

Annual Registration Statement / Annual Report 2021

(Form 56-1 One Report)



CLEAN FOOD TECH

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NR Instant Produce Public Company Limited

Section 1 Business Operation and Performance

Message from the Chairperson

Dear Shareholders and Stakeholders,

FOOD FOR FUTURE: Transforming the food system for a low carbon world

Today's world is changing rapidly and violently in all dimensions, including society, economy, politics and technology, marking the beginning of natural and environmental changes that can affect both world economic and social conditions. With understanding of the problem, NR Instant Produce has focused on preparing to deal with changes by stimulating the development and integration of innovation for sustainability through building of knowledge and tailoring its business strategies to keep up with global volatility. This includes systematically laying the foundation to create business continuity for increased competitiveness, reducing environmental impact and mitigation risk arising from negative effects of climate change while creating positive changes in readiness to seek growth opportunities on more challenges.

For the past year operating results, although the Company faced outside pressure factors such as the ongoing situation of the COVID-19 epidemic, trade and economic tensions and international transport problems that caused severe global economic crisis and the New Normal lifestyle, but the company managed to survive the crisis. In 2021, the company has total revenue of 2,318 million baht and annual net profit of 221 million baht, an increase of 78% from the previous year as a result of a series of effective measures such as production cost management, cost control management, business operations optimization across the organization, and prudent investment operations for maximum benefit. In addition, the company attaches great importance to strengthening existing business for diverse opportunities in "Food For Future" by investing more in the production of alternative food from plants, expanding plant-protein food market all over the world by investing and collaborating with leading global partners. The Company also invests in e-commerce both domestically and internationally by developing wider distribution channels and diversifying healthy food products. Another important investment focuses on building a comprehensive hemp business as well as the development of various food and beverage products and cosmetics for the good health of Thai people.

With the resolve to become a leader in Global Clean Food Tech, the Company focuses on mitigation of Co2 emission in food and condiment production processes to become a carbon-negative organization by taking into account the balance of economy, shareholders, stakeholders in all sectors, environment and corporate governance. This has propelled the Company to be ranked on the list of Thailand Sustainability Investment 2021 (THSI) by the Stock Exchange of Thailand (SET) after only 1 year listing, thus reinforcing NRF's social and environmental responsibility standards and building investor confidence in the long term.

On behalf of the Board of Directors, executives and employees of NR Instant Produce Public Company Limited, we would like to thank our shareholders, customers, trading partners, business partners, financial institutions, government agencies, and all stakeholders who play an important role in building success and pride for the Company

The Company will continue to dedicate our efforts to generate returns for sustainable growth and continue to uphold our sustainability goals in all dimensions in a balanced way both economically, socially and environmentally. Our operations will follow sustainable development framework under the principles of good corporate governance guidelines, along with taking care of stakeholders in all sectors equally and fairly with the aim to be a sustainable company of the 22nd century.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Mrs. Kesara Manchusree'.

(Mrs. Kesara Manchusree)

Chairperson of the Board of Directors

Message from the Chief Executive Officer

Dear Shareholders and Stakeholders,

2021 was completely different from other years with unforeseen events rippling throughout the past 12 months: global logistics problem, more severe natural disasters and the COVID-19 epidemic that impacted everyone in the world daily for more than 2 years. Billions of people were affected by the incident, physically, mentally or financially. As the Chief Executive Officer of NR Instant Produce Public Company Limited, I can only reflect on the events that happened and what our staff, prestigious customers, business partners, and all concerned persons of the that have helped support and empowered us to overcome those challenges and events in a secured and sustainable way.

In the past year, COP26 was an important turning point that demonstrated the government's commitment to change and combat climate change. However, such goals cannot be achieved without the drive and leadership from the private sector. When we look back on our business, our mission and vision and events that happened this year, it makes us more confident in the goals we have set: to sustainably transform the food industry. For our Company, these are the strategies we put in place to help consumers change their lifestyles and become part of the mission, and for which we have continued to invest in the plant-based industry in the past few years.

