the Board of Director, sub-committee and CEO is as follows:

Title	Total Results (Percent)	
	Group	Individual
Board of Directors	86.64	87.78
Audit Committee	82.20	82.58
Nomination and Numeration Committee	83.09	78.79
Risk Management Committee	72.82	75.32
Investment Committee	78.68	84.66
Chief Executive Officer	-	91.05

Note: None for the Corporate Governance and Sustainability Committee because they were just appointed by Board of Director in the meeting No. 8/2020 on 13 November 2020 and no meeting in 2020

8.1.1 Recruitment, development, and assessment of Board of Directors

(1) Criteria in selecting Independent Director (Qualification/Recruitment procedure)

The Board of Directors shall jointly consider qualification of the person to be the Independent Director by considering from qualification and prohibited characteristics under the Public Company Act, Securities and Securities Exchange Act, Notification of Capital Market Supervisory Board including rules and/or relevant regulation. In addition, the Board of Directors shall consider and select the Independent Director from selecting from knowledgeable person, experience, and other qualification as appropriate. The Company has the policy to appoint the Independent Director at least 1/3 of the total directors with the minimum of 3 persons. The Board of Directors stipulates qualification of the Independent Directors as follows:

1. Holding no more than 1 % of total voting shares of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company including the shareholding of persons related to the independent directors
2. Not currently be or never been the Company's executive director, worker, employee, salaried consultant, or controlling parties of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company, Exception: It has been at least two years after the person has held the position, provided that such restriction shall not include independent director who was the government official, or advisor of the government agency who is the major shareholder or controlling party of the Company
3. Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the Company or subsidiary.
4. Not currently having or never had any relations with the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company Exception: It has been at least two years after the person has held the position.

   Such business relationship includes commercial transaction in the normal course of business of leasing of immovable property, transaction relating to property or service or financial support by borrowing or lending, guarantee, giving collateral to secure debt or similar act from 3% of net tangible asset of the Company or from Baht 20 Million or more, whatever lesser, provided that such calculation of debt shall be in accordance with the connected transaction according to Notification of Capital Market Advisory Board regarding criteria of connected transaction and shall take into account all indebtedness incurred during 1 year prior to the date of business relationship has incurred.
5. Not currently being or never been the auditor of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm that being auditor of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company. Exception: It has been at least two years after the person has held the position.
6. Not currently be providing or never provided professional services, legal consulting, nor financial consulting services with a fee more than THB 2 million per year to the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.
7. Not currently a director appointed to represent the Company's directors, major shareholders, or the shareholder related to major shareholder.
8. Not currently be operating under similar business nature and significant competition to the Company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the Company and subsidiary.
9. Not under any conditions that may impede the person from having independent views towards the Company's operations.

(2) Recruitment of Director and top management

Board of Directors

1. Composition

1.1 According to the Articles of Association, Board of Directors of the Company shall compose of at least 5 directors and at least half of all directors must reside in Thailand. Qualification of the directors must have qualification as specified by law. Directors of the Company can be shareholder of the Company.

1.2 Board of Director shall compose of director who are not management, and Independent Director, provided that 1/3 of the directors must be Independent Director. Qualification of the Independent Director shall be as specified by SET.

1.3 Board of Director appoints one director from all directors to act as the Chairman of the Board. Chairman of the Board should be Independent Director.

1.4 Board of Directors appoint a person to act as Company Secretary

2. Election and term in the position

2.1 Each shareholder has a voting right of 1 vote per 1 share

2.2 Each shareholder can cast all his votes he has as per 2.1 to elect one or several persons to be the director(s) but cannot divide/split and cast his vote under Section 70 paragraph 1 of the Public Company Act B.E. 2535 (Non-cumulative voting only).

2.3 The person shall be elected as directors according to the number of the votes received. The person with the highest votes shall be elected first and subsequent persons shall be elected respectively until all directors which ought to be or required to be elected at the meeting have been elected. In case the last person to be elected as the director has the same number of votes as the subsequent person, the Chairman of the meeting shall cast an additional vote to determine the election.

2.4 The Board of Directors shall have duties to manage the business operation of the Company and shall have his/her term in accordance with Articles of Association of the Company, that is at every Annual General Meeting, 1/3 of the total number of directors shall retire. If the total number of directors cannot be divided into 1/3, the nearest number to 1/3 of the directors shall retire. The directors, who retire may be re-elected. For the particular group of directors such as, Audit Committee, Executive Committee, Nomination and Remuneration, and Risk Management Committee shall have its term for 3 year, in avoidance of doubt, 1 year means the period from Annual General Meeting date of the appointment until the Annual General Meeting of the succeeding year. The retired director may be re-elected.

2.5 In addition to retirement by rotation, a director shall retire by:

a. death

b. resignation

c. lack of qualification or having any characteristics prohibited by law concerning public company or securities and securities exchange

d. removal by a resolution of the shareholders' meeting with the votes of not less than ¾ of the number of shareholder attending the meeting and having the right to vote and the

total number of shares of not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote

e. a court order

2.6 Any director who wants to resign must submit his resignation in writing to the Company. Such resignation shall become effective on the date the resignation letter reaches the Company. The resigned director may inform his/her resignation to the registrar.

2.7 In case a position of the director becomes vacant for any reason other than the retirement by rotation, the Board of Directors shall elect a person with the right qualifications and having characteristics not prohibited by law concerning public company or securities and securities exchange to be the director at the next meeting of the Board of Directors with the votes of not less than ¾ of the remaining number of directors except the vacant position shall have a remaining term of less than 2 months.

Audit Committee

1. Composition
- 1.1 Audit Committee composes of directors who are Independent Directors at least 3 persons.
- 1.2 Audit Committee must have sufficient knowledge and experience to perform duty of an audit committee. At least 1 Audit Committee must be sufficiently knowledgeable and experienced to review the reliability of financial statements.
- 1.3 Board of Director shall select and appoint 1 Audit Committee to act as Chairman of the Audit Committee

2. Qualification
- 2.1 Audit Committee shall be appointed by Board of Directors of the Company.
- 2.2 Having qualification as stipulated under the Public Company Act.
- 2.3 At least 1 Audit Committee must have accounting and finance knowledge.
- 2.4 Audit Committee must be Independent Director and having qualification as Independent Directors as follows:
  1. Holding no more than 1 % of total voting shares of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company including the shareholding of persons related to the independent directors.
  2. Not currently be or never been the Company's executive director, worker, employee, salaried consultant, or controlling parties of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company, Exception: It has been at least two years after the person has held the position, provided that such restriction shall not include independent director who was the government official, or advisor of the government agency who is the major shareholder or controlling party of the Company
  3. Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the Company or subsidiary.
  4. Not currently having or never had any relations with the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the Company, parent company, subsidiary, affiliate, major shareholder or

controlling party of the Company Exception: It has been at least two years after the person has held the position.

5. Not currently being or never been the auditor of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm that being auditor of the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company. Exception: It has been at least two years after the person has held the position.
6. Not currently be providing or never provided professional services, legal consulting, nor financial consulting services with a fee more than THB 2 million per year to the Company, parent company, subsidiary, affiliate, major shareholder or controlling party of the Company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.
7. Not currently a director appointed to represent the Company's directors, major shareholders, or the shareholder related to major shareholder.
8. Not currently be operating under similar business nature and significant competition to the Company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the Company and subsidiary.
9. Not under any conditions that may impede the person from having independent views towards the Company's operations.

2.5 Being a person who can perform and giving opinion or report the assignment's result independently without control of management or major shareholder of the Company including related parties or close relative of that person.

2.6 Being the trusted and acceptable person

2.7 Capable of contributing sufficient time to perform as Audit Committee

3. Term

3.1 Term of each Audit Committee is 3 year, in avoidance of doubt, 1 year means the period between the Annual General Meeting for the year of appointment until the next AGM. The Audit Committee that has been retired by rotation can be nominated and reelected.

3.2 Other than retire by rotation the Audit Committee shall be removed from office if:

a. Death
b. Resign
c. Loss of qualifications as Independent Director under the Code of Conduct or according to the criteria of SET
d. Retire from Board of Directors of the Company

3.3 To resign, the Audit Committee shall submit the resignation to the Chairman of the Board of Director which should be 1 month in advance and clarify the reason to resign. The Board of Director shall approve the resignation and the Company shall inform the resignation to the SET together with submission of resignation letter. In case the whole Audit Committee were retired, they must act as acting Audit Committee until the new Audit Committee can take on the duty.

3.4 Whenever any vacancy of the Audit Committee occurs otherwise than by rotation, the Board of Directors shall appoint a new director to fill the position within 90 days in order to have the Audit Committee in the office as required by the Company. Any person so appointed shall retain office only during such time as the Audit Committee whom he replaced would have been entitled to retain the same.

Nomination and Remuneration Committee

1. Composition

1.1 Mostly the Independent Director and the Chairman of Nomination and Remuneration Committee should be Independent Director for transparency and independent in performing duties

1.2 If it is necessary to have Executive Director in the Nomination and Remuneration Committee, it should be minority of the whole committee, provided that such Executive Director shall not participate in consideration of the Chief Executive Officer

1.3 Chairman of the Board of Director should not be the Chairman or member of Nomination and Remuneration Committee so that Nomination and Remuneration Committee can independently perform the duties

1.4 Nomination and Remuneration Committee must be a knowledgeable person, with experience, and expertise in the business operated by the Company, law and others

1.5 Nomination and Remuneration Committee must be mature, secure and confident to provide different opinion and can devote adequate and efficient time to the Company

2. Qualification

2.1 Being appointed by the Board of Directors

2.2 Knowledgeable, with experience, and expertise in the business operated by the Company, law and others

2.3 Mature, secure and confident to provide different opinion and independently

2.4 Capable to devote adequate and efficient time to the Company

3. Term

Term of the Nomination and Remuneration Committee is 3 year, in avoidance of doubt, 1 year means the period between the Annual General Meeting for the year of appointment until the next AGM. The Nomination and Remuneration Committee that has been retired by rotation can be nominated and reelected.

Risk Management Committee

1. Composition

Risk Management Committee shall compose of 4 directors of the Company, at least 1 from Independent Director. The appointed Independent Director shall act as Chairman of Risk Management Committee.

2. Qualification of the Risk Management Committee

2.1 Being appointed by Board of Directors

2.2 Knowledgeable, with skill and expertise in risk management of business operated by the Company

2.3 Mature, confident to express different opinion

2.4 Can devote time to perform the duty

3. Term

Term of each Risk Management Committee is not exceeding 3 year, in avoidance of doubt, 1 year means the period between the Annual General Meeting for the year of appointment until the next AGM. The Risk Management Committee that has been retired by rotation can be nominated and reelected.

Corporate Governance and Sustainability Committee

1. Composition and qualification
   - 1.1 The Board of Director shall consider appointing the Corporate Governance and Sustainability Committee and Chairman of Corporate Governance and Sustainability Committee. Chairman of Corporate Governance and Sustainability Committee must be Independent Director
   - 1.2 Corporate Governance and Sustainability Committee composes of at least 4 directors of the Company, half of them must be Independent Directors
   - 1.3 Corporate Governance and Sustainability Committee must be knowledgeable, experience with proper qualification
   - 1.4 Corporate Governance and Sustainability Committee can devote adequate and efficient time to the Company
   - 1.5 Chairman of Corporate Governance and Sustainability Committee can appoint a person, who has qualification acceptable to the Corporate Governance and Sustainability Committee and not the director, to become secretary to the Corporate Governance and Sustainability Committee
2. Term

Term of the Corporate Governance and Sustainability Committee shall be the same term as the Board of Directors' which is 3 years. The retired Corporate Governance and Sustainability Committee can be reelected as appropriate and necessary.

In case the whole Corporate Governance and Sustainability Committee are retired, they must perform as acting Corporate Governance and Sustainability Committee until the new committee can take the position.

Beside retire by rotation, Corporate Governance and Sustainability Committee shall be dismissed from office if:

a. Death
b. Resignation
c. Not being director or Independent Director of the Company
d. Termination or removal by resolution of the Board of Director

In case the Corporate Government and Sustainability Committee resign before the due term, he/she must inform the Company so that the Board of Directors shall consider appointing other qualified directors as a replacement.

In case the Corporate Governance and Sustainability Committee's position is vacant other than the retirement, the Board of Directors shall appoint any qualified director to act as Corporate Governance and Sustainability Committee within 3 months as from the date of vacancy. The replacement shall hold the office for the remaining period of the one he/she replace him/her.

Investment Committee

1. Composition and qualification

Investment Committee composes of at least 4 persons, composing of director or management or a knowledgeable person with skill and experience in relation to investment, risk manage or securities analysis which could be director, management of third party. The Board of Directors shall appoint Investment Committee.

2. Term

2.1 Each term of Investment Committee is 3 years.
2.2 Investment Committee retired by rotation can be reelected upon discretion of the Board of Directors.
2.3 In case of resignation or dismissal, the Board of Director must consider appointing other director for replacement and shall the newly appointed Investment Committee shall hold the office up to the remain term of such Investment Committee.

Executive Committee

1. Composition and qualification

The Executive Committee compose of management committee not less than 3 persons. The Executive Committee does not need to be the director of the Company and have the following qualifications:

a. Being appointed by the Board of Directors
b. Having knowledge, capability, honest, and high morale with skill in doing business and can provide adequate time and input to the benefit of the Company.
c. Meet the requirement and not having any character that impeded by the Public Company Act and relevant law.
d. Unable to do business or being a partner in business or being a director in other juristic person that have the same business and in competition with the Company either for his/her own benefit or other's except inform to the shareholders' meeting before the appointment is approved.

2. Term

Term of each Executive Director is not exceeding 3 year, in avoidance of doubt, 1 year means the period between the Annual General Meeting for the year of appointment until the next AGM. The Executive Committee that has been retired by rotation can be nominated and reelected.

Executive Management

The Company not only prioritize the recruitment and appointment of the Company's directors, the Company also place important on recruiting and develop executive and personnel management which is crucial matter to move forward the Company under the policy and strategy set by the Board of Directors.

In recruiting management and personnel, the Board of Directors requires the Company to set as the qualification of management and personnel in each area, skill, experience and character to achieve the recruitment plan to find the proper personnel satisfactory to the Company's expectation.

The Board of Directors shall consider the appointment of Chief Executive Officer and Managing Director as proposed by the Nomination and Remuneration Committee according to Board of Directors' Code of Conduct. The Nomination and Remuneration Committee as assigned by the Board of Directors, shall be empowered to set the criteria, and qualification. Such criteria are divided into 2 parts, firstly, Managerial

Competency, composing of leadership skills, strategic management skill, project management skill, risk management skill and business management skill, secondly, Functional Competency, which are knowledge, skill, character that the management need to have to perform duties to achieve the goal such as analysis skill, design skill, planning and management skill.

The Nomination and Remuneration Committee also set the remuneration structure and assessment the executive. The remuneration comprising of remuneration in form of money such as salary, bonus, or in short term, including warrant that issue to directors, management, and employees (ESOP), and in long term, remuneration which is not money such as welfare for medical treatment, personnel development by internal and outside seminar. At the end of each year, there will be the performance assessment for executive management, management, and employees according to assessment criteria.

8.1.2 Meeting attendance and remuneration for each director

Meeting attendance

1. Board of Director's meeting

Board of Director of the Company has set the meeting schedule of the Board of Directors and the sub-committee 1 year in advance so that each director can arrange time to attend the meeting. In case there is any urgent agenda or special agenda, the additional meeting may be required. The Board of Directors assign the Company Secretary to send the invitation letter to the meeting together with supporting document containing complete and accurate information sufficient for consideration which shall be clearly specified as the agenda for acknowledgement, for approval or for consideration (as the case may be) and send to the Board of Directors 7 days prior to the meeting.

The Board of Directors' meeting No. 8/2020 held on 13 November 2020 has approved meeting schedule for Board of Directors and sub-committee, which is changeable, and not inclusive of any meeting to approve special agenda or urgent matters as follows:

No.	Meeting date	Time	Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Investment Committee	Corporate Governance and Sustainability Committee	Ordinary Shareholder Meeting
1/2021	21 Jan. 21	9.00-17.00	THU 21 Jan. 21 9.00-17.00	TUE 23 Feb. 21 13.00-15.00	MON 25 Jan. 21 14.00-16.00	FRI 29 Jan. 21 10.00-12.00	WED 24 Feb. 21 10.00-12.00	TUE 23 Feb. 21 10.00-12.00	THU 22 Apr. 21 14.00 – 16.00
2/2021	25 Feb. 21	9.30-12.00	THU 25 Feb. 21 9.30-12.00	WED 12 May. 21 10.00-12.00	THU 16 Dec. 21 13.00 – 15.00	WED 12 May. 21 13.00 – 15.00	TUE 10 Aug. 21 10.00-12.00	THU 6 May. 21 13.00-15.00	
3/2021			THU 22 Apr. 21 16.00-18.00	TUE 10 Aug. 21/13 Aug. 21 14.00-17.00/10.00-12.00		TUE 3 Aug. 21 13.00-15.00		MON 9 Aug. 21 10.00-12.00	
4/2021			FRI 14 May. 21 14.00-16.00	WED 10 Nov. 21 14.00-16.00		THU 2 Nov. 21 10.00-12.00		THU 2 Nov. 21 13.00-15.00	
5/2021			FRI 13 Aug. 21 14.00-16.00						
6/2021			THU 23 Sep. 21 9.00-17.00						
7/2021			THU 11 Nov. 21 10.00 -12.00						
8/2021			THU 16 Dec. 21 14.00-16.00						

Details of number of the meeting and attending time of each director

During the previous year ending 31 December 2020, number of the meeting and number of meeting attended by each director are as follows:

Name-Surname	Position	Meeting Attended / Meeting Held
1. Mrs. Kesara Manchusree	Chairman Director and Independent Director	9/9
2. Mr. Dan Pathomvanich	Director	9/9
3. Mr. Yeo Kok Tong	Independent Director	9/9
4. Mr. Udomkarn Udomsab	Independent Director	8/9
5. Mr. Dhas Udomdhammabhakdi	Independent Director	9/9
6. Miss Penhurai Chaichatchaval	Director	9/9
7. Mr. Teerapong Lorratchawee	Director	8/9
8. Mr. Tai-Chuan LIN	Director	6/9

• Mrs. Kesara Manchusree has been appointed as the directors on 13 July 2018 (by Extraordinary Shareholders Meeting No. 3/2018)
• Mr. Dan Pathomvanich has been appointed as the directors on 22 November 2017 (by Extraordinary Shareholders Meeting No. 3/2017)
• Mr. Yeo Kok Tong has been appointed as the directors on 22 September 2017 (by Extraordinary Shareholders Meeting No. 3/2017)
• Mr. Udomkarn Udomsab has been appointed as the directors on 23 February 2018 (by Extraordinary Shareholders Meeting No.1 /2018)
• Mr. Dhas Udomdhammabhakdi has been appointed as the directors on 23 February 2018 (by Extraordinary Shareholders Meeting No. 1/2018)
• Miss Penhurai Chaichatchaval has been appointed as the directors on 22 September 2017 (by Extraordinary Shareholders Meeting No. 3/2017)
• Mr. Teerapong Lorratchawee has been appointed as the directors on 22 September 2017 (by Extraordinary Shareholders Meeting No. 3/2017)
• Mr. Tai-Chuan LIN has been appointed as the directors on 19 November 2018 (by Board of Directors' Meeting No. 7/2018)

The meeting without Executive Committee and/or management

In 2020, there was 1 Independent Directors' meeting on 23 December 2020, and 1 meeting without any management attending the meeting on 12 November 2020.

Director's remuneration

The Company clearly has specified monthly remuneration of directors clearly and transparently suitable for the role, duties, and responsibility to supervise the Company's operation. The Company does not give meeting allowance or other allowance for the meeting attended by the directors. This has been thoroughly considered for the best interest of the Company. The director's remuneration approved by the General Shareholders' meeting in 2020 on 20 March 2020 on directors' remuneration only in monthly basis as follows:

Director's remuneration during the previous year: monthly (without allowance), meeting allowance, bonus, or compensation in kind

Name of Director	Director	Audit Committee	Nomination and Remuneration Committee	Total
1. Mrs. Kesara Manchusree	**2,400,000**			**2,400,000**
2. Mr. Dan Pathomvanich				**-**
3. Mr. Yeo Kok Tong	**360,000**	**1,200,000**	**240,000**	**1,800,000**
4. Mr. Udomkarn Udomsab	**360,000**	**360,000**	**360,000**	**1,080,000**
5. Mr. Dhas Udomdhammabhakdi	**360,000**	**360,000**	**240,000**	**960,000**
6. Miss Penhurai Chaichatchaval				**-**
7. Mr. Teerapong Lorratchawee				**-**
8. Mr. Tai-Chuan LIN	**360,000**			**360,000**
9. Mrs. Suphajee Suthumpun	**284,000**			**284,000**
Grand Total	**4,124,000**	**1,920,000**	**840,000**	**6,884,000**

8.1.3 Supervision of subsidiary and associated company

NRF has set the significant guideline to supervise policy and operation of the subsidiary and/or associated company * to the extent appropriate of each business both directly and indirectly including measure to monitor performance of such company * for the benefit of investment in compliance with criteria concerning corporate governance of subsidiary and associated company * according to Notification of Capital Market Supervisory Board Tor. Jor. 39/2559 Re: Application and Approval for Initial Public Offering (including its amendment) and SET Regulation Re: Acceptance of Ordinary Shares or Preference Shares as Securities in SET. This will lead to good management system, transparent, and verifiable, which enable NRF to direct the management in the business invested by NRF efficiently as if being part of NRF's organization. This is to add value and build up trust to stakeholders of NRF. NRF set the supervisory measures on the subsidiary/associated company* as follows:

1. <u>Transaction that required prior approval from Board of Directors of NRF or Shareholders' meeting of NRF</u>

Any transaction or act that significant to financial status and performance of the subsidiary/associated company requires approval from the Board of Director of NRF or NRF's Shareholders' meeting (as the case may be) prior to entering into that transaction or acct.

NRF is required to disclose information according to criteria, condition, procedure and relevant to the matter provided by Public Company Act, Civil and Commercial Code including Notification, Regulation and criteria of Capital Market Supervisory Board, SEC, SET.

1.1 The following transactions to be done by subsidiary and/or associated company * requires approval from Board of Directors' meeting of NRF.

(A) Appointment or nomination a person to act as director or management in subsidiary and/or associated company* at least proportionate to shareholding ratio of NRF in such company*. Director or management nominated by NRF shall have consideration in voting in board of directors' meeting of subsidiary and/or associated company * relevant to general management and normal business of such company* as director and management of subsidiary and/or associated company* shall deem fit for the best interest of NRF, subsidiary and/or associated company* except the matter that require approval from Board of Directors or Shareholders' meeting of NRF. Director and management as mentioned above shall have qualification, performance, duties, responsibilities and integrity in accordance with Notification of SEC and SET regarding Determination of Untrustworthy Characteristics of Company Directors and Executives.

(B) Capital increase by issuing new shares, or capital decrease of the subsidiary not in proportionate to existing shareholding ratio in the subsidiary resulting in voting right, either directly or indirectly more than 10% of total vote or paid-up capital of such subsidiary (as the case may be) except as stated in the business plan or annual budget of subsidiary which have been approved by NRF.

(C) Approval for annual or interim (if any) dividend distribution of such subsidiary and/or associated company *

(D) Amendment to Articles of Association of subsidiary and/or associated company* except in significant matter as referred to in 1.2 (A)

(E) Approval of annual budget of subsidiary and/or associated company*

(F) Appointment of auditor of subsidiary, only in the case where such auditor does not work in the auditing firm in the same network as auditor of NRF, because NRF has the guideline in appointing the auditor that subsidiary's auditor must be work in the same network firm of NRF's.

Matters referred to in (G) to (O) are deemed significant and upon entering, it will significantly affect to financial status and performance of the subsidiary and/or associated company* therefore require prior approval form Board of Directors of NRF, provided that upon calculation, size of the transaction comparing to NRF's is required approval from the Board of Directors of NRF according the calculation method under Notification of Capital Market Advisory Board and SEC re: Assets Acquisition and Disposition (as amend from time to time) which are:

(G) Transaction that the subsidiary and/or associated company* agree to enter into the transaction with connected person of the subsidiary/associated company* or any transaction that deemed Acquisition and Disposition of Assets of subsidiary and/or associated company*

(H) Assignment or waiver of benefit including waiving the right to make any claim against the person who cause damage to the subsidiary and/or associated company *

(I) Selling or transferring business of subsidiary and/or associated company* in whole or in significant part to the third party

(J) Buying or acquiring business from the third-party company by subsidiary and/or associated company*

(K) Entering into, amend, or terminate contract in relation to leasing of the business of subsidiary in whole or in significant part, assigning other person to manage business of the subsidiary or merging business of the subsidiary with other's

(L) Leasing or hire purchase business or asset of the subsidiary in whole or in significant part

(M) Borrowing or lending, provide credit facility, guaranty, juristic act that oblige the subsidiary to bear more financial burden or providing financial support in any other way to others which is not normal course of business of the subsidiary

(N) Dissolution of the subsidiary and/or associated company*

(O) Other matter which is not normal course of business of subsidiary and/or associated company* that affect the subsidiary and/or associated company* significantly

1.2 Following matters of the subsidiary and/or associated company* requires approval from shareholders' meeting of NRF prior to entering the transaction:

(A) Amendment of Articles of Association of the subsidiary that might significantly affect financial status, operation performance of the subsidiary including but not limited to amendment to Articles of Association of the subsidiary that affect voting right of the Company in the Board of Directors' meeting of the subsidiary and/or shareholders' meeting of the subsidiary or dividend distribution of the subsidiary.

Transactions from (B) to (F) are deemed significant and upon entering, will significantly affect financial status and operation performance of the subsidiary and/or associated company* therefore requires prior approval from shareholders of NRF, provided that upon calculation, size of the transaction comparing to NRF's is required approval from the Board of Directors of NRF according the calculation method under Notification of Capital Market Advisory Board and SEC re: Assets Acquisition and Disposition (as amend from time to time) and it is required approval from shareholders' meeting of NRF as follows:

(B) Subsidiary and/or associated company* agree to enter in to transaction with connected person of NRF or Acquisition and Disposition of Asset of subsidiary and/or associated company*

(C) Capital increase by issuing new shares, or capital decrease of the subsidiary and/or associated company* not in proportionate to existing shareholding ratio in the subsidiary resulting in voting right, either directly or indirectly, in the shareholders' meeting of the subsidiary and/or associated company* reduce more than proportion as NRF is required by law to hold shares resulting in lacking of controlling power of NRF in the subsidiary and/or associated company *

(D) Any act resulting voting right of NRF either directly or indirectly in the shareholders' meeting of the subsidiary reduce more than 10% of total vote in the shareholders' meeting of the subsidiary or resulting in ratio of NRF's vote either directly or indirectly in the shareholders' meeting of subsidiary reduce to less than 50% of total vote in entering into other transaction which is not normal course of business of the subsidiary

(E) Dissolution of the subsidiary and/or associated company*

(F) Any transaction which is not normal course of business of the subsidiary and/or associated company* and transaction that might significantly affect the subsidiary and/or associated company*

2. Appointment director or nomination of person as the director or management in the subsidiary/associated company* including monitoring performance of director or management assigned by NRF

2.1 CEO of NRF has the duty to recruit representative and/or management and propose to Nomination and Remuneration Committee of NRF for screening and propose to Board of Directors of NRF for approval and appointment before propose to board of directors of the subsidiary/associated company* for consideration and appointment including propose to dismiss the representative director/management to Board of NRF prior to proposing to board of directors of the subsidiary/associated company* to consider dismissal.

2.2 NRF shall monitor director/management appointed by NRF to act as director/management in the subsidiary/associated company* in accordance with duty and responsibility as specified by law, regulation and policy of NRF and of subsidiary/associated company*

2.3 Board of Director of NRF shall procure the subsidiary/associated company* to implement internal control, risk management and anti-corruption including to implement appropriate measure to monitor operation performance of subsidiary/associated company* in line with policy and regulation of NRF including law and Notification of Capital Market Supervisory Board, SEC and SET.

2.4 NRF shall procure the director appointed by NRF as director of the subsidiary/associated company* to attend the meeting and vote as specified by NRF, in every board of directors' meeting of the subsidiary/associated company* in considering agenda that significant to business of the subsidiary/associated company*

2.5 NRF shall closely monitor the operation performance and operation of the subsidiary/associated company* and propose the analysis including comment or suggestion to the board of director of NRF and board of directors of subsidiary/associated company* to consider improving policy or promote their business* to grow in sustainable manner

3. Disclosure of information of the subsidiary

3.1 Disclosure of financial status and operating performance information and Connected Transaction including Acquisition and Disposition of Asset significant to the subsidiary to the Board of Directors and management of NRF accurately, completely and timely as specified by the Company

3.2 Disclose and deliver to Board of Directors of NRF, information relevant to its own interest and relevant person's concerning relationship and transaction enter into with the subsidiary/NRF in the way that might create conflict of interest and the board of director of the subsidiary has the duty to inform such matter to Board of Directors of NRF by the time specified by NRF as the supporting information for consideration or approval, such consideration shall be done for the best interest of the subsidiary

Director and management of the subsidiary shall not take part in approval process which they might have conflict of interest either directly or indirectly.

3.3 Following acts that result in receiving by director or management of the subsidiary or their related person the financial benefit other than that is deserved to receive and resulting in damage to NRF or the subsidiary, shall be deemed significant conflict of interest

a. Transaction between NRF and/or subsidiary and director or management of the subsidiary or related person of director or management of the subsidiary which is not inline with criteria of connected transaction

b. Usage of information of NRF or the subsidiary's that being known except the information that has been disclosed to public

c. Usage of asset or business opportunity of NRF and/or the subsidiary in the manner that contrary to criteria of general Code of Conduct as notified Capital Market Supervisory Board

3.4 Report in relation to business plan, business expansion, giant investment as approved by the Company, size-reduction of business, dissolution of business or ceasing of operation including the clarification and/or document submission to support consideration of the case upon requested by NRF

3.5 Clarify and/or submitting information or document in relation to business operation to NRF upon request

3.6 Clarify and/or submitting information or document in relation to business operation to NRF in the case where NRF found any significant matter.

4. Transaction entered by director, manage or related person of the subsidiary/associated company*

Transaction entered by director, manage or related person of NRF and/or the subsidiary shall be prior approved from Board of Directors of NRF and/or the subsidiary's and/or shareholders' meeting of NRF or its subsidiary (as the case may be) if the size of transaction (according to calculation of size of transaction as stipulated by Notification of Capital Market Supervisory Board and SEC re: connected transaction (as applicable for the time being), unless the transaction is on and arm's length basis without influent on negotiation power as a result of being director, manage or related person (as the case may be) and under the commercial term approved by the Board of Director of the Company or in the criteria approved by the Board of Directors of the Company.

NRF set the policy for subsidiary and/or associated company * to perform concerning financial control as follow:

A. subsidiary and/or associated company * has duty to deliver monthly report and quarterly financial statement (ifnay) reviewed by the auditor together with information for preparing financial statement of such company to NRF and agree to have NRF use such information to prepare consolidated financial statement or business performance report of NRF quarterly or annually (as the case may be)

B. subsidiary and/or associated company * has duty to prepare the operating budget plan and make the summary of the actual performance quarterly and monitoring the implementation of the plan and report to NRF. Subsidiary has duty to report operating problem and financial problem that significant to NRF promptly upon finding out or requested by NRF together with delivering information or relevant document upon request as appropriate.

5. Insider information of subsidiary

Director and management and/or subsidiary, employee or representative of NRF and/or subsidiary's including spouse and underage child of such person use insider information of NRF and/or subsidiary, either by performing duties or otherwise that could significantly affect NRF and/or subsidiary for self-benefit or other's either directly or indirectly whether receiving compensation or not.

6. Review supervisory policy of subsidiary and associated company *

NRF shall review this policy annually by proposing to the Corporate Governance and Social Affairs for Sustainable Development Committee of NRF to consider for improvement and revise prior to proposing to Board of Director respectively.

Previously, nomination and voting to appoint the director in subsidiary and associated company have been done by its management. Since 2020, the nomination and voting must be approved by the Board of Directors of the Company. A person being appointed as director in subsidiary and associated company has duties to perform for the best interest of such subsidiary or associated company (not for the Company). The Company require such appointed persons to get approval from Board of Directors of the Company before voting (in the meeting of that subsidiary or associated company) in the mater of the same important level as must be approved by Board of Directors. Number of directors representing the Company in such subsidiary and associated company must be in proportion to shareholding in that company.