At the end of 2020, we became a listed companies in the Stock Exchange of Thailand for production of plant-based protein and food for the future. For us, “Food for the Future” means building the foundation and platform for sustainable food production for consumers. On this journey, we are honored by Innobic (Asia) Co., Ltd., a subsidiary of PTT Group Public Company Limited, to exchange visions and jointly establish a plant-based factory and a restaurant for alternative natural protein. Even though we have to face the problems and challenges arising from the COVID-19 Delta species situation, we were able to open a large, international standards plant-based factory in the UK., co-founded Konscious, the future plant-based food leader and became lead investor in Wicked Kitchen, one of the fastest growing plant-based brands in Europe over the past year. However, many objectives remain to be achieved to make significant and positive impact on the world in 2023 and beyond. We will use the platform and foundation we have laid to expand business to North America and focus more on the Asian market. We also hope that NR will be able to become a carbon-negative food producer in our production process.

While the plant-based food business is a good place to start, plant-based businesses still emit a large amount of Co2 into the atmosphere and we are well aware of the need to change our production process to reduce our carbon footprint. Over the past 3 years, we have established and developed teams and have discussed the issue with many partners as well as invest resources in finding technology in carbon sequestration which will help reduce GHG emission from agricultural residue streams (incineration of waste generated from the agricultural industry). We are delighted to move forward and become the first public food producer in the ASEAN region with the tools to ensure sustainable climate change.

We deeply believe that our customers and consumers are ready to support businesses that focus on sustainability and the mission to maintain a pristine environment. All private agencies has to prove that they have this position. Ultimately, global warming is a huge challenge. and it's an opportunity that, through our vision and mission, NRF will be one of the leaders in the creation of a new, stable and sustainable world for everyone on the planet.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Dan Pathomvanich', is shown within a light blue rectangular box.

(Mr. Dan Pathomvanich)

Chief Executive Officer

Section 1. Structure and Operations of the Corporate Group

1. Structure and Operations of the Corporate Group

1.1 Business Overview

NR Instant Produce Public Company Limited (“the Company” or “NRF”) was established on 30th December 1991 and converted into a public company on 16th December 2019 with registration number 0107562000483. The Company’s head office is at 99/1 Moo 4, Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province, and the Bangkok office is at 518/5 Maneeya Centre Building, 6th floor, Ploenchit Road, Lumpini Subdistrict, Pathum Wan District, Bangkok. It has a registered capital of 1,485,443,157 baht, in 1,417,654,142 ordinary shares were paid at the price of 1.00 baht per share. NRF operates as a manufacturer and distributor of food seasonings, ready-to-cook food, ready-to-eat food and beverages, and plant-based protein food with products ranging over 2,000 SKUs and 500 recipes.

The Company distributes its products to more than 30 countries around the world, such as the United States of America, European countries that have strict quality inspections for imported food, Asia, Oceania, and Australia. NRF was one of the first manufacturers to receive a certification for food manufacturing quality from the British Retail Consortium (BRC) since 2004. In addition, the Company has also passed many quality inspections from regulators such as IFS Food, GMP, and FDA Standard.

As of 31st December 2021, the Company divided its businesses into 4 main business groups as follows

- (1) Ethnic/Specialty Food, which consist of Original Equipment Manufacturer (OEM) product businesses accounting for approximately 56.1% of total sales, product businesses under the brand of the Company and City Food Co., Ltd. (the Company holds 100% of the shares) accounting for approximately 20.5% of total sales, and the pet food business under the products of Botany Petcare Co., Ltd. (City Food Co., Ltd. holds 66.7% of shares) accounting for approximately 0.7% of total sales.
- (2) Plant-based Food, which are plant-based protein food product businesses accounting for approximately 3.0% of total sales.
- (3) Functional Products, which are product businesses that perform a specific function, including non-food products in consumer and environmentally friendly packaging (V-shapes). In 2021, the Company’s revenue from V-Shape machine sales accounted for approximately 1.4% of total sales.
- (4) Ecommerce, which is the food supplement business on Amazon.com through joint investment with Boosted Ecommerce, Inc. and direct sales through membership of the Indeem Group Co., Ltd. platform (NRF Consumer Company, a subsidiary, that holds 60% of shares). These include consumer products, cosmetics, and dietary supplements.