In case of subsidiary, the Company set the rules that the person so appointed must procure the subsidiary to have its Articles of Association concerning connected transaction or assets acquisition and disposition or other significant transaction and use the same criteria as the Company's and must supervise to keep information and record the account of the subsidiary for inspection by the Company and gather such information to prepare consolidated financial statement in time.

The Company appoint 3 managements to be the director at City Food Ltd. which is the subsidiary. Such management must be approved by Board of Director's meeting. If such management is removed from the director's office at City Food Ltd., the Board of Director shall send other persons to take care of the Company's interest from time to time. The Company has set significant policy such as connected transaction, assets acquisition and disposition and disclosure of information by including in Corporate Governance Policy for Subsidiary and Associated Company. During the previous year, City Food Ltd., has not done any connected transaction with the Company.

8.1.4 Monitoring the implementation of policy and guideline of corporate governance

The Company prioritize the good governance by implementing policy and guideline in the Corporate Governance Policy of the Company and promote the real implementation to create integrity among stakeholders.

Last year, the Company has monitored the implementation of Corporate Governance Policy concerning 1) employee care and non-discrimination 2) anti unfair competition 3) environmental reserve, hygiene and safety within the organization 4) security of information and found that the Company has perform according to each issue completely.

The Company must monitor to implement good governance for 4 issues as follows:

1. Prevention of Conflict of Interest

The Company implement the policy that director, management, and employee shall perform the work for the highest benefit of the Company. In case of conflict of interest occurs to any one or any transaction, such person must inform Chief Operation Officer responsible such matter and shall not involve in considering such matter.

In the previous year, the Company has checked the transaction that might create conflict of interest and can be summarized that:

- Director's position in the same business: Mr. Dan Pathomvanich, Mr. Teerapong Lorratchawee, Miss. Penhurai Chaichatchaval holding the director position in the Company and City Food Ltd which do the same kind of business. The Board of Directors has acknowledged and agreed that holding such position in that company did not create conflict of interest.
- The auditor has audited the Company's transaction with supplier, none of the transaction is related to director, management and employees.

2. Insider Trading

- The Company requires directors, management and employees to sign for acknowledgement the notification from SEC which requires directors and management to report the change in securities holding to the SEC under Section 59 of Securities and Securities Exchange Act B.E. 2535 within 3 days from the changing date of securities holding and inform Company Secretary to record and summarize number of securities of each director and management to report for acknowledgement to Board of Director in the succeeding meeting.
- The Company prohibits disclosing financial statement's information or other information that could affect trading price to any third party and prohibit trading during 1 month prior to disclosing of such information of the Company/group company and shall not trade the Company's stock until 24 hours after all information has been disclosed to the public.

During the past year, none of the director and management have trade the Company's stock during such time.

3. Anti-Corruption

The Company implement the Anti-Corruption Policy with strict compliance. Directors, management, and employees of the Company shall not involve either directly or indirectly with the bribery or corruption either with government official or private sector. The Board of Directors has approved the participation in Thai Private Sector Collective Action Against Corruption: "CAC" and has signed the announcement and submit to IOD on 1 March 2021.

4. Whistle Blowing

The Company provides channels for stakeholders to report clues and file complaint as follows:

Website: www.nrinstant.com/corporategovernance/whistleblowing

- E-mail: nrf.comsec@nrinstant.com

The Audit Committee who are independent from management will consider the case together with Human Resource Division to screen the clue and complaint. The report of information, clue, complaint, and investigation will be done on the non-name basis without disclosing address, photo, personal information, or any identity and shall be kept confidential.

There were none of the clue report in the previous year.

Guideline concerning protection and monitoring risk from corruption

The Company establishes guideline to supervise and control to prevent and monitor risk from corruption which can be summarized as follows:

A. Providing audit procedure and internal control assessment and risk management governing major system such as selling and marketing, purchasing and hiring, contract, accounting record, and payment to prevent and monitor risk from corruption and provide appropriate solution.

B. Providing channels to receive information, clue, complaint concerning violation of law or Code of Conduct or Guideline concerning anti-corruption or suspicious financial transaction or internal control of auditing, punishment under the Company's regulation or law. The Company shall report the investigation result and solution in writing in case the Company can contact the clue reporter or the complaint.

C. Head of department relevant to the case shall be responsible to follow up and improve the mistake (if any) and report to the supervisor.

Guideline for monitoring the compliance under guideline to prevent involvement in corruption

The Company set the guideline to monitor compliance under the guideline to prevent involvement in corruption as follows:

A. Require the management and employees to regularly conduct self-assessment concerning compliance to Good Corporate Governance Policy and Code of Conduct established by the Company including anti-corruption policy and relevant guideline.

B. Procure internal auditor to audit internal control, risk management, corporate governance by conducting the audit according to annual audit plan approved by Audit Committee and report significant issue found and provide suggestion to the Audit Committee.

C. Require risk management division and internal control to conduct testing and assessment of risk from corruption continuously to apply anti-corruption policy efficiently and monitor, review and improve anti-corruption policy regularly and propose the assessment result to Risk Management Committee and report to the Board of Director respectively, promptly and regularly.

D. If the investigation found that the information from checking or complaint is reasonable with supporting evidence to believe that there are the act that might effect financial status and operating result of the Company and the act that might involve corruption including violation of law or Code of Conduct of the Company or guideline to prevent involvement in corruption or suspicious to financial statement, internal control, the Audit Committee shall report to the Board of Director for improvement within the reason period determined by Audit Committee.

The Company shall communicate the guideline to prevent involvement in anti-corruption through channels such as intranet of the group company and on the Company's website for acknowledgement and compliance by the management and all employees.

8.2 Report on Performance of Audit Committee

8.2.1 Times of the meeting and attending time of each Audit Committee

Details of meeting time and attending time of each Audit Committee as of 31 December 2020

Name-Surname	Position	Attending Time / Meeting Time
Mr. Yeo Kok Tong	Independent Director and Chairman of Audit Committee	6/6
Mr. Udomkarn Udomsab	Independent Director and Audit Committee	6/6
Mr. Dhas Udomdhammabhakdi	Independent Director and Audit Committee	6/6

8.2.2 Performance of Audit Committee

The Audit Committee has performed duties under Audit Committee's Code of Conduct under scope of duties assigned by Board of Directors. During 2020, there were 6 meeting of Audit Committee to consider major matters according to the assignment from the Board of Directors as follows:

1. Reviewing the Company's financial statement and consolidated financial statement of the Company and subsidiary for each fiscal quarter and fiscal year of 2020 audited by the auditor of the Company. There were meetings between the auditor and management to consider financial report, accounting policy, estimation and review accounting system, in which the auditor could discuss and make decision and determination freely and fairly under auditing standard in order to issue reliable financial statement together with sufficient note to financial statement suitable to the business operation.
2. Review and evaluate Internal Control and Internal Audit by appointing ASV and Associate Limited to act as internal auditor, and found that the Company has internal control suitable to business operation and having sufficient internal control system under internal control standard in accordance with Evaluation Form for Sufficiency of Internal Control of SEC.
3. Consider and approve internal audit plan that is sufficient and remuneration for internal auditor for 2020.
4. Review suitability and sufficiency of connected transaction that could create conflict of interest for 2020 in compliance with Thai law and Notification of SEC and SET and propose to the Board of Directors for approval.
5. Review and improve Investment Policy, and Accounting Policy concerning provision for slow-moving inventory and outdated items for clarity and suitable for the Company's operation according to requirement of SEC.
6. Reviewing management authorization of the Company and subsidiary for smooth operation and decentralization of power and duties suitably according to recent organization structure.
7. Consider Enterprise Risk Management- ERM plan improved from COSO ERM 2004 standard to COSO ERM 2017 standard
8. Consider and approve scope of work and compensation for testing of information technology system control (application Control Test), follow up and manage to make it operate in accordance with standard and requirement of SEC

9. Consider condition to acquire City Food Limited to ensure the suitability and highest benefit
10. Consider appointment of auditor and auditor's remuneration for 2020 considering qualification, understanding to company business, and propose auditor from EY Office Limited as follows:
    - Ms. Sineenart Jirachaikhuankhan Certified Public Accountant (Thailand) No. 6287 or
    - Mr. Termpong Opanapan Certified Public Accountant (Thailand) No. 4501 or
    - Mr. Krisdika Lertwana Certified Public Accountant (Thailand) No. 4958 or
    - Ms. Manee Ratanabannakit Certified Public Accountant (Thailand) No. 5313

    To the Board of Director to be proposed to General Meeting to consider and approve the same.

The Audit Committee has performed their duties as assigned with care, transparent, justified, and independent according to Good Governance Policy to the best interest of all stakeholders.

In the previous year, the Company has engaged EY Office Limited to audit financial statement of the Company, which the Audit Committee prioritized the performance of the auditor to be independent in auditing financial statement of the business, then reviewed internal operation of the Company and set the standard policy as follows:

(1) The Audit Committee shall consider and approve other services from EY Office Limited without authorizing the management to do. So far, there were none of other services of EY and its affiliate other than as approved by the Audit Committee.

(2) EY Ltd., require other division that used other services from EY Office Limited to report scope of work, performance and service fee paid to auding firm and subsidiary, and so far, there is none of the service from EY.

8.3 Summary of Performance of other Sub-Committee

8.3.1 Time of the meeting and attending time of each sub-committee

Meeting of Nomination and Remuneration Committee

Details of meeting time and attending time of each Remuneration Committee as of 31 December 2020

Name-Surname	Position	Attending Time / Meeting Time
Mr. Udomkarn Udomsab	Chairman of Nomination and Remuneration Committee	5/5
Mr. Yeo Kok Tong	Nomination and Remuneration Committee	5/5
Mr. Dhas Udomdhammabhakdi	Nomination and Remuneration Committee	5/5

Meeting of Risk Management Committee

Details of meeting time and attending time of each director as of 31December 2020

Name-Surname	Position	Attending Time / Meeting Time
Mr. Teerapong Lorratchawee	Chairman of Risk Management Committee	2/2
Mr. Puri Thatsuwan	Risk Management Committee	2/2
Miss Kotchaphon Suntornpratum	Risk Management Committee	2/2

Mr. Varanyu Pinprapai	Risk Management Committee	2/2
Mr. Nataphol Udomtasanee	Risk Management Committee	2/2
Miss Siriporn Lorsurakarn	Risk Management Committee	2/2
Mr. Dan Pathomvanich (acting)	Risk Management Committee	1/2

Meeting of Corporate Governance, and Social Affair for Sustainable Development Committee

The Board of Director had the resolution to appoint Corporate Governance, and Social Affair for Sustainable Development Committee in the meeting No. 8/2020 on 13 November 2020. The Committee has not held any meeting in 2020.

Meeting of Investment Committee

Details of meeting time and attending time of each director as of 31December 2020

Name-Surname	Position	Attending Time / Meeting Time
Mr. Tai-Chuan LIN	Chairman of Investment Committee	2/2
Mr. Udomkarn Udomsab	Investment Committee	2/2
Mr. Dan Pathomvanich (acting)	Investment Committee	2/2
Miss Penhurai Chaichatchaval	Investment Committee	2/2

The Board of Director had the resolution to appoint Investment Committee in the meeting No. 7/2020 on 15 September 2020

8.3.2 Performance of Sub-Committee as assigned by Board of Directors

Performance of Nomination and Remuneration Committee

Nomination and Remuneration Committee has performed duties under Nomination and Remuneration Committee's Code of Conduct as assigned by the Board of Directors. During 2020, there were 5 meetings of Nomination and Remuneration Committee to consider important matters as follows:

Considered and selected qualified persons to act as directors of the Company to replace the retired director considering qualification, experience, knowledge beneficial to the Company's operation. In 2020, there are 3 directors who must retire by rotation and their qualification, experience, and knowledge suitable to be appointed as directors of the Company. The committee therefor proposed to the Board of Directors to approve re-elect the retired director back in the position for another term and proposed to the shareholders for consideration.

1. Consider and evaluate performance and remuneration of Board of Director, sub-committee at the rate suitable to their duties, responsibilities, and operating result of the Company, comparable to normal practice of the Company in the same industry.
2. Consider remuneration of management staffs of the group company (Plant and Bean Company Limited).
3. Select company secretary in order to make the Company to efficiently manage under Securities and Securities Exchange Act B.E. 2535 and Good Governance Policy

4. Consider and screening organization structure of the Company and subsidiary and proposed appointment of C-level Consider and screening organization structure of the Company and subsidiary and proposed appointment of
5. Consider and appoint Good Governance, Social Affairs and Sustainable Development Committee separating from Nomination and Remuneration Committee and reviewing Code of Conduct of Good Governance, Social Affairs and Sustainable Development Committee
6. Consider and review Code of Conduct of Nomination and Remuneration Committee
7. Consider and review appointment of Board of Director and Managing Director of the subsidiary (City Food Company Limited)
8. Consider and review bonus for 2020 and special bonus for management and the Company's employees
9. Recruit director to replace the resigned director
10. The Nomination and Remuneration Committee has performed duties under assignment with care, transparency, fair and independently according to Good Governance Policy for the best interest of the Company and all stakeholders.

Performance of Risk Management Committee

The Risk Management Committee has performed their duties under the Risk Management Committee's Code of Conduct and duties assigned by Board of Directors. In 2020, there were 2 meeting of Risk Management Committee to consider important issues under duties assigned by Board of Directors as follows:

1. Assess organization risk, find out cause of risk and analyze risk that might affect the Company and develop risk management policy and guideline to manage risk of the whole organization.
2. Review and improve risk management policy and plan to be in line with COSO ERM 2017 risk management principle to make it clear and reflect vision, mission and operation toward goad and business strategy of the Company.
3. Follow up result of action under risk management guideline and risk management policy approved by Board of Directors to bear risk at the acceptable level.

From the above action, Risk Management Committee have considered and approved that the Company has established and considered all risk issues covering all operation of the Company.

Performance of Investment Committee

Investment Committee has performed their duties according to Investment Committee Code of Conduct and within scope of power assigned by Board of Directors in 2020. Investment Committee has hold 2 meetings to consider investment opportunity and others as follows:

1. Review and acknowledge Investment Committee's Code of Conduct
2. Screening and providing advice on projects and investment opportunity to be in line with target and strategy of the Company considering on return of investment, cash, and other relevant factors.
3. Review relevant report and conditions of investment in City Food Ltd., for the highest benefit of all stakeholders
4. Follow up and evaluate the approved investment project and report to the Board of Director

Investment Committee has performed their duties under Investment Committee's Code of Conduct with due care for sustainable growth of the Company.

9. Internal Control and Connected Transaction

9.1 Internal Control

In the Board of Directors' meeting No. 3/2021 held on 1 March 2020 attended by 3 Audit Committee, the Board of Director has conduct internal control assessment of the Company and its subsidiary by asking and gathering information from the management an report of Audit Committee and summarized that from the assessment in 5 aspects, control environment, risk assessment, control measure, information and communication system, follow up system, and found that internal control of the Company and subsidiary is sufficient and reasonable. The Company and subsidiary have strictly complied with faithful and ethical value. The directors are dependent from management and have performed supervisory and development relating to internal control. The management has established chain of command structure, instruction authority and responsibility as appropriate to achieve objectives of the Company under supervision of the Board. The objective has been specified clearly to be able to specify risk and risk assessment for all risk that might affect internal control. There are measures to control and reduce risk to the acceptable level. Company choose and use technology system to develop internal control. There is internal control policy to specify goal and step to be taken to achieve goal. There is communication with outside agency. There is assessment the weakness of internal control and report to the responsible person promptly including top management and Board of Director as appropriate. For any other aspect of internal control, the Board of Director agree that there is sufficient internal control except channel to accept complaint and evidence of wrong-doing, and announcement of relevant policy on the Company's website which must be improved because it is during technical construction by third party specialist which is now the channel to report has been back to the Company's website already.

The Audit Committee's meeting on 24 February 2020 No. 1/2020 has appointed ASV Advisory Ltd by Miss Kwanjai Kiatkanwanklai to act as internal auditor of the Company as from 24 February 2020 for 2020 year and also for 2021 from 23 February 2021.

The Audit Committee has considered qualification of Advisory Ltd by Miss Kwanjai Kiatkanwanklai and found that it is independent, experienced in internal audit in the business/industry similar to the Company's for more than 10 years, being certified as internal auditor from Thai Internal Auditor Association which required not less than 40 hours of seminar attendance. Audit Committee has authority to appoint, terminate, assign the head of internal auditor of the Company.

9.2 Connected Transaction (if any)

Person that might have conflict of interest	Business Objectives	Relationship with Company
1. Mr. Dan Pathomvanich	-	- Director, management, and father of Master Kantachai Pathomvanich, Master Nara Pathomvanich, major shareholders of company
2. Miss. Nitnara Mintarkhin	-	- Mother of Master Kantachai Pathomvanich, Master Nara Pathomvanich, major shareholders of company
3. Mr. Damkerng Pathomvanich	-	- Father of Mr. Dan Pathomvanich, director and management
4. Dusit Gourmet Ltd.	Food Product distributor	- Subsidiary of Dusit Food Ltd., major shareholder
5. Hatton Capital (Thailand) Ltd.	Invest in other business	- Subsidiary of Thanatat Pattana Ltd., major shareholder
6. Asian Food Corporation Ltd.	Invest in other business	- Major shareholder of the Company
7. DP Partners Ltd.	Invest in other business	- Major shareholder of the Company
8. DLB 2017 Ltd.	Invest in other business	- Major shareholder of the Company
9. PDA Fund S Ltd.	Invest in other business	- Major shareholder of the Company
10. Dusit Food Ltd[26]	Invest in food related business	- Major shareholder of the Company
11. Tasty Venture Ltd.	Invest in other business	- Company under Mr. Dan Pathomvanich group company, holding 100% shares in Thanatat Pattana Ltd., Mr. Dan is the director.

[26] On 30 January 2020, Dusit Food has sold its shares held in the Company to DPA Fund S Limited, major shareholder of the Company resulting in Dusit Food has shares in the Company 6.4% of registered and paid-up capital of the Company, no status as major shareholder.

Person who may have conflict of interest

Connected Transaction

Connected transactions among group of company with person who may have conflict of interest during fiscal year ending 31 December 2020 can be summarized as follow:

Person who may have conflict of interest	Connected Transactions	Value of transactions as of 31 December 2019 (Baht)	Value of transactions as of 31 December 2020 (Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
1. Mr. Dan Pathomvanich	Personal guarantee to secure company's loan	-	-	- Personal guarantee to secure company's loan since 2017 using as operating capital, so far, no guarantee fee. However, the Company has requested the bank to cancel the guarantee prior to listing in SET. - After listing in the SET, the Company shall have strong financial status so no need to depend on director or management.	- Such guarantee is the bank's condition to lend money. Although it is beneficial to the Company but Audit Committee was of the opinion that the exemption for guarantee should be taken prior to listing in the SET. And after listing, the Company has repaid all long-term loan and release guarantee.
2. Dusit Gourmet Ltd.	Purchasing goods from the Company	455,909.75	-	-Dusit group has invested as strategic partner of the Company. They do not have factory so they hire the Company to manufacture for then under Dusit Thani Brand under the market price with general commercial conditions.	-Transaction to support ordinary course of business under general commercial conditions. In addition, production and sell to Dusit Gourmet

Person who may have conflict of interest	Connected Transactions	Value of transactions as of 31 December 2019 (Baht)	Value of transactions as of 31 December 2020 (Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
					Ltd create business opportunity and profit from investment. -
	Purchasing goods from the Company	213,800.10	-	The Company has sold packaging and label sticker to Dusit group with the price at cost plus margin with normal general commercial conditions.	Transaction to support ordinary course of business under general commercial conditions.
	Other trade receivable	228,766.11	-	The Company has sold packaging and label sticker to Dusit group with credit term under normal general commercial conditions.	Transaction to support ordinary course of business under general commercial conditions.

Person who may have conflict of interest	Connected Transactions	Value of transactions as of 31 December 2019 (Baht)	Value of transactions as of 31 December 2020 (Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
3. Hatton Capital (Thailand) Ltd.	Selling shares in Sri Racha Sauce Ltd. (now NRF Consumer Ltd.), to the Company which become the Company's subsidiary (previously Zabzu Ltd.)	99,800	-	The Company needs to set up new subsidiary to manufacture Sri Racha sauce under Zabzu brand. So, the Company acquired shares in Sri Racha Sauce at par and only main asset left is domain Sriracha.co.th which can be used in future. Acquiring business can speed up the operation and save operating cost.	As the Company purchase shares at cost so the transaction is reasonable because Sri Racha Sauce has no operation since establishment. Subsidiary establishment can speed up the operation, save operating cost and can use its website to support the Company's business.

Person who may have conflict of interest	Connected Transactions	Value of transactions as of 31 December 2019 (Baht)	Value of transactions as of 31 December 2020 (Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
	Other creditors and expenses. Disbursement from Hatton Capital (Thailand) Ltd.	-	5,017.00	NRF Consumer Ltd is the subsidiary made a corporate search. The incurred cost has been advanced by Hatton Capital.	Transaction to support ordinary course of business under general commercial conditions.
4.1 Asian Food Corporation Ltd.	Pledge shares to secure loan of the Company.	-	-	Pledge of shares to secure long-term loan of the Company at Baht 1,350 Million and short-term loan at Baht 120 Million without consideration for operating fund. Company has asked for release of pledge from the bank after listing because of the Company's financial strength after listing and no need to depend on director or management.	Such share pledge is the bank's condition to lend money. Although it is beneficial to the Company, but Audit Committee was of the opinion that the exemption for share pledge should be taken prior to listing in the SET. And after listing, the Company has repaid all long-term loan and release guarantee.

Person who may have conflict of interest	Connected Transactions	Value of transactions as of 31 December 2019 (Baht)	Value of transactions as of 31 December 2020 (Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
4.2 DP Partners Ltd.		-	-		
4.3 DLN 2017 Ltd.		-	-		
4.4 Miss. Nitnara Mintarkhin		-	-		
4.5 DPA Fund S Ltd.	Fee for public offering	-	90,950.00	The Company has paid IPO filing fee to SEC for DPA Fund S Ltd., to sell the Company's shares held by it simultaneously.	Transaction to support ordinary course of business under general commercial conditions.
4.6 Mr. Damkerng Pathomvanich		-	-		
4.7 Dusit Food Ltd.		-	-		

Person who may have conflict of interest	Connected Transactions	Value of transactions as of 31 December 2019 (Baht)	Value of transactions as of 31 December 2020 (Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
4.8 Tasty Venture Ltd.	Acquiring assets	-	113,125.75	Nove Foods Ltd has acquired assets (office supplies) from Tasty Venture Ltd.	Transaction to support ordinary course of business under general commercial conditions.
4.9 Plant and Bean Ltd.	Advisory and legal fee	-	14,229,307.25	The Company charge advisory fee and legal fee from Plant and Bean Limited which is the Company's affiliate	Transaction to support ordinary course of business under general commercial conditions.

Necessity and reasonableness of connected transaction

The Audit Committee's meeting No. 1/2021 held on 24 February 2021 has considered connected transaction of the group company for the fiscal year ending on 31 December 2020. They have requested for information from management of the Company and reviewed the note to Financial Statement and found that the connected transaction among the group of the Company for the fiscal year ending 31 December 2020 is necessary and beneficial to the business operation of the group company and/or the transaction is in the normal course of business of the group company, under general commercial conditions that the ordinary person should have done with the contracting party under the same circumstance with the negotiation power on and arm's length basis.

Measure and procedure to approve connected transaction

The Board of Directors' meeting No. 7/2019 held on 11 November 2019 has approved measure and procedure to approve connected transaction between the Company and/or subsidiary of the Company and individual or juristic person that may have conflict of interest to be transparent and for the benefit of the Company, which can be summarized as follow:

(1) Board of Director and management of the Company shall prepare the stakeholder report concerning themselves or related person and report to the Company for internal use and act in accordance with regulation concerning connected transaction.

(2) Avoid entering into connected transaction that may create conflict of interest

(3) In case of necessity, all connected transaction must be proposed for approval from management, Board of Director or shareholders' meeting (as the case may be).

(4) Upon occurrence of connection transaction, follow the procedure set by the Company and criteria set by Capital Market Supervisory Board, Securities and Exchange Committee, and Securities Exchange of Thailand.

(5) Set the price and condition for connected transaction on an arm's length basis which must be justify, reasonable by comparing price with the third party's under the same or similar conditions.

(6) In considering connected transaction, independent assessor may be appointed to make an assessment and company the price for important connected transaction to ensure that such connected transaction is reasonable and with highest benefit for the Company.

Policy and trend for future transaction

In the future, if the Company or its subsidiary has to enter into connected transaction with a person that might create conflict of interest and/or related party of the Company or subsidiary, the Company shall act in accordance with the law concerning securities and securities exchange, regulation, notification of criteria set by Capital Market Supervisory Board, SET and act in accordance with requirement to disclose connected transaction under accounting standard set by Thai Federation of Accounting Professions to ensure that such transaction is not the transfer of benefit and for the best interest of all shareholders.

If such connected transaction occurred in the ordinary course of business of the Company or subsidiary and being continuing transaction, the Company has set the criteria and guideline to act on an arm's length basis by referring to reasonable price and conditions that are justify, reasonable, inspectable and propose to the Audit Committee for consideration and approve.

บริษัท เอ็นอาร์ อินสแตนท์ โปรดิวซ์ จำกัด (มหาชน)

NR Instant Produce Public Company Limited

Section 3 Financial Statements

Independent Auditor's Report
To the Shareholders of NR Instant Produce Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of NR Instant Produce Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of NR Instant Produce Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NR Instant Produce Public Company Limited and its subsidiaries and of NR Instant Produce Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 3 to the consolidated financial statements. In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of fair value measurement of non-listed equity instruments, impairment of assets and sufficient taxable profits against which deferred tax assets can be utilized. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives and recognized resulting losses (net of income tax), totaling Baht 16 million (the Company only: Baht 12 million), in the statement of comprehensive income for the year ended 31 December 2020. These pertain in the fair value of non-listed equity instruments. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Revenue recognition

Revenues from sales of the Group are a significant to the financial statements because the amount of revenue is high (representing 98% and 99% of total revenues in the consolidated financial statements and the separate financial statements, respectively). In addition, the revenue of the Group is derived from a variety of products, which have a large number of domestic and overseas customers, and the prices vary according to the competitive situation. As a result, revenues from sales of the Group are recognized under different conditions and amounts for each type of product and customer. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by assessing and testing the internal controls of the Group with respect to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with special considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, examining supporting documents for sales transactions occurring during the year, near the end of the accounting period and after the period-end. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill and trade name

As discussed in Note 17 and 18 to the financial statements, as at 31 December 2020, the Group has goodwill and trade name amounting to Baht 242 million and Baht 213 Million, respectively, which is significant to the statement of financial position. Thus, the assessment of impairment of goodwill and trade name is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill and trade name.

I assessed the identification of cash generating units and the financial models selected by the management of the Group by gaining an understanding of management's decision-making process assessing whether the decisions made were consistent with how assets are utilized. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realized from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluate the discount rate applied by management through an analysis of the moving average finance costs of the Group and of the industry and tested the calculation of the realizable value of the goodwill and trade name using the selected financial models and considered the impact of changes in key assumptions on those realizable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trade name.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

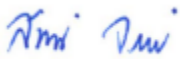
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision, and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Sineenart Jirachaikhuankhan
Certified Public Accountant (Thailand) No. 6287

EY Office Limited
Bangkok: 1 March 2021

NR Instant Produce Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	*8*	224,358,785	142,265,436	222,188,074	141,716,013
Trade and other receivables	*9*	284,370,333	194,461,925	216,010,956	194,617,177
Short-term loans to a subsidiary	*7*	-	-	-	11,850,000
Inventories	*10*	188,075,147	85,059,265	153,523,967	85,037,127
Other current assets		24,769,820	10,297,143	22,288,441	10,156,377
Total current assets		721,574,085	432,083,769	614,011,438	443,376,694
Non-current assets					
Restricted bank deposits	*11*	7,868,500	18,930,055	1,363,915	18,930,055
Other non-current financial assets	*12*	103,966,382	-	14,364,182	-
Long-term loans to subsidiaries	*7*	-	-	326,940,000	-
Investments in subsidiaries	*13*	-	-	206,099,500	5,099,800
Investment in associate	*14*	187,376,555	-	-	-
Other long-term investments	*12*	-	28,388,177	-	28,388,177
Property, plant and equipment	*15*	626,085,018	375,262,094	380,550,694	373,952,506
Right-of-use	*16*	11,155,838	-	8,251,395	-
Unalloated cost of business acquisition	*13*	4,978,565	-	-	-
Goodwill	*17*	241,635,741	241,635,741	241,635,741	241,635,741
Intangible assets	*18*	1,433,104,058	1,491,036,171	1,432,873,952	1,491,036,171
Deferred tax assets	*28*	16,679,348	7,661,268	8,640,925	2,315,401
Other non-current assets		3,949,467	810,503	2,770,593	704,530
Total non-current assets		2,636,799,472	2,163,724,009	2,623,490,897	2,162,062,381
Total assets		3,358,373,557	2,595,807,778	3,237,502,335	2,605,439,075

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

NR Instant Produce Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institution	*19*	143,477,902	90,000,000	120,032,142	90,000,000
Trade and other payables	*20*	202,138,704	126,066,575	147,252,477	114,218,224
Current portion of long-term loans	*21*	62,938,988	255,061,697	-	255,061,697
Current portion of lease liabilities	*16*	3,986,152	606,801	2,010,441	606,801
Income tax payable		28,999,470	9,479,218	20,816,080	9,479,218
Other current liabilities		7,566,887	1,968,479	6,267,103	1,930,267
Total current liabilities		449,108,103	483,182,770	296,378,243	471,296,207
Non-current liabilities					
Long-term loans, net of current portion	*21*	-	618,130,345	-	618,130,345
Lease liabilities, net of current portion	*16*	5,418,640	866,050	4,715,977	866,050
Provision for long-term employee benefits	*22*	15,341,671	5,731,096	14,846,802	5,731,096
Defered tax liabilities	*28*	311,487,514	315,057,411	303,343,249	315,057,411
Other non-current liabilities		2,552,617	-	2,552,617	-
Total non-current liabilities		334,800,442	939,784,902	325,458,645	939,784,902
Total liabilities		783,908,545	1,422,967,672	621,836,888	1,411,081,109

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

NR Instant Produce Public Company Limited and its subsidiaries

(Formerly known as "NR Instant Produce Company Limited")

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Shareholders' equity					
Share capital	*23*				
Registered					
1,421,040,400 ordinary shares of Baht 1 each		1,421,040,400	1,421,040,400	1,421,040,400	1,421,040,400
Issued and fully paid					
1,355,780,300 ordinary shares of Baht 1 each					
(2019: 1,065,780,300 ordinary shares of Baht 1 each)		1,355,780,300	1,065,780,300	1,355,780,300	1,065,780,300
Share premium	*23*	1,165,194,364	155,748,100	1,165,194,364	155,748,100
Deficit on amalgamation	*24*	(290,788,396)	(290,788,396)	(290,788,396)	(290,788,396)
Retained earnings					
Appropriated - statutory reserve	*25*	30,400,000	23,100,000	30,400,000	23,100,000
Unappropriated		326,997,559	219,000,102	369,589,959	240,517,962
Other components of shareholders' equity		(13,118,815)	-	(14,510,780)	-
Total shareholders' equity		2,574,465,012	1,172,840,106	2,615,665,447	1,194,357,966
Total liabilities and shareholders' equity		3,358,373,557	2,595,807,778	3,237,502,335	2,605,439,075
		-	-	-	-