In April 2017, Panthera Partners Co., Ltd., a company in the business group of Mr. Dan Pathomvanich, Chief Executive Officer and Director of the Company, acquired shares in the Company, and set a policy to make the Company become a food product manufacturer of the future. The policy focuses on investing in food innovations to create a sustainable ecosystem for the entire food industry with a set goal of becoming The Purpose – Led Company¹, a company that drives the organization and brand with clear goals that focuses on sustainable business operations. The Company aims to be one of the first choices in producing products for the world's leading (ready-made) food companies. Additionally, the focus is ensure exponential growth of the

¹ The Purpose – Led Company means a company with clear business target that drives the company and brand forward with development objectives, raising the standard of the organization to sustainably create benefits for stakeholders and the world. The survey of the Development Dimensions International (DDI) and EY specified in their Global Leadership Forecast 2018 that purposeful companies where the leadership mobilize the business with clear goals will achieve better performance than the market by an average of 42%.

Company by 2024, where the strategy is to penetrate the food market's Specialty Foods category, which is becoming a global trend and has a relatively high growth rate. With unique food characteristics focusing on quality from the selection process of raw materials, and limited production volumes, the Specialty Foods products from the Company gives special importance to Thai food and ethnic oriental food, plant-based food, and functional food.

Another strategy to be one of the leaders in the global food producer industry in a sustainable manner is to offer high quality and safe ingredients, continue to expand production capacity to meet international production standards, and develop products that are diverse and are food megatrends, especially food products from plant-based protein and other alternative proteins. The Company has developed, improved, and made more investments to achieve the aforementioned goals, for example, by undertaking continuous research and development of new products, investing in businesses that produce and sell plant-based protein food, investing in environmentally friendly packaging that is convenient to use for all ages, etc. Furthermore, the Company has also invested in funds such as Big Idea Venture and New Protein Fund I, a start-up fund that produce plant-based products; and Unovis, the world's leading alternative protein fund that invests in various companies in the production of alternative proteins with modern technology and production innovations. Such investments will provide an opportunity for business expansion and access to these cutting-edge innovations in the long term to respond to the trend of food of the future.

In January 2020, the Company invested 15% of the Company's paid up capital to the amount of 30 million baht in the ordinary shares of City Food Co., Ltd. On 30 November 2020, the Company invested another 85% of the paid-up capital, making a total of 170 million baht investment. Therefore, City Food Co., Ltd., the manufacturer and exporter of seasonings under the Classic Thai brand and Chinpo soymilk, became a subsidiary of the Company from November 30 2020 onwards. The subsidiary has 2 factories in Nakhon Pathom and Ratchaburi. In 2021, City Food Co., Ltd. sold the Chinpo soymilk business, including its tofu production machinery, in December and allowed Botany Petcare Co., Ltd. to lease the Ratchaburi factory for pet food production.

In January 2021, the Boosted NRF Corp. was established, which is a joint venture between NRF Consumer Co., Ltd. (a subsidiary of the Company) and Boosted Ecommerce, Inc. (a local company in the United States). The purpose of the corporation is to invest in the branded e-commerce businesses on Amazon.com whose products are in the Ethnic Food, Plant-Based Food, and Functional Product categories where the company already has a competitive edge. Those products must have good sales in Amazon's E-Commerce system and generate continuous returns. The focus is on the acquisition of intellectual property, trademark, know-how, and other intangible assets related to business operations sold on the Amazon.com platform. In January 2021, Boosted NRF Corp. acquired assets under Prime Labs, the leading functional product brand. Prime Labs' core products are nutritional supplements. Later, in May 2021 the corporation acquired assets under the SOL Trading brand, a leading health food product brand. The main products of SOL Trading are products in the category of cooking and baking products. In August 2021, the corporation further acquired assets under the WellPath brand, another leading health food product brand. WellPath's main products are vitamins and jelly supplements. In all, 3 brands were acquired in 2021. Additionally, the Company expanded its e-commerce business and increased its distribution channels the country by investing in Indeem Group Co., Ltd., a subsidiary of the Company, in September 2021. Indeem's role in the business is the distribution of products in the skincare category, food supplement category, and consumer products in the form of a network (Multi-level Marketing or "MLM") or Network Marketing.

In May 2021, Newtra Regenerate Co. Ltd. ("NRPT") was established. It is a joint venture company between Nove Foods Co., Ltd. (a subsidiary of the Company) and Inobic (Asia) Co., Ltd. (a company in the PTT Group), which has a strategy to promote plant-based food businesses to support growth opportunities in highly popular industries. An investment was made to establish a Plant-based factory with a production capacity of approximately 3,000 tons per year to prepare for more diverse food production contracts, especially products derived from plant proteins.