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

NR Instant Produce Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Sales	*29, 31*	1,408,349,127	1,111,052,577	1,368,080,632	1,111,001,878
Dividend income	*13*	5,798,555	-	5,798,555	-
Exchange gains		388,435	-	660,647	-
Other income		29,650,670	8,011,152	6,006,091	8,011,152
Total revenues		1,444,186,787	1,119,063,729	1,380,545,925	1,119,013,030
Expenses					
Cost of sales		974,173,330	783,908,483	935,148,076	783,862,697
Selling and distribution expenses		66,090,593	55,091,076	56,925,451	52,101,295
Administrative expenses		190,595,009	162,795,678	179,709,624	140,990,617
Exchange losses		-	6,064,342	-	6,079,320
Total expenses		1,230,858,932	1,007,859,579	1,171,783,151	983,033,929
Profit from operating activities		213,327,855	111,204,150	208,762,774	135,979,101
Loss on change in status of investment	*13*	(878,570)	-	-	-
Share of loss from investment in associate	*14*	(15,317,650)	-	-	-
Finance income		226,490	592,765	9,963,487	725,497
Finance cost	*26*	(45,730,331)	(60,939,579)	(45,344,901)	(60,939,579)
Profit before income tax expenses		151,627,794	50,857,336	173,381,360	75,765,019
Income tax expenses	*28*	(27,236,585)	(10,106,414)	(28,116,881)	(15,452,281)
Profit for the year		124,391,209	40,750,922	145,264,479	60,312,738
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Share of other comprehensive income from investment in associate	*14*	4,694,205	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		4,694,205	-	-	-
Other Comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial losses	*22*	(8,337,561)	(834,958)	(8,085,974)	(834,958)
Less: Income tax effect	*28*	1,667,512	166,991	1,617,195	166,991
		(6,670,049)	(667,967)	(6,468,779)	(667,967)
Loss on investments in equity designated at fair value through other comprehensive income	*35.4*	(19,420,373)	-	(15,292,573)	-
Less: Income tax effect	*28*	3,884,075	-	3,058,515	-
		(15,536,298)	-	(12,234,058)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(22,206,347)	(667,967)	(18,702,837)	(667,967)
Other comprehensive income for the year		(17,512,142)	(667,967)	(18,702,837)	(667,967)
Total comprehensive income for the yaer		106,879,067	40,082,955	126,561,642	59,644,771
Basic earning per share	*30*				
Profit for the year		0.11	0.04	0.13	0.06

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

NR Instant Produce Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements							
						Other components of shareholders' equity - Other comprehensive income		
				Retained earnings				
	Issued and paid-up share capital	Share premium	Deficit on amalgamation	Appropriated - statutory reserve	Unappropriated	Fair value reserve	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	1,020,925,000	66,037,500	(290,788,396)	20,000,000	183,973,191	-	-	1,000,147,295
Profit for the year	-	-	-	-	60,312,738	-	-	60,312,738
Other comprehensive income for the year	-	-	-	-	(667,967)	-	-	(667,967)
Total comprehensive income for the year	-	-	-	-	59,644,771	-	-	59,644,771
Issued ordinary share capital (Note 23)	44,855,300	89,710,600	-	-	-	-	-	134,565,900
Transferred unappropriated retained earning to statutary reserve (Note 25)	-	-	-	3,100,000	(3,100,000)	-	-	-
Balance as at 31 December 2019	1,065,780,300	155,748,100	(290,788,396)	23,100,000	240,517,962	-	-	1,194,357,966
								-
Balance as at 1 January 2020	1,065,780,300	155,748,100	(290,788,396)	23,100,000	240,517,962	-	-	1,194,357,966
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	(2,423,703)	(2,276,722)	(2,276,722)	(4,700,425)
Balance as at 1 January 2020 - as restated	1,065,780,300	155,748,100	(290,788,396)	23,100,000	238,094,259	(2,276,722)	(2,276,722)	1,189,657,541
Profit for the year	-	-	-	-	145,264,479	-	-	145,264,479
Other comprehensive income for the year	-	-	-	-	(6,468,779)	(12,234,058)	(12,234,058)	(18,702,837)
Total comprehensive income for the year	-	-	-	-	138,795,700	(12,234,058)	(12,234,058)	126,561,642
Issued ordinary share capital (Note 23)	290,000,000	1,009,446,264	-	-	-	-	-	1,299,446,264
Transferred unappropriated retained earning to statutary reserve (Note 25)	-	-	-	7,300,000	(7,300,000)	-	-	-
Balance as at 31 December 2020	1,355,780,300	1,165,194,364	(290,788,396)	30,400,000	369,589,959	(14,510,780)	(14,510,780)	2,615,665,447
								-

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

NR Instant Produce Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements								
						Other components of shareholders' equity - Other omprehensive income			
	Issued and paid-up share capital	Share premium	Deficit on amalgamation	Retained earnings: Appropriated - statutory reserve	Retained earnings: Unappropriated	Share of other comprehensive income from investment in associate	Fair value reserve	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	1,020,925,000	66,037,500	(290,788,396)	20,000,000	182,017,147	-	-	-	998,191,251
Profit for the year	-	-	-	-	40,750,922	-	-	-	40,750,922
Other comprehensive income for the year	-	-	-	-	(667,967)	-	-	-	(667,967)
Total comprehensive income for the year	-	-	-	-	40,082,955	-	-	-	40,082,955
Issued ordinary share capital (Note 23)	44,855,300	89,710,600	-	-	-	-	-	-	134,565,900
Transferred unappropriated retained earning to statutory reserve (Note 25)	-	-	-	3,100,000	(3,100,000)	-	-	-	-
Balance as at 31 December 2019	1,065,780,300	155,748,100	(290,788,396)	23,100,000	219,000,102	-	-	-	1,172,840,106
Balance as at 1 January 2020	1,065,780,300	155,748,100	(290,788,396)	23,100,000	219,000,102	-	-	-	1,172,840,106
Cumulative effect of change in accounting policies (Note 4)	-	-	-	-	(2,423,703)	-	(2,276,722)	(2,276,722)	(4,700,425)
Balance as at 1 January 2020 - as restated	1,065,780,300	155,748,100	(290,788,396)	23,100,000	216,576,399	-	(2,276,722)	(2,276,722)	1,168,139,681
Profit for the year	-	-	-	-	124,391,209	-	-	-	124,391,209
Other comprehensive income for the year	-	-	-	-	(6,670,049)	4,694,205	(15,536,298)	(10,842,093)	(17,512,142)
Total comprehensive income for the year	-	-	-	-	117,721,160	4,694,205	(15,536,298)	(10,842,093)	106,879,067
Issued ordinary share capital (Note 23)	290,000,000	1,009,446,264	-	-	-	-	-	-	1,299,446,264
Transferred unappropriated retained earning to statutory reserve (Note 25)	-	-	-	7,300,000	(7,300,000)	-	-	-	-
Balance as at 31 December 2020	1,355,780,300	1,165,194,364	(290,788,396)	30,400,000	326,997,559	4,694,205	(17,813,020)	(13,118,815)	2,574,465,012

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

NR Instant Produce Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	151,627,794	50,857,336	173,381,360	75,765,019
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	89,760,194	79,805,096	86,578,847	79,725,526
Allowance for doubtful debts	-	2,824,590	-	2,824,590
Reversal of impairment loss on financial assets	(740,941)	-	(826,270)	-
Reduction in cost to net realisable value				
of inventories (reversal)	3,992,576	(2,294,367)	3,992,576	(2,294,367)
Write-off inventories	-	2,299,064	-	2,299,064
Gains on disposals of equipment and vehicle	(43,465)	(7,200)	(43,465)	(7,200)
Share of loss from investment in associate	15,317,650	-	-	-
Provision for long-term employee benefits	1,060,969	1,632,206	1,029,732	1,632,206
Unrealised losses on exchange	1,275,001	443,005	1,366,686	351,162
Gains from fair value measurement of derivatives	(280,531)	-	(280,531)	-
Loss on fair value adjustments of financial instruments	41,665	-	41,665	-
Dividend income	(5,798,555)	-	(5,798,555)	-
Finance income	(226,490)	(592,765)	(9,963,487)	(725,497)
Loss on change in status of investment	878,570	-	-	-
Direct expenses related to the share offering	4,423,856	-	4,423,856	-
Finance cost	45,730,331	60,939,579	45,344,901	60,939,579
Profit from operating activities before				
changes in operating assets and liabilities	307,018,624	195,906,544	299,247,315	220,510,082
Operating assets (increase) decrease				
Trade and other receivables	(26,764,123)	9,597,686	(16,845,645)	9,581,229
Inventories	(66,179,700)	7,427,458	(72,479,416)	7,449,596
Other current assets	(11,719,785)	11,208,618	(11,851,534)	11,317,242
Other non-current assets	(2,612,664)	(387,858)	(2,066,063)	(281,885)
Operating liabilities increase (decrease)				
Trade and other payables	(6,497,751)	24,498,050	21,890,447	12,879,545
Other current liabilities	1,698,189	(314,546)	4,336,836	57,852
Other non-current liabilities	2,552,617	-	2,552,617	-
Provision for long-term employee benefits	-	(82,143)	-	(82,143)
Cash flows from operating activities	197,495,407	247,853,809	224,784,557	261,431,518
Cash paid for interest expenses	(49,902,848)	(60,807,497)	(49,176,159)	(60,807,497)
Cash paid for corporate income tax	(29,039,385)	(33,731,954)	(28,968,889)	(33,725,292)
Net cash flows from operating activities	118,553,174	153,314,358	146,639,509	166,898,729

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

NR Instant Produce Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	17,561,461	(75,883)	17,566,140	(75,883)
Purchase of non-current financial assets	(98,069,549)	-	(4,339,549)	-
Increase in loans to subsidiaries	-	-	(315,090,000)	(11,850,000)
Cash paid for investment in associate	(198,000,000)	-	-	-
Cash paid for investment in subsidiaries	(181,641,489)	-	(200,999,700)	(99,800)
Cash paid for other long-term investments	-	(26,056,928)	-	(26,056,928)
Acquisition of property, plant and equipment	(14,990,084)	(115,390,980)	(14,783,504)	(114,001,821)
Proceeds from disposals of equipment and vehicle	83,355	1,071,686	83,355	1,071,686
Acquisition of intangible assets	-	(1,453,075)	-	(1,453,075)
Interest received	444,250	592,398	2,046,880	586,336
Dividend received	5,798,555	-	5,798,555	-
Net cash flows used in investing activities	(468,813,501)	(141,312,782)	(509,717,823)	(151,879,485)
Cash flows from financing activities				
Increase in short-term loans from financial institution	24,999,654	90,000,000	30,032,142	90,000,000
Cash receipt from long-term loans	180,000,000	51,000,000	180,000,000	51,000,000
Repayment of long-term loans	(1,063,435,019)	(190,620,000)	(1,058,156,561)	(190,620,000)
Payment of principal portion of lease liabilities	(4,235,270)	(672,660)	(3,349,517)	(672,660)
Cash receipt from increase share capital	1,334,000,000	134,565,900	1,334,000,000	134,565,900
Payment of direct expenses related to the share offering	(38,977,592)	-	(38,977,592)	-
Net cash flows from financing activities	432,351,773	84,273,240	443,548,472	84,273,240
Unrealised gains on exchange for cash and cash equivalents	1,903	438,745	1,903	438,745
Net increase in cash and cash equivalents	82,093,349	96,713,561	80,472,061	99,731,229
Cash and cash equivalents at beginning of year	142,265,436	45,551,875	141,716,013	41,984,784
Cash and cash equivalents at end of year	224,358,785	142,265,436	222,188,074	141,716,013
	-	-	-	-
Supplemental cash flow information				
Non cash item				
Acquisition of right-of-use assets under lease agreements	9,328,060	-	6,840,000	-
Account payable for purchase assets	20,101,339	3,290,478	19,919,513	3,290,478

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

NR Instant Produce Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 General information of the Company

NR Instant Produce Public Company Limited ("the Company") is a public company which was established via an amalgamation under civil and commercial law between Panthera Partners Company Limited and NR Instant Produce Company Limited (Former Company) on 2 October 2017 and domiciled in Thailand. Its major shareholder is Asian Food Corporation Company Limited, which was incorporated in Thailand. The parent company of the Group is Thanatat Pattana Co., Ltd., which was incorporated in Thailand and the ultimate shareholder is Pathomvanich family. The Company is principally engaged in the manufacture and distribution of seasoning and instant foods. The registered office of the Company is at No. 99/1 Moo 4, Kaerai, Krathumbaen, Samutsakorn.

The Company registered the change its status from limited company to be a public limited company and change the Company's name from "NR Instant Produce Company Limited" to "NR Instant Produce Public Company Limited" with the Ministry of Commerce on 16 December 2019.

The first trading day of the Company's shares on the Stock Exchange of Thailand was 9 October 2020.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions, and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of NR Instant Produce Public Company Limited ("the Company") and the following subsidiaries ("the subsidiaries") (collectively as "the Group").

Company's name	Nature of business	Country of incorporation		
		Country	Shareholding percentage	
			2563 %	2562 %
Nove Foods Limited	Distribution of food products containing no meat ingredients or animal products	Thailand	100	100
NRF Consumer Limited (Formerly known as "Sabzu Limited")	Not yet operational	Thailand	100	100
Root The Future Limited	Not yet operational	Thailand	100	-
City Food Company Limited	Manufacture import and export instant foods	Thailand	100	-

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

3 New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarized below:

Financial reporting standards related to financial instruments.

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustment.

- Classification and measurement of non-listed equity investments - The Group has decided to measure these investments at fair value and classify them as financial assets at fair value through other comprehensive income.

- Recognition of expected credit losses - The Group recognizes an allowance for expected credit losses on its contract assets, and it is no longer necessary for a credit-impaired event to have occurred.

The Group recognized the cumulative effect of the adoption of these financial reporting standards as an adjustment to the retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognized the cumulative effect of the adoption of this financial reporting standard as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to fair value measurement of non-listed equity instruments, impairment of assets and reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of fair value measurement of non-listed equity instruments, impairment

of assets and sufficient taxable profits against which deferred tax assets can be utilized. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives and recognized resulting losses (net of income tax), totaling Baht 16 million (the Company only: Baht 12 million), in the statement of comprehensive income for the year ended 31 December 2020. These pertain in the fair value of non-listed equity instruments.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 a) to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognized as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The effect of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	194,462	(3,030)	-	191,432
Non-current assets				
Other non-current financial assets	-	25,542	-	25,542
Other long-term investments	28,388	(28,388)	-	-
Property, plant and equipment	375,262	-	(1,857)	373,405

(Unit: Thousand Baht)

	Consolidated financial statements			
		The effect of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Right-of-use assets	-	-	4,157	4,157
Deferred tax assets	7,661	1,175	-	8,836
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	607	-	906	1,513
Non-current liabilities				
Lease liabilities, net of current portion	866	-	1,394	2,260
Shareholders' equity				
Retained earnings - unappropriated	219,000	(2,424)	-	216,576
Other components of shareholders' equity	-	(2,277)	-	(2,277)

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The effect of		
		Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	194,617	(3,030)	-	191,587
Non-current assets				
Other non-current financial assets	-	25,542	-	25,542
Other long-term investments	28,388	(28,388)	-	-
Property, plant and equipment	373,953	-	(1,857)	372,096
Right-of-use assets	-	-	3,620	3,620
Deferred tax assets	2,315	1,175	-	3,490
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	607	-	552	1,159

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The effect of		
		Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Non-current liabilities				
Lease liabilities, net of current portion	866	-	1,211	2,077
Shareholders' equity				
Retained earnings - unappropriated	240,518	(2,424)	-	238,094
Other components of shareholders' equity	-	(2,277)	-	(2,277)

4.1 Financial instruments

a) Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	Retained earnings	Other components of shareholders' equity
Fair value measurement of non-listed equity instruments - net of income tax	-	(2,277)
Recognition of an allowance for expected credit losses on financial assets - net of income tax	(2,424)	-
Impacts of the adoption of financial reporting standards related to financial instruments	(2,424)	(2,277)

b) As at 1 January 2020, classifications and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The former carrying amounts	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	142,266	-	142,266	142,266
Trade and other receivables	194,462	-	191,432	191,432
Other current assets	10,297	-	10,297	10,297
Restricted bank deposits	18,930	-	18,930	18,930
Other non-current financial assets	28,388	5,997	19,545	25,542
Other non-current assets	811	-	811	811
Total financial assets	395,154	5,997	383,281	389,278

4.2 Leases

Upon initial application of TFRS 16, the Group recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	4,667	4,146
Less: Short-term leases and leases of low-value assets	(175)	(175)
Less: Contracts reassessed as service agreements	(2,091)	(2,091)
Add: Others	36	-
Less: Deferred interest expenses	(137)	(117)
Increase in lease liabilities due to TFRS 16 adoption	2,300	1,763
Liabilities under finance lease agreements as at 31 December 2019	1,473	1,473
Lease liabilities as at 1 January 2020	3,773	3,236
Weighted average incremental borrowing rate (percent per annum)	3.85 - 7.55	3.85 - 7.55
Comprise of:		
Current lease liabilities	1,513	1,159
Non-current lease liabilities	2,260	2,077
	3,773	3,236

(Unit: Thousand Baht)

	Separate financial statements			
	The former carrying amounts	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	141,716	-	141,716	141,716
Trade and other receivables	194,617	-	191,587	191,587
Short-term loans to a subsidiary	11,850	-	11,850	11,850
Other current assets	10,157	-	10,157	10,157
Restricted bank deposits	18,930	-	18,930	18,930
Other non-current financial assets	28,388	5,997	19,545	25,542
Other non-current assets	704	-	704	704
Total financial assets	406,362	5,997	394,489	400,486

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances, and price promotions to customers.

Dividend income

Dividend income is recognized when the right to receive the dividend is established.

Interest income

Interest income is calculated using the effective interest method and recognized on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortized cost is calculated using the effective interest method and recognized on an accrual basis.

5.2 Cash and cash equivalents

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

5.3 Inventories

Finished goods and semi-finished goods are valued at the lower of cost (weighted average method) and net realizable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, packaging and factory supplies are valued at the lower of average cost and net realizable value and are charged to production costs whenever consumed.

5.4 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

5.5 Property, plant, and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	5 – 20	years
Machinery and equipment	5 - 10	years
Furniture, fixtures, and office equipment	3 - 10	years
Motor vehicle	5	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

5.6 Intangible assets

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

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

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

Useful lives

Customer relationship	25	years
Computer software	5, 15	years
Prototype	10	years

Intangible assets with indefinite useful lives (trade name) are not amortized but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

5.7 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognized as gain in profit or loss.

Goodwill is carried at cost less any impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.9 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

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

Right-of-use assets

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

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

Buildings and building improvement	2	years
Motor vehicles	3 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

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

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations

are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in profit or loss.

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income.

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

5.13 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

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

Classification and measurement of financial assets

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

Financial assets at amortized cost

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

Dividends are recognized as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognized in other comprehensive income.

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

Financial assets at FVTPL

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

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

Dividends on these investments are recognized as other income in profit or loss.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

Offsetting of financial instruments

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

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized/accreted by the effective interest rate method with the amortized/accreted amount presented as an adjustment to the interest income.

b) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

5.16 Derivatives

The Group uses derivatives, such as forward currency contracts and option contracts, to hedge its foreign currency risks.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognized in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months, and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

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

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

6. Significant accounting judgements and estimates

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

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

7. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business, and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries, and those related parties.

(Unit: Million Baht)

List	Consolidated financial statements		Separate financial statements		Pricing policy
	2020	2019	2020	2019	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	0.6	-	Market prices
Interest income	-	-	9.8	0.1	4.650% and 5.525%
Purchase of goods	-	-	0.8	-	Market prices
Commission expense	-	-	0.1	0.2	As stipulated in the agreement
Transactions with associate					
Other income	23.4	-	-	-	As stipulated in the agreement
Transactions with related parties (related by common directors)					
Sales of goods	-	0.5	-	0.5	Market prices
Other income	-	0.2	-	0.2	Market prices

The balances of the accounts as at 31 December 2020 and 2019 between the Company, the subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other receivables - related parties (Note 9)				
Subsidiary	-	-	8,293	184
Associate	14,229	-	-	-
Related company (related by common directors)	91	229	-	229
Total other receivables - related parties	14,320	229	8,293	413
Short-term loans to a subsidiary				
Subsidiary	-	-	-	11,850
Total short-term loans to a subsidiary	-	-	-	11,850
Long-term loans to subsidiaries				
Subsidiaries	-	-	326,940	-
Total long-term loans to subsidiaries	-	-	326,940	-
Other payables - related parties (Note 20)				
Subsidiary	-	-	76	5
Related company (related by common directors)	118	-	-	-
Total other payables - related parties	118	-	76	5

Loans to subsidiaries

During the current year, movements of loans to subsidiaries are as follows:

(Unit: Thousand Baht)

List	Separate financial statements			
	Balance as at 1 January 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Short-term loans to a subsidiary				
Nove Foods Limited	11,850	-	(11,850)	-
Long-term loans to subsidiaries				
Nove Foods Limited	-	261,540	(28,900)	232,640
NRF Consumer Limited	-	94,300	-	94,300
Total loans to subsidiaries	11,850	355,840	(40,750)	326,940

As at 31 December 2020, the loans comprise loans to Nove Foods Limited of Baht 219 million and Baht 14 million (2019: Baht 8 million and Baht 4 million) bearing interest at the rate of 5.525% and 4.650% per annum, respectively (2019: 5.525% and 4.650% per annum, respectively) and loan to NRF Consumer Limited of Baht 94 million (2019: Nil) bearing interest at the rate of 5.525% per annum (2019: Nil). The loans were repaid at call. However, the Company will not call the loans within 1 year. Therefore, the loans were classified to long-term loans during the current year.

Directors and management's benefits

The Group had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

List	Consolidated financial statements / Separate financial statements	
	2020	2019
Short-term employee benefits	37,761	29,276
Post-employment benefits	3,222	524
Total	40,983	29,800

8. Cash and cash equivalents

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	60	46	50	42
Bank deposits	224,299	142,219	222,138	141,674

Total	224,359	142,265	222,188	141,716

As at 31 December 2020, bank deposits in saving accounts carried interests between 0.050 and 0.250 percent per annum (2019: between 0.220 and 0.375 percent per annum) (the Company only: between 0.050 and 0.125 percent per annum, 2019: between 0.220 and 0.375 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	209,368	145,012	152,711	145,012
Past due				
Up to 3 months	46,459	21,581	42,103	21,581
3 - 6 months	1,885	13,724	1,406	13,724
6 - 12 months	1,767	6,880	1,736	6,880
Over 12 months	1,826	3,668	1,826	3,668
Total trade receivables - unrelated parties	261,305	190,865	199,782	190,865
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(3,551)	(3,107)	(3,465)	(3,107)
Total trade receivables - unrelated parties, net	257,754	187,758	196,317	187,758
Total trade receivables - net	257,754	187,758	196,317	187,758
Other receivables - related parties				
Other receivables	14,320	229	20	274
Interest receivables	-	-	8,273	139
Total other receivables - related parties	14,320	229	8,293	413
Other receivables - unrelated parties				
Other receivables	3,615	880	3,570	880
Advance payment for purchase of inventories	1,723	-	1,723	-
Prepaid expenses	6,850	5,544	6,011	5,515
Advance payments to employee	108	51	97	51
Total other receivables - unrelated parties	12,296	6,475	11,401	6,446
Total other receivables	26,616	6,704	19,694	6,859
Total trade and other receivables - net	284,370	194,462	216,011	194,617

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

(Unit: Thousand Baht)

List	Consolidated financial statements	Separate financial statements
As at 1 January 2020	3,107	3,107
Adjustment of expected credit losses due to financial instrument adoption (Note 4)	3,030	3,030
Reversal of allowance for expected credit losses	(741)	(827)
Amount written off	(1,845)	(1,845)
As at 31 December 2020	3,551	3,465

10. Inventories

(Unit: Thousand Baht)

List	Consolidated financial statements					
	Cost		Reduce cost to net realizable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Finished goods	53,640	6,552	(886)	(681)	52,754	5,871
Semi-finished goods	29,635	20,527	(842)	(663)	28,793	19,864
Raw materials	28,889	16,412	(1,005)	(100)	27,884	16,312
Packaging and factory supplies	69,149	44,308	(10,036)	(1,296)	59,113	43,012
Goods in transit	19,531	-	-	-	19,531	-
Total	200,844	87,799	(12,769)	(2,740)	188,075	85,059

(Unit: Thousand Baht)

List	Separate financial statements					
	Cost		Reduce cost to net realizable value		Inventories-net	
	2563	2562	2563	2562	2563	2562
Finished goods	32,896	6,552	(886)	(681)	32,010	5,871
Semi-finished goods	27,190	20,527	(823)	(663)	26,367	19,864
Raw materials	24,873	16,390	(292)	(100)	24,581	16,290
Packaging and factory supplies	55,766	44,308	(4,731)	(1,296)	51,035	43,012
Goods in transit	19,531	-	-	-	19,531	-
Total	160,256	87,777	(6,732)	(2,740)	153,524	85,037

During the current year, the Group reduced cost of inventories by Baht 10 million to reflect the net realizable value (the Company only: Baht 4 million). This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories in the year 2019 by Baht 2.3 million and reduced the amount of inventories recognized as expenses during the year.

11. Restricted bank deposits

Balance as at 31 December 2020 comprise the Company's fixed deposits of Baht 1 million which the Company uses as collateral to a bank for issuance of letter of guarantee for electricity use and a subsidiary's saving deposits of Baht 7 million which a subsidiary uses as collateral to a bank for secured long-term loans.

Balance as at 31 December 2019 comprise fixed deposits of Baht 1 million and saving deposits of Baht 18 million which the Company uses as collateral to a bank for issuance of letter of guarantee for electricity use and secured long-term loan, respectively.

12. Other non-current financial assets / Other long-term investments

12.1 Other non-current financial assets

As at 31 December 2020, other non-current financial assets are summarized below.

(Unit: Thousand Baht)

List	Consolidated financial statements	Separate financial statements
Equity instruments designated at FVOCI		
Non-listed equity instruments		
Dusit Gourmet Company Limited	305	305
New Protein Fund I LP	5,334	5,334
Big Idea Ventures GP I, LLC	3,219	3,219
The Meatless Farm Limited	4,759	4,759
Boosted Ecommerce., Inc.	89,602	-
Total equity instruments designated at FVOCI	103,219	13,617
Others	747	747
Total other non-current financial assets	103,966	14,364

12.2 Other long-term investments

As at 31 December 2019, the details of other long-term investments are as follows:

(Unit: Thousand Baht)

List	Consolidated financial statements / Separate financial statements
Investment in non-marketable equity securities	
Dusit Gourmet Company Limited	3,000
New Protein Fund I LP	5,071
Big Idea Ventures GP I, LLC	772
Total investment in non-marketable equity securities	8,843
Debt securities held to maturity	

(Unit: Thousand Baht)

List	Consolidated financial statements / Separate financial statements
Convertible bonds	19,322
Unrealized gains on exchange	223
Total debt securities held to maturity	19,545
Total other long-term investments	28,388

Convertible bonds

During July 2019, the Company invested GBP 0.5 million, or Baht 19.3 million, in the convertible unsecured bonds of an unrelated company. The bonds have a term of 2 years, maturing in July 2021, and bear interest at a rate of 5% per annum, beginning from the second year. The interest is to be paid on maturity.

On 1 July 2020, the Company converted bonds of GBP 0.5 million, or Baht 18.8 million in The Meatless Farm Limited prior to maturity date into 14,500 fully paid ordinary shares at GBP 34.48 totaling GBP 0.5 million, or Baht 18.8 million.

Boosted Ecommerce, Inc.

On 15 October 2020 and 30 October 2020, a subsidiary invested in preference shares of Boosted Ecommerce, Inc., which was incorporated in United states of America totaling USD 3 million or approximately Baht 94 million. The subsidiary had a 3.86% interest in such company.

13. Investments in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follow:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)		
Nove Foods Limited	5,000	5,000	100	100	(Percent)	5,000
NRF Consumer Limited	100	100	100	100	100	100
(Formerly known as "Sabzu Limited")						
Root The Future Limited	1,000	-	100	-	1,000	-
City Food Company Limited	128,000	-	100	-	200,000	-
Total					206,100	5,100

NRF Consumer Limited

On 21 September 2020, a subsidiary changed its name from "Sabzu Limited" to "NRF Consumer Limited."

Root The Future Limited

On 13 August 2020, the Company's Board of Directors Meeting passed a resolution to approve the acquisition of Root The Future Limited in which the Company's interest is 99.97 percent, with a registered capital of Baht 1,000,000 (10,000 ordinary shares of Baht 100 each) of which Baht 100 per share or a total of Baht 999,700 which was called up and registered with the Ministry of Commerce for the incorporation on 21 September 2020.

City Food Company Limited

On 13 January 2020, the Company invested in 192,000 ordinary shares of Baht 156.25 each totaling Baht 30 million in City Food Company Limited, which was incorporated in Thailand, The Company had a 15% interest in such company.

On 18 November 2020, the Company received dividend from City Food Company Limited amounted to Baht 6 million.

Subsequently, on 30 November 2020, the Company purchased 1,087,998 additional shares of City Food Company Limited of Baht 156.25 each, totaling Baht 170 million, representing 85 percent of the subsidiary's issued and paid-up capital, from the existing shareholders. As a result of the acquisition, the Company's shareholding increased from 15 percent to 100 percent. The classification of the investment therefore changed from investment in other company to investment in a subsidiary. The fair value at the acquisition date of the existing interests in City Food Company Limited held before the date which change in status of investment was Baht 29 million and a loss of Baht 1 million from measuring the existing interests at their fair value was recognized as a separate item under the caption of "Loss on change in status of investment" in the statement of comprehensive income for the year ended 31 December 2020.

The fair values of the identifiable assets, liabilities, and contingent liabilities of City Food Company Limited as at the date of change in status of investment are presented below.

	(Unit: Million Baht)
Cash and cash equivalents	18
Trade and other receivables	67
Inventories	41
Other current assets	3
Property, plant and equipment	246
Other non-current assets	9
Bank overdrafts	(29)

Trade and other payables	(72)
Other current liabilities	(11)
Long-term loans	(68)
Other non-current liabilities	(10)
Net assets from business acquisition	194
Net assets of the subsidiary in original proportion to the Company's interest (15 percent)	(29)
Net assets of the subsidiary in additional proportion to the Company's interest (85 percent)	165
Add: Difference between cost of business acquisition and net value of assets from business acquisition	5
Cost of investment in subsidiary (85 percent)	170
Less: Cash and cash equivalents of subsidiary	(18)
Net cash paid for investment in subsidiary	152

The Company presented the excess from cost of investment in subsidiary over its net asset value amounting to Baht 5 million as a separate item in the consolidated statement of financial position as at 31 December 2020 under the caption of "Unallocated costs of business acquisition" in the non-current assets section.

The Company is in process of measuring fair value of the identifiable assets acquired and the liabilities assumed and goodwill at the date of change in status of investment. This measurement is not yet completed.

No dividend was received from the above subsidiaries during the years ended 31 December 2020 and 2019 except for City Food Company Limited as mentioned above.

14. Investments in associate

On 13 May 2020, a subsidiary invested in ordinary shares of Plant and Bean Ltd., which was incorporated in United Kingdom totaling GBP 5 million or Baht 198 million. The subsidiary had a 25% interest in such company.

The fair value of the identifiable assets, liabilities and contingent liabilities of Plant and Bean Ltd. as at the acquisition date are presented below.

(Unit: Million Baht)

Current assets	211
Non-current assets	421
Current liabilities	(15)
Non-current liabilities	(18)
Total net assets of Plant and Bean Ltd.	599
Net assets of Plant and Bean Ltd. in the proportion of investment (25 percent)	150
Add: Difference between cost of business acquisition and net value of assets from business acquisition	48
Cash paid for acquisition in ordinary shares of Plant and Bean Ltd.	198

14.1 Details of associate

(Unit: Thousand Baht)

Company's name	Consolidated financial statements							
	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020 (%)	2019 (%)	2020	2019	2020	2019
Plant and Bean Ltd.	Manufacture and distribution of plant based food	United Kingdom	25	-	198,000	-	187,377	-
Total					198,000	-	187,377	-

14.2 Share of comprehensive income

During the years, the Company has recognized its share of loss from investments in associate company as follows:

(Unit: Thousand Baht)

Associate	Consolidated financial statements			
	Share of loss from investments in associates during the year		Share of other comprehensive income from investments in associates during the year	
	2020	2019	2020	2019
Plant and Bean Ltd.	(15)	-	5	-
Total	(15)	-	5	-

14.3 Summarized financial information about material associates.

Summarized information about financial position of Plant and Bean Ltd. as at 31 December 2020 are as follows:

(Unit: Million Baht)

Current assets	146
Non-current assets	467
Current liabilities	(46)
Non-current liabilities	(10)
Net assets	557
Shareholding percentage (%)	25%

Share of net assets	139
Goodwill	48
Carrying amounts of associates based on equity method	187

Summarized information about comprehensive income of Plant and Bean Ltd. for the period as from 13 May 2020 to 31 December 2020 are as follows.