In April 2021, the Company entered into joint venture with Mr. Xiu Hai Xian Hester Arthur to form Nove Eats Co., Ltd. (“Nove Eats”), Nove Foods Co., Ltd. with a 51% percentage share. The Nove Eats establishment seeks to distribute plant-based protein foods such as hamburgers, fried larb, etc., through online food delivery channels via applications such as Grab, etc. In May 2021, Nove Foods Co., Ltd. invested in Wicked Foods, Inc. (Delaware) (“Wicked”), a startup company selling a range of food and plant-based protein products under the Wicked Foods and Wicked Kitchen brands that offers a wide range of products including ready-made plant-based foods, pizzas, sauces, and frozen foods. Currently, Wicked Company sells products in Tesco stores in the United Kingdom and plans to expand the business to the United States, Europe, and other countries in the future. Additionally in May, Nove Foods Co., Ltd. invested in Konscious Foods, Inc. (Delaware), a startup company set up for the purpose of selling food and plant-based products, with a focus on plant-based seafood products to increase options for consumers and plant-based customers, who tend to focus on beef products made from plant-based proteins, for example. Konscious will focus on selling plant-based seafood products in North America and plans to add this product category to other plant-based proteins as well as to increase sales in other continents in the future.

In September 2021, City Food Co., Ltd. (a subsidiary of the Company) entered into a joint venture with Botany Studio Co., Ltd. to establish Botany Petcare Co., Ltd. The Company invested in 66.7% of paid up ordinary shares of Botany Petcare with the aim of changing the factory in Ratchaburi from the original production of soybeans under the Shinpo brand into a pet food and snack factory. In the future, Botany Petcare will focus on plant-based pet food products and market its products under its own brand and become an original equipment manufacturer (OEM) for exports to countries in Southeast Asia (ASEAN) and others.

In September 2021, the Company invested in the Golden Triangle Health Co. Ltd. (“GTH”) in the proportion of 49% by paying for shares by swapping out the Company's and GTH's ordinary shares, whilst 51% was paid in cash in October 2021, totaling to 100%. GTH operates a turnkey hemp business such as importing good quality hemp seeds, development of cannabis cultivation and extraction, as well as development of hemp-flavoured food and beverage products under GTH's brands such as Kinchakan, TOM, and Cho Phaga. Additionally, there are shops selling products containing hemp oil or smell, whereby GTH also sells their franchises to such stores. Furthermore, GTH cooperates with their business partners and leading cosmetic brands such as Dentiste, Smooth E, Siang Pure Oil to expand and develop the hemp business in Thailand.

In December 2021, the Company pulled a partner's share, who is the world leader in the cannabis business, to become a partner by exchanging 25% of GTH's shares with 11.75% of Australis Capital Inc.'s shares.

The Company has invested in subsidiaries and associated companies as follows:

Company Name	Business Type	Country of Establishment	Shareholding Percentage	
			2021	2020
			percentage	percentage
Holds Shares by the Company				

Nove Foods Co. Ltd.	Sells food products that do not contain meat or animal products	Thailand	100	100
NRF Consumer Co. Ltd.	Invests in ecommerce businesses and distributes products through the ecommerce system	Thailand	100	100
Root The Future Co. Ltd.	Has not started operation	Thailand	-	100
City Food Co. Ltd.	Produces, imports, and exports ready-to-eat food	Thailand	100	100
Super Plans Co. Ltd.	Invests in hemp, cannabis, and medicinal plants	Thailand	100	-
Regeneration Capital Co. Ltd.	Manages and directs investments	Thailand	100	-

Subsidiaries Owned by Nove Foods Co. Ltd.

Nove Eats Co. Ltd.	Sells food products that do not contain meat or animal products	Thailand	51	-
Root The Future Co. Ltd.	Manages content to communicate with consumers who do not consume meat and are interested in the environment	Thailand	100	-

Subsidiaries Owned by NRF Consumer Co. Ltd.

Boosted NRF Corp.	Invests in ecommerce businesses and distributes products through the ecommerce system	The United States of America	55	-
Indeem Group Co. Ltd.	Sells consumer goods through the membership system	Thailand	51	-

Subsidiaries Owned by City Food Co. Ltd.

Botany Petcare Co. Ltd.	Produces and distributes pet food products	Thailand	67	-
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Associated Companies Owned by Nove Foods Co. Ltd.

Plant And Bean Ltd.	Produces and sells food products that do not contain meat or animal products	United Kingdom	50	-
Newtra Regenerate Protein Co. Ltd.	Produces and sells food products that do not contain meat or animal products	Thailand	50	

1.1.1 Vision, Mission, Goals, and Strategies

- 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”

- Goals**

“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 only taste, but is also better for me and the planet”

The Company has set the following goals for the year 2022-2023:

- 1) Increase sales to approximately 5,000 million baht by 2023
- 2) Become a Clean Food Tech Company
- 3) Build 2 negative emission plants in the United States and Thailand

- Strategies**

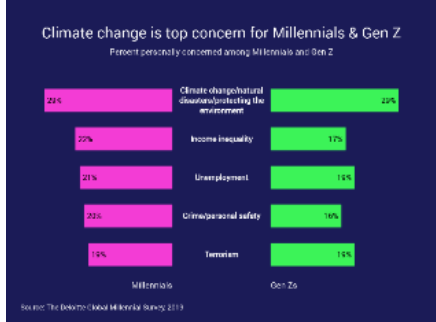
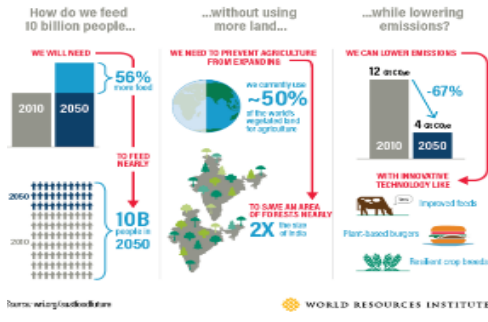
The Company aims to be one of the leaders in the food industry that can meet the needs of both small and medium-sized companies, and large multinational companies in 4 product categories, namely 1) Ethnic/Specialty foods, which includes Thai and local food products in the Asian region, such as products under the Por Kwan and pet food, 2) Plant-Based Foods, which are plant-based protein food product like sausages, minced meat, and ground pork, 3) Functional Products, which are products that perform specific functions, including non-food consumer products in consumer friendly and environmentally friendly packaging, and 4) products sold on e-commerce platforms.

Together, the Board of Directors and management have jointly formulated business strategies for the Company to grow and achieve the following goals:

1.1.1.1. Become a company that is ready to support Plant-Based Platform

Plant-based food products have grown tremendously from health care trends and the desire of a better world. (Plant-based protein diets release less greenhouse gas emissions than animal protein as livestock emits large amounts of methane). Consumers look for food and beverage products that are beneficial and healthy, especially the US, UK, and European markets. In 2025, it is projected that Europe and North America will have a plant-based meat or meat substitute market size of 2.4 billion euros and 1.8 billion euros, respectively, representing 60 and 80 percent growth from 2018 to 2025, respectively (source: Deloitte, Plant-based alternatives-Driving industry M&A, 2019). Between 2017 and 2019, the value of meat substitutes grew by 37.8% in the United States (16% in 2018 and 18 percent in 2019)², especially in the wake of the COVID-19 pandemic. The pandemic may be another factor that drives consumers to try consuming more plant protein due to the belief that plagues may have an animal origin and that the consumption of plant-based protein diets strengthen the immune system. As a result, the sales growth rate of plant-based meat was much higher than that of Animal-Based Meat in the United States, particularly during March 2020 (source: SPINS, Plant Based Foods Association).



	
<p>Millennial and Gen Z consumers are concerned about the environment</p>	<p>The challenge of producing enough food for the world's population, reducing environmental impact by 2050, and promoting sustainable production and consumption</p>

As the Company can currently produce plant-based protein foods, such as ready-to-cook food made from jackfruit, konjac, and eggplant, and has the ability to produce a variety of flavours and types of packaging, the Company is determined to become the leader in plant-based protein food industry in Thailand and become an internationally-recognized manufacturer in this industry. Therefore, the Company has a policy to enter into joint ventures with world-leading companies to increase knowledge and expertise in the production of plant-based food at an international standard level and keep up with new technologies and products. The criteria for joint investments or acquisitions to promote the Company's business both in terms of finance and operations, are 1) upgrade knowledge, expertise, and technology in the business that it has invested in, 2) access to new products, giving the company a leadership position in the market, 3) promote the Company's reputation to increase visibility, and 4) increase channels to access new markets.

² Source : The Good Food Institute (GFI) and SPINS scan Natural and Specialty Gourmet (SPINS)

With the vision to become a leader in plant-based protein food production to meet the demand of the plant-based protein market with more than just the current production capacity (The Foxconn of plant-based food), the Company invested in the following companies and startups with the readiness to produce and sell plant-based protein food:

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

According to the FAIRR investor network report, in 2020 investments in the plant-based protein business reached \$1.1 billion, double the growth in 2019. Major food companies worldwide and various startups focus on technology development for raw materials and new products that taste more natural and have characteristics like meat. Most of the world-class food companies, especially startups, however, do not have their own factories. Based on its current plant-based protein food production capacity, the Company plans to further expand its production capacity to support the growing demand for plant-based food in most regions of the world. The demand for plant-based food is expected to grow from \$12.1 billion a year in 2019 to \$27.9 billion by 2025, especially to produce for companies that the Company has invested in. These companies include startups invested through the Big Idea Venture fund, and New Protein Fund I, Unovis NCAP II. The Company will build a factory in England dedicated to plant-based food through a joint venture with The Brecks Co., Ltd. (“Brecks”), and in Thailand through a joint venture with Innobic (Asia) Co., Ltd., a subsidiary of PTT Public Co., Ltd.

On 13 May 2020, the Company entered a joint venture with Brecks, a company in the UK specializing in the production of plant-based protein foods for over 27 years, such as plant-based sausages, to customers who are leaders in the plant-based protein industry and sells the products worldwide. The Company entered into a joint investment with Brecks in a new joint venture called Plant And Bean Ltd. (P&B or Plant and Bean), whereby the Company paid for the purchase of 25% of P&B with an amount of approximately 5 million pounds or 198 million baht to buy a new factory in England and for machines with larger production capacity. In addition, the Company has the right to purchase an additional 25% of P&B shares within approximately 12 June 2021 at a price of 4 million pounds, which could be lowered if P&B does not achieve the expected profits, except if P&B is able to raise capital of any investor at a price exceeding what is stated in the contract. As part of the joint venture, Brecks transferred all its plant-based protein business, customer base, and production technology to P&B. As P&B is currently selecting a suitable plant for expansion, P&B has leased space at Brekes' existing plant for production (rental rate of 60,000 pounds per year, payable rent 4 times per year, with a 2 year contract, renewable for 2 years each and the tenant can cancel the contract at any time by giving a notice at least 3 months before the cancellation) until a suitable new factory can be found. However, to meet the increasing customer demand for production orders, in June 2020 P&B used the capital increase received from the Company in the amount of 0.8 million pounds to buy new machinery that will help increase production capacity by 40% (increased to approximately 4,700 tons). P&B successfully bought a new plant in January 2021, which became a factory responsible for 55,000 tons of sausage that was able to expand its production capacity to 70,000 tons. In 2021, production began and a license from the British Retail Consortium (BRC) was obtained, demonstrating the potential and production standards of P&B to support international customers. Additionally, P&B plans to raise additional funds from investors by using the proceeds to expand the production base in the United States as well. In the Asian region, in December 2021, the Company drew in business partners to establish the Plant & Bean (Thailand) Ltd. (P&B Thailand) company through a joint venture between Nutra Regenerative Protein Co., Ltd. (NRPT), in which the Company holds 50% of the shares together with Innobic. NRPT will hold 51% and P&B will hold 49% of the shares in P&B Thailand, and there is a plan to open a dedicated plant-based protein food factory. The production target is 3,000 tons per year and construction will start in 2022. The Company expects that this joint venture will give the Company the opportunity to learn and increase expertise in the production of such products, giving the Company the opportunity to become one of the major Thai food contractors for these type of products in the future.

The aforementioned partnerships demonstrates the vision for sustainable growth, for example, having a production base capable of manufacturing products of the same standard for customers who have a global restaurant network, as well as for tax benefits (e.g. reducing tax burden, imported goods) for example. P&B's capital increase in the future may affect the Company, decreasing shareholding proportion. The Company has a policy to maintain its investment ratio to no less than 40% of the P&B shares. In the past, Breck's UK factory was a contract manufacturer of plant-based proteins for brands such as Quom, The Vegetarian Butcher, and Cauldron Foods.



Picture of a P&B facility in the UK

- **Investment in the Big Idea Venture LLC and New Protein Fund I, Unovis NCAP II, a fund focused on plant- and cell-based protein**

To be a leader in the production of plant-based protein and gaining access to new technologies and customers around the world, the Company made a **1,500-million-baht** investment as a non-managed investor in Big Idea Venture LLC ("Big Idea Venture" or "BIV") and New Protein Fund I on 3rd October 2019 where Mr. Dan Pathomvanich, the Company's director and executive is a co-founder. Big Idea Venture manages the New Protein Fund I, an accelerator fund that provides funding to start-up businesses in plant-based protein diets as well as provides advice on how to run a successful business. The goal is to invest in 100 start-ups, which at present there has been an investment of more than 30 start-ups. More than half of those start-ups have already made sales,³ such as Phuture Limited ("Phuture") (imitation pork) that sells the products to many restaurants in Singapore⁴. As an investor who does not participate in the management of Big Idea Venture, the Company has been granted the right to be a manufacturer for the Start-ups invested by the New Protein Fund when those start-ups have a demand for manufacturers in both the trial market and the commercial scale. Such investments provide opportunities to access new technologies that can be applied to the Company in the future to increase the productivity and efficiency of the company's production even more. Examples of companies in the New Protein Fund I include Black Sheep Food (mutton), Phuture Meat (pork), Eat Karana (beef), and Confetti Fine Foods (plant-based snacks).

			
Imitation Mutton (The Black Sheep Food)	Imitation Beef (Eat Karana)	Imitation Pork (Phuture Meat)	Plant-based Snacks (Confetti Fine Foods)

In 2021, the Company invested in the Unovis NCAP II fund as a limited partner, which invests in start-ups related to technologies for developing alternative protein diets. Investments range from starting a business to expanding production capacity and selling products all over the world with the experience of Unovis Asset Management's ("Unovis") team and personnel. Investing in Unovis' funds will increase the opportunity for the company to keep up with the technology of the food industry on a global scale as the Unovis Asset Management Fund is the world's leading alternative protein fund and has modern technology and innovations in production, which are developed by fund's portfolio companies. Moreover, investments will be a channel

³ Source : <https://www.globalaginvesting.com/buhler-latest-investor-big-idea-ventures-50m-new-protein-fund/>

⁴ Source: <https://www.greenqueen.com.hk/malaysian-foodtech-phuture-foods-rolls-out-vegan-mince-in-singapore-restaurants/>

for business expansion and access to cutting-edge innovations as well as giving the Company an opportunity to be a manufacturer for businesses that have these products in the long run. The fund also has a team of experienced consultants and a business network that is in line with the industry. Examples of companies that Unovis NCAP I, Unovis's first fund, are Beyond Meat (plant-based protein meat), Memphis Meats (synthetic meat), and Miyoko's Creamery (plant-based protein cheese).

- **Wicked Foods, Inc. and Konscious Foods, Inc.**

In May 2021, the Company invested in Wicked Foods, Inc. (Wicked) worth \$1.5 USD, or approximately 47.0 million baht. Wicked is a startup company that sells a full range of plant-based protein food and products under the Wicked Foods and Wicked Kitchen brands. There are a wide range of products to choose from, including ready-made plant-based foods, pizzas, sauces, and frozen foods. Currently, Wicked Company sells its products in Tesco stores in the UK and has plans to expand the business to the United States, Europe and other countries in the future. Additionally, the Company invested in Konscious Foods, Inc., a start-up focused on plant-based seafood, adding more choices for consumers and plant-based customers, who tend to focus on beef products made from plant-based proteins, for example. Konscious will focus on selling plant-based seafood in North America and plans to add more categories to include other plant-based proteins, increasing sales in other continents in the future.



Examples of products under Wicked Foods, Inc.



Image of the Konscious Research Center and Manufacturing Plant in Canada

1.1.1.2. Managing environmental, social, and economic impact