(Unit: Million Baht)

Revenue	210
Loss	(61)
Other comprehensive income	19
Total comprehensive income	(42)

15. Property, plant, and equipment

(Unit: Thousand Baht)

List	Consolidated financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicle	Assets under installation and construction	Total
Cost:							
1 January 2019	99,254	271,375	292,039	16,490	8,996	4,548	692,702
Additions	20,451	565	4,883	2,396	5	90,381	118,681
Disposals	-	-	(1,129)	(497)	-	-	(1,626)
Transfers in (out)	-	66,482	4,552	4,182	-	(75,216)	-
31 December 2019	119,705	338,422	300,345	22,571	9,001	19,713	809,757
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	-	-	(3,688)	-	(3,688)
Acquisition of subsidiary during the year (Note 13)	63,793	142,137	197,486	12,043	4,819	-	420,278
Additions	-	25	3,446	1,477	2	30,141	35,091
Disposals / write-off	-	(46)	(2,040)	(44)	-	-	(2,130)

(Unit: Thousand Baht)

List	Consolidated financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicle	Assets under installation and construction	Total
Transfers in (out)	-	5,392	40,463	2,987	-	(48,842)	-
31 December 2020	183,498	485,930	539,700	39,034	10,134	1,012	1,259,308
Accumulated depreciation:							
1 January 2019	-	157,783	241,664	9,214	4,661	-	413,322
Depreciation for the year	-	6,908	10,806	3,118	903	-	21,735
Depreciation on disposals/ write-off	-	-	(65)	(497)	-	-	(562)
31 December 2019	-	164,691	252,405	11,835	5,564	-	434,495
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	-	-	(1,831)	-	(1,831)
Acquisition of subsidiary during the year (Note 13)	-	48,910	109,881	10,583	4,800	-	174,174
Depreciation for the year	-	10,027	14,219	4,043	186	-	28,475
Depreciation on disposals/ write-off	-	(6)	(2,040)	(44)	-	-	(2,090)
31 December 2020	-	223,622	374,465	26,417	8,719	-	633,223
Net book value:							
31 December 2019	119,705	173,731	47,940	10,736	3,437	19,713	375,262
31 December 2020	183,498	262,308	165,235	12,617	1,415	1,012	626,085
Depreciation for the year							
2019 (Baht 17 million included in manufacturing cost, and the balance in selling and administrative expenses)							21,735
2020 (Baht 23 million included in manufacturing cost, and the balance in selling and administrative expenses)							28,475

(Unit: Thousand Baht)

List	Consolidated financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicle	Assets under installation and construction	Total
Cost:							
1 January 2019	99,254	271,375	292,039	16,490	8,996	4,548	692,702
Additions	20,451	565	4,667	2,226	5	89,379	117,293
Disposals/write-off	-	-	(1,129)	(497)	-	-	(1,626)
Transfers in (out)	-	65,943	4,089	4,182	-	(74,214)	-
31 December 2019	119,705	337,883	299,667	22,401	9,001	19,713	808,369
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	-	-	(3,688)	-	(3,688)
Additions	-	-	3,358	1,202	2	30,141	34,703
Disposals/write-off	-	(46)	(2,040)	(44)	-	-	(2,130)
Transfers in (out)	-	5,393	40,464	2,986	-	(48,843)	-
31 December 2020	119,705	343,230	341,448	26,545	5,315	1,011	837,254
Accumulated depreciation:							
1 January 2019	-	157,783	241,664	9,214	4,661	-	413,322
Depreciation for the year	-	6,893	10,771	3,089	903	-	21,656
Depreciation on disposals/ write-off	-	-	(65)	(497)	-	-	(562)
31 December 2019	-	164,676	252,370	11,806	5,564	-	434,416

(Unit: Thousand Baht)

List	Consolidated financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicle	Assets under installation and construction	Total
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	-	-	(1,831)	-	(1,831)
Depreciation for the year	-	9,331	12,793	3,917	167	-	26,208
Depreciation on disposals/ write-off	-	(6)	(2,040)	(44)	-	-	(2,090)
31 December 2020	-	174,001	263,123	15,679	3,900	-	456,703
Net book value:							
31 December 2019	119,705	173,207	47,296	10,595	3,437	19,713	373,953
31 December 2020	119,705	169,229	78,325	10,866	1,415	1,011	380,551
Depreciation for the year							
2019 (Baht 17 million included in manufacturing cost, and the balance in selling and administrative expenses)							21,656
2020 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)							26,208

As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 291 million (2019: Baht 236 million) (The Company only: Baht 236 million, 2019: Baht 236 million).

A subsidiary has pledged land and machinery amounting to approximately Baht 98 million (2019: Nil), as collateral against credit facilities received from financial institutions.

16. Leases

The Group has lease contracts used in its operations. Leases generally have lease terms between 2 - 5 years.

16.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarized below:

(Unit: Thousand Baht)

List	Consolidated financial statements			Separate financial statements	
	Buildings and building improvement	Motor vehicles	Total	Motor vehicles	Total
1 January 2020	537	3,620	4,157	3,620	3,620
Acquisition of subsidiary during the year (Note 13)	-	781	781	-	-
Additions	2,488	6,840	9,328	6,840	6,840
Depreciation for the year	(882)	(2,228)	(3,110)	(2,209)	(2,209)
31 December 2020	2,143	9,013	11,156	8,251	8,251

16.2 Lease liabilities

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	10,401	1,574	7,623	1,574
Less: Deferred interest expenses	(996)	(101)	(897)	(101)
Total	9,405	1,473	6,726	1,473
Less: Portion due within one year	(3,986)	(607)	(2,010)	(607)
Lease liabilities - net of current portion	5,419	866	4,716	866

A maturity analysis of lease payments is disclosed in Note 35.2 under the liquidity risk.

16.3 Expenses relating to leases that are recognized in profit or loss

(Unit: Thousand Baht)

List	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	3,110	2,209
Interest expense on lease liabilities	375	329
Expense relating to leases of low-value assets	176	176
Expense relating to variable lease payments	493	493

The Company has lease contracts for equipment that contains variable payments as described in Note 33.2 to the financial statement.

16.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 5 million (the Company only: Baht 4 million), including the cash outflow related to leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 9 million (the Company only: Baht 7 million).

17. Goodwill and intangible with indefinite useful lives

“Goodwill” in the statement of financial position, amounting to Baht 242 million, arose from Panthera Partners Company Limited acquired all ordinary shares of NR Instant Produce Company Limited (Former company) from the existing shareholders that cause Panthera Partners Company Limited has 100 percent interest in paid up capital of NR Instant Produce Company Limited (Former company), with costs of investment directly attributable to the acquisition amounting to Baht 1,918 million, while the net fair value of the identifiable assets, liabilities and contingent liabilities on the acquisition date, in proportion to its shareholding, amounted to Baht 1,676 million. The difference of Baht 242 million between the paid and the fair value of identifiable net assets acquired was identified as goodwill.

The Company allocated the goodwill acquired through business combination and trade name which has an indefinite useful life to the cash generating units (CGUs) for annual impairment testing, as follows:

(Unit: Thousand Baht)

List	Amount
Goodwill	241,636

Trade name (Note 18)	213,367

The recoverable amount of the CGUs has been determined based on value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions used in value in use calculation are summarized below:

(Unit: percent per annum)

Long-term growth rates	0
Discount rates	12

The management determined growth rates based on historical operation results and expected market growth and discount rates is the rate that reflects the risks specific to each CGU.

Management has considered the above and believes that there is no occurrence of impairment of goodwill and trade name with indefinite useful lives.

Management believes that any reasonably possible change in the key assumptions on which the units' recoverable amount are based would not cause the units' carrying amount to exceed its recoverable amount. If the discount rate were increased by 3 percent per annum, the recoverable amount would be equal to the carrying amount.

18. Intangible assets

(Unit: Thousand Baht)

List	Consolidated financial statements				
	Computer software	Customer relationships	Trade name	Prototype	Total
Cost:					
1 January 2019	22,610	1,412,448	213,367	-	1,648,425
Addition	40	-	-	1,413	1,453
31 December 2019	22,650	1,412,448	213,367	1,413	1,649,878
Acquisition of subsidiary during the year (Note 13)	1,041	-	-	-	1,041
31 December 2020	23,691	1,412,448	213,367	1,413	1,650,919
Accumulated amortization:					
1 January 2019	1,900	98,872	-	-	100,772
Amortization for the year	1,521	56,498	-	51	58,070
31 December 2019	3,421	155,370	-	51	158,842
Acquisition of subsidiary during the year (Note 13)	799	-	-	-	799
Amortization for the year	1,535	56,498	-	141	58,174

(Unit: Thousand Baht)

List	Consolidated financial statements				
	Computer software	Customer relationships	Trade name	Prototype	Total
31 December 2020	5,755	211,868	-	192	217,815
Net book value:					
31 December 2019	19,229	1,257,078	213,367	1,362	1,491,036
31 December 2020	17,936	1,200,580	213,367	1,221	1,433,104

(Unit: Thousand Baht)

List	Separate financial statements				
	Computer software	Customer relationships	Trade name	Prototype	Total
Cost:					
1 January 2019	22,610	1,412,448	213,367	-	1,648,425
Addition	40	-	-	1,413	1,453
31 December 2019	22,650	1,412,448	213,367	1,413	1,649,878
31 December 2020	22,650	1,412,448	213,367	1,413	1,649,878
Accumulated amortization:					
1 January 2019	1,900	98,872	-	-	100,772
Amortization for the year	1,521	56,498	-	51	58,070
31 December 2019	3,421	155,370	-	51	158,842
Amortization for the year	1,523	56,498	-	141	58,162
31 December 2020	4,944	211,868	-	192	217,004
Net book value:					
31 December 2019	19,229	1,257,078	213,367	1,362	1,491,036
31 December 2020	17,706	1,200,580	213,367	1,221	1,432,874

19. Bank overdrafts and short-term loans from financial institution

As at 31 December 2020 and 2019, bank overdrafts and short-term loans from financial institution are summarized below.

(Unit: Thousand Baht)

List	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
Bank overdrafts	4.15	-	23,446	-	-	-
Promissory notes	2.00 - 3.30	4.25	110,000	90,000	110,000	90,000
Trust receipts	3.80 - 3.95	-	10,032	-	10,032	-
Total			143,478	90,000	120,032	90,000

The Company can renew the promissory notes until it decides to repay these loans.

Subsidiary's bank overdrafts are guaranteed by the mortgage of its land and machinery and a bank deposit.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 December 2020, the bank overdrafts and short-term credit facilities of the Group which have not yet been drawn down amounted to Baht 110 million (2019: Baht 70 million) (the Company only: Baht 50 million, 2019: 70 million).

20. Trade and other payables

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payables	150,897	79,019	101,718	79,019
Other payables	6,765	7,337	6,765	7,337
Unearned revenue	29,802	6,398	27,623	6,398
Accrued expenses - related party	118	-	76	5
Accrued expenses - unrelated parties	14,557	33,313	11,070	21,459
Total trade and other payables	202,139	126,067	147,252	114,218

21. Long-term loans

(Unit: Thousand Baht)

Loans	Interest Rate (%)	Repayment Schedule	Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019
1	Closed to MLR	Repayment in quarterly installments commencing in July 2017, with the final installment due in January 2024 (2019: the final installment due in January 2023)	-	827,156	-	827,156
2	Closed to MLR	Repayment in quarterly installments commencing in January 2020, with the final installment due in April 2025 (2019: the final installment due in January 2024)	-	51,000	-	51,000
3	Closed to MLR	Repayment in monthly installments commencing in October 2017, with the final installment due in August 2023	19,200	-	-	-
4	Closed to MLR	Repayment in monthly installments commencing in October 2017, with the final installment due in September 2022	43,575	-	-	-
5	Closed to MLR	Repayment in monthly installments commencing in March 2016, with the final installment due in April 2021	164	-	-	-
Total			62,939	878,156	-	878,156
Less: Deferred financial fees			-	(4,964)	-	(4,964)
Total long-term loans			62,939	873,192	-	873,192
Less: Current portion			(62,939)	(255,062)	-	(255,062)
Long-term loans, net of current portion			-	618,130	-	618,130

Movements in the long-term loans account during the year ended 31 December 2020 are summarized below.

(Unit: Thousand Baht)

List	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	873,192	873,192
Add: Acquisition of subsidiary during the year (Note 13)	68,217	-
Add: Drawn down loan during the year	180,000	180,000
Less: Repayment during the year	(1,063,435)	(1,058,157)
Less: Prepaid financial fees	(2,000)	(2,000)
Add: Amortization of deferred financial fees	6,965	6,965
Balance as at 31 December 2020	62,939	-

The loans are secured by the mortgage of land and construction thereon, a bank deposit and some of the Company's ordinary shares and guaranteed by a major shareholder.

In October 2020, the bank released the secures by the mortgage of land and construction thereon, a bank deposit and a portion of the Company's ordinary shares and guarantee granted by a major shareholder since the Company fully repaid long-term loans.

Subsidiary's loans are secured by the mortgage of its land and machinery and a bank deposit.

The loan agreements contain several covenants as specified in the agreements that, among other things, require the Group to maintain certain debt to equity and debt service coverage ratios according to the agreements. As at 31 December 2020, the subsidiary could not maintain debt service coverage ratio as required in the loan agreements, the bank has the right to call all principal immediately. In order to comply with Thai Financial Reporting Standard, the subsidiary has presented the outstanding balances as at 31 December 2020 of these loans as current liabilities in the statement of financial position.

As at 31 December 2020, the Group had drawn down all long-term credit facilities.

As at 31 December 2019, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 180 million.

22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	5,731	3,346	5,731	3,346
Acquisition of subsidiary during the year (Note 13)	212	-	-	-
Included in profit or loss:				
Past service costs	-	738	-	738
Current service cost	933	743	905	743
Interest cost	128	151	125	151
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	1,361	-	1,361	-
Financial assumption changes	4,069	835	4,054	835
Experience adjustments	2,908	-	2,671	-
Benefits paid during the year	-	(82)	-	(82)
Provision for long-term employee benefits at end of year	15,342	5,731	14,847	5,731

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 1 million. The Company reflected the effect of the change by recognizing past service costs as expenses in the profit or loss in the year 2019.

As at 31 December 2020, the Group expects to pay Baht 1 million of long-term employee benefits during the next year (2019: Baht 0.28 million) (The Company only: Baht 1 million, 2019: Baht 0.28 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits of the Group's daily and monthly employees are 9 - 18 years (2019: 10 years) (The Company only: 9 - 15 Years, 2019: 10 years).

Significant actuarial assumptions are summarized below:

(Unit: percent per annum)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.17 - 1.90	1.50 - 1.90	1.17 - 1.49	1.50 - 1.90
Salary increase rate	1.83 - 7.19	1.33 - 3.27	1.83 - 4.42	1.33 - 3.27

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarized below:

(Unit: million Baht)

List	Consolidated financial statements			
	2020		2019	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(0.86)	0.93	(0.34)	0.36
Salary increase rate	0.90	(0.84)	0.41	(0.38)

(Unit: million Baht)

List	Separate financial statements			
	2020		2019	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(0.83)	0.91	(0.34)	0.36
Salary increase rate	0.87	(0.81)	0.41	(0.38)

23. Share capital

a) On 29 May 2019, the Extraordinary Shareholders Meeting of the Company No.1/2019 approved an increase in the registered, issued and paid-up capital from Baht 1,020,925,000 (10,209,250 ordinary shares with par value of Baht 100 each) to Baht 1,038,925,000 (10,389,250 ordinary shares with par value of Baht 100 each), through the issuance of 180,000 additional ordinary shares with a par value of Baht 100 each, to be offered to two shareholders at Baht 300 per share, generating share premium

amounting to Baht 36,000,000. The Company registered the increase of its capital with the Ministry of Commerce on 16 August 2019.

b) On 8 November 2019, the Extraordinary Shareholders Meeting of the Company No.2/2019 approved an increase in the registered, issued and paid-up capital from Baht 1,038,925,000 (10,389,250 ordinary shares with par value of Baht 100 each) to Baht 1,065,780,300 (10,657,803 ordinary shares with par value of Baht 100 each), through the issuance of 268,553 additional ordinary shares with a par value of Baht 100 each, to be offered to three shareholders at Baht 300 per share, generating share premium amounting to Baht 53,710,600. The Company registered the increase of its capital with the Ministry of Commerce on 27 November 2019.

c) On 29 November 2019, the Extraordinary Shareholders Meeting of the Company No.3/2019 passed a resolution to approve the followings.

1. To change the par value of the Company's ordinary shares from Baht 100 per share to Baht 1 per share, resulting in an increase in the number of ordinary shares from 10,657,803 shares to 1,065,780,300 shares.

2. To increase the registered share capital of the Company from Baht 1,065,780,300 (1,065,780,300 ordinary shares of Baht 1 each) to Baht 1,421,040,400 (1,421,040,400 ordinary shares of Baht 1 each) through the issuance of an additional 355,260,100 ordinary shares of Baht 1 each to be reserved for an initial public offering (IPO).

The Company registered the change in par value and the increase of share capital with the Ministry of Commerce on 16 December 2019.

During 28 September 2020 to 5 October 2020, the Company made a public offering the above allocated 290 million additional shares at a price of Baht 4.6 per share, or for a total of Baht 1,334 million and received payment for the shares on 6 October 2020. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 9 October 2020. Direct expenses related to the share offering presented as a deduction from the share premium.

24. Deficit on amalgamation

The Company was established via an amalgamation under civil and commercial law between Panthera Partners Company Limited and NR Instant Produce Company Limited (Former company) on 2 October 2017. Prior to 2 October 2017, Panthera Partners Company Limited had held the shares of NR Instant Produce Company Limited (Former company) and controlled its operations since acquisition date (2 April 2017). This amalgamation was thus considered to be a business combination under common control. The investments in subsidiary recorded in the financial statements of Panthera Partners Company Limited that represented holdings in NR Instant Produce Company Limited (Former company) therefore

had to be eliminated from the financial statements of the new company after amalgamation. The difference between the cost of such investments and the addition adjustment of fair value of the identifiable assets, liabilities and contingent liabilities acquired, including goodwill, of NR Instant Produce Company Limited (Former company), in proportion to the shareholding of Panthera Partners Company Limited at the acquisition date, amounting to Baht 291 million was recorded as "Deficit on amalgamation" and separately presented in the shareholders' equity in the statement of financial position.

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. During the year 2020, the Company set aside the statutory reserve amounting to Baht 7.3 million (2019: Baht 3.1 million).

26. Finance cost

(Unit: Thousand Baht)

รายการ	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	45,355	60,842	45,016	60,842
Interest expenses on lease liabilities	375	98	329	98
Total	45,730	60,940	45,345	60,940

27. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salaries and wages and other employee benefits	246,089	181,919	236,273	178,407
Depreciation	31,585	21,735	28,417	21,656
Amortization expenses	58,174	58,070	58,162	58,070
Freight expenses	20,183	15,252	19,410	15,247
Consulting fees	21,789	34,853	19,726	15,284
Utility expenses	19,957	17,694	19,164	17,691
Raw materials and consumables used	719,942	589,299	699,725	589,209

Changes in inventories of finished goods and semi-finished goods	(26,850)	4,654	(33,007)	4,654

28. Income tax

Income tax expenses for the year ended 31 December 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	41,357	27,404	40,306	27,404
Deferred tax:				
Relating to origination and reversal of temporary differences	(14,120)	(17,298)	(12,189)	(11,952)
Income tax expense reported in profit or loss	27,237	10,106	28,117	15,452

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to Actuarial losses	(1,668)	(167)	(1,617)	(167)
Gain from the change in value of financial assets measured at FVOCI	(3,884)	-	(3,059)	-
	(5,552)	(167)	(4,676)	(167)

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	151,628	50,857	173,381	75,765
Applicable tax rate (percent)	0 - 20	20	20	20

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax multiplied by income tax rate	30,326	10,171	34,676	15,153
Deferred tax assets which were not recognized during the year	3,276	26	-	-
Deferred tax assets which were not recognized in previous year but utilized and recognized during the year	-	(391)	-	-
Effects of:				
Non-deductible expenses	376	279	353	278
Additional expense deductions allowed	(7,591)	-	(7,586)	-
Others	850	21	674	21
Total	(6,365)	300	(6,559)	299
Income tax expense reported in profit or loss	27,237	10,106	28,117	15,452

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	710	621	693	621
Allowance for diminution in value of inventories	2,554	548	1,346	548
Unused tax losses	5,887	5,346	-	-
Provision for long-term employee benefits	3,068	1,146	2,969	1,146
Unrealized fair value loss on investments	4,453	-	3,628	-
Leases	7	-	5	-
Total	16,679	7,661	8,641	2,315
Deferred tax liabilities				
Customer relationships	240,116	251,416	240,116	251,416

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade name	42,673	42,673	42,673	42,673
Surplus on revaluation of assets	28,699	20,968	20,554	20,968
Total	311,488	315,057	303,343	315,057

As at 31 December 2020, a subsidiary has unused tax losses totaling Baht 1.2 million (2019: Baht 0.1 million), on which deferred tax assets have not been recognized as the subsidiary believes future taxable profits may not be sufficient to allow utilization of unused tax losses.

The unused tax losses amounting to Baht 30.6 million will expire in the year 2022 to 2025.

29. Promotional privileges

The subsidiary has received promotional privileges from the Board of Investment for the manufacture of beverage from cereal, pursuant to the investment promotion certificate No. 59-0881-1-00-1-0 issued on 12 July 2016. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 6 years from the date the promoted operations begin generating revenues (19 February 2018) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Group's operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarized below.

(Unit: Thousand Baht)

List	Promoted operations		Non-promoted operations		Total	
	2020	2019	2020	2019	2020	2019
Sales	725	-	1,407,624	1,111,053	1,408,349	1,111,053
Other income	446	-	35,392	8,011	35,838	8,011
Total sales	1,171	-	1,443,016	1,119,064	1,444,187	1,119,064

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019

Profit for the year (Thousand Baht)	124,391	40,751	145,264	60,313
Weighted average number of ordinary shares (Thousand shares)	1,133,922	1,031,671	1,133,922	1,031,671
Basic earnings per share (Baht)	0.11	0.04	0.13	0.06

31. Segment information

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

The Group is principally engaged in the manufacture and distribution of seasoning and instant foods. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

List	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue from external customers				
Thailand	218,826	189,391	190,340	189,340
America	468,472	350,443	465,896	350,443
Europe	432,503	372,745	432,503	372,745
Asia	180,175	102,859	180,093	102,859
Others	108,373	95,615	99,249	95,615
Total	1,408,349	1,111,053	1,368,081	1,111,002

Major customer

For the year 2020, the Group has revenue from one major customer in amount of Baht 134 million (2019: Baht 126 million).

32. Provident fund

The Company and its employees have participated in The Provident Fund SCBAM Master Fund Already Registered as approved by Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Both

employees and the Company contribute to the fund monthly at the rate of 3 - 7 percent of basic salary. The fund, which is managed by SCB Master Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 2.9 million (2019: Baht 2.5 million).

33. Commitments and contingent liabilities

33.1 Capital commitments

The Company had capital commitments relating to acquisition of machinery and equipment amounting to Baht 0.6 million (2019: Baht 0.8 million and Yen 40.6 million) and in respect of the uncalled investments amounting to USD 0.7 million (2019: Baht 30.0 million and USD 0.8 million).

33.2 Commitments of power purchase and sale

During the year 2019, the Company entered into a power purchase and sale agreement with a private company with a contractual term of 17 years from the commercial operation date. The private company invested in the construction and installation of electricity generation systems and retains ownership of all related properties. Electricity charges are calculated based on rates specified in the agreement. However, the Company has the right to purchase the electricity generation systems at rates specified in the agreement. Alternatively, when the Company has complied with the agreement for the full 17 years, ownership of all electricity generation systems is to be automatically transferred to the Company. Expense under this agreement for the year 2020 amounted to Baht 0.5 million (2019: Nil).

33.3 Guarantees

As at 31 December 2020, there was outstanding bank guarantee of approximately Baht 2 million (2019: Baht 2 million) issued by banks on behalf of the Company to guarantee electricity use and USD 16 million (2019: Nil) to guarantee investment in joint company with Boosted Ecommerce, Inc.

34. Fair value hierarchy

As at 31 December 2020, the Company has the assets that are measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

List	Consolidated financial Statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Derivatives				
Foreign currency forward contracts	-	0.3	-	0.3
Financial assets measured at FVOCI				
Non-listed equity instruments	-	-	103	103

(Unit: Million Baht)

List	Separate financial Statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Derivatives				
Foreign currency forward contracts	-	0.3	-	0.3
Financial assets measured at FVOCI				
Non-listed equity instruments	-	-	14	14

35. Financial instruments

35.1 Derivatives

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts and option contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

35.2 Financial risk management objectives and policies

The Group's financial instruments–principally comprise cash and cash equivalents, trade accounts receivable, loans to, investments, bank overdrafts and short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade accounts receivable

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade accounts receivable are regularly monitored, and the Group does not have high concentrations of credit risk since it has a large and diverse customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The Group classifies trade accounts receivable segments by similar credit risks and calculates expected credit losses by consideration the outstanding debts aging of each segment, the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into derivative financial instruments related to foreign exchange forward contracts and option contracts to hedge the foreign currency risk arising on the export of goods.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts and option contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarized below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
The Company						
US dollar	5.6	4.8	0.1	-	30.0371	30.1540
Euro	0.1	0.3	0.1	0.1	36.8764	33.7311
Pound sterling	0.5	0.5	-	-	40.6403	39.5217
Subsidiaries						
US dollar	3.3	-	-	0.4	30.0371	30.1540
Pound sterling	5.0	-	-	-	40.6403	39.5217

Foreign currency sensitivity

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

designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate (%)	Effect on profit before tax increase (decrease) (Thousand Baht)
US dollar	+ 4	10,613
	- 4	(10,613)
Pound sterling	+ 4	8,845
	- 4	(8,845)

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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to, bank overdraft and short-term and long-term borrowings and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

List	Consolidated financial statements											
	Fixed interest rates				Floating interest rate							
	Within 1 year		Over 1 and up to 4 years		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020 (Percent per annum)	2019 (Percent per annum)
Financial assets												
Cash and cash equivalent	-	-	-	-	224	142	-	-	224	142	0.050 - 0.250	0.220 - 0.375
Trade and other receivables	-	-	-	-	-	-	284	194	284	194	-	-
Deposits at bank with restrictions	-	-	-	-	8	19	-	-	8	19	0.050-0.500	0.375 - 0.600
Other long-term investments	-	-	-	19	-	-	-	9	-	28	-	0 - 2.440
Other non-current financial assets	-	-	-	-	-	-	104	-	104	-	-	-
	-	-	-	19	232	161	388	203	620	383		
Financial liabilities												
Bank overdrafts and short-term loans from financial institution	120	90	-	-	23	-	-	-	143	90	2.000 - 4.150	4.250
Trade and other payables	-	-	-	-	-	-	202	126	202	126	-	-
Long-term loans	-	-	-	-	63	873	-	-	63	873	4.125	5.025 - 5.525
Lease liabilities	4	1	5	1	-	-	-	-	9	2	3.852 - 7.554	4.350 - 7.554
	124	91	5	1	86	873	202	126	417	1,091		

(Unit: Million Baht)

List	Separate financial statements											
	Fixed interest rates				Floating interest rate							
	Within 1 year		Over 1 and up to 4 years		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020 (Percent per annum)	2019 (Percent per annum)
Financial assets												
Cash and cash equivalent	-	-	-	-	222	142	-	-	222	142	0.050 - 0.125	0.220 - 0.375
Trade and other receivable	-	-	-	-	-	-	216	195	216	195	-	-
Short-term loans to a subsidiary	-	12	-	-	-	-	-	-	-	12	-	4.650 - 5.525
Deposits at bank with restrictions	-	-	-	-	1	19	-	-	1	19	0.150	0.375 - 0.600
Long-term loans to a subsidiary	-	-	327	-	-	-	-	-	327	-	4.650 - 5.525	-
Other long-term investments	-	-	-	19	-	-	-	9	-	28	-	0 - 2.440
Other non-current financial assets	-	-	-	-	-	-	14	-	14	-	-	-
	-	12	327	19	223	161	230	204	780	396		
Financial liabilities												
Bank overdrafts and short-term loans from financial institution	120	90	-	-	-	-	-	-	120	90	2.000 - 3.950	4.250
Trade and other payables	-	-	-	-	-	-	147	114	147	114	-	-
Long-term loans	-	-	-	-	-	873	-	-	-	873	-	5.025 - 5.525
Lease liabilities	2	1	5	1	-	-	-	-	7	2	3.852 - 7.554	4.350 - 7.554
	122	91	5	1	-	873	147	114	274	1,079		

Interest rate sensitivity

As at 31 December 2020, the Group analyses interest rate sensitivity and considers that there is no significant effect on profit before tax.

Liquidity risk

As of 31 December 2020, most of the Group's liabilities, which will mature within one year, relate to bank overdrafts and short-term loans and current portion of long-term loans. The Group has assessed its ability to repay existing liabilities and concluded the risk is low. Furthermore, the Group has access to a sufficient variety of sources of funding.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

List	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 to 5 years	Total	1 to 5 years	Less than 1 year	Total
Non-derivatives						
Bank overdrafts and short-term loans from financial institutions	144,805	-	144,805	121,231	-	121,231
Trade and other payables	202,139	-	202,139	147,252	-	147,252
Lease liabilities	4,423	5,978	10,401	2,362	5,261	7,623
Long-term loans	65,698	-	65,698	-	-	-
Total non-derivatives	417,065	5,978	423,043	270,845	5,261	276,106

35.3 Fair values of financial instruments

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

35.4 Reconciliation of recurring fair value measurements of assets, categorized within Level 3 of the fair value hierarchy.

(Unit: Thousand Baht)

List	Non-listed equity instruments	
	Consolidated financial statements	Separate financial statements
Balance as of 1 January 2020	8,843	8,843
Adjustment of measured on investments designated at fair value due to financial instruments adoption (Note 4)	(2,846)	(2,846)
Acquired during the year	97,281	3,552

(Unit: Thousand Baht)

List	Non-listed equity instruments	
	Consolidated financial statements	Separate financial statements
Converted from convertible bond	19,361	19,361
Net loss recognized into other comprehensive income	(19,420)	(15,293)
Balance as of 31 December 2020	103,219	13,617

Key assumptions used in the valuation are summarized below.

Financial instruments	Valuation technique	Significant unobservable inputs
Non-listed equity instruments	Adjusted book value	Items that have a significant impact on the value of assets and liabilities

36. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.30:1 (2019: 1.21:1) and the Company's was 0.24:1 (2019: 1.18:1).

37. Events after the reporting period

37.1 In January 2021 and February 2021, the subsidiary invested in 55 preference shares of Boosted NRF Corp., which was incorporated in United State of America of USD 10 million or totaling Baht 301 million. The subsidiary had a 55% interest in such company.

On 1 March 2021, the Company's Board of Directors Meeting No. 3/2021 approved the following resolutions:

a. The meeting approved the allocation of profit from operation of 2020 to pay the stock dividend up to 54,231,212 ordinary shares with a par value of Baht 1 each to the Company's shareholders at the ratio of 25 existing shares to one dividend share, or a dividend payout ratio of Baht 0.04 per share and pay cash dividend at the rate of Baht 0.004444 per share, or a total of dividend payment of Baht 60,256,902.23.

b. The meeting approved the decrease of the Company's registered capital from Baht 1,421,040,000 to Baht 1,355,780,300 by cancelling of 65,260,100 non-issued ordinary shares with a par value of Baht 1 each.

c. The meeting approved the increase of the Company's registered capital from Baht 1,355,780,300 to Baht 1,502,900,527 by issuing 147,120,227 new ordinary shares with a par value of Baht 1 each for allocation as follow.

- The payment of stock dividend up to 54,231,212 ordinary shares.
- The allocation of not exceeding 67,789,015 newly issued ordinary shares to accommodate the exercise of NRF-W1 Warrants which will be issued to the Company's existing shareholders.
- The allocation of not exceeding 6,000,000 newly issued ordinary shares to accommodate the exercise of NRF-W2 Warrants which will be issued to the Private Placement.
- The allocation of not exceeding 3,500,000 newly issued ordinary shares to accommodate the exercise of NRF-ESOP W1 Warrants which will be issued to employees of the Company and/or its Subsidiaries.
- The allocation for the investment in Golden Triangle Health Company Limited not exceeding 15,600,000 shares.

d. The issuance and offering of debentures amounting to no more than Baht 2,000 million and/or the equivalent amount in a foreign currency, with the tenor and interest rate of each issue of debentures dependent on what is appropriate and the prevailing market conditions when the debentures are issued and offered. The Company's Board of Directors Meeting granted the Company's Board of Directors and/or the persons authorized by the Board of Directors authority to make all decisions on all necessary matters and matters related to the issuance of the debentures, in order to comply with the applicable laws and regulations.

The above resolutions will be proposed for approval by the Annual General Meeting of the Company's shareholders for the year 2021.

38. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 1 March 2021.

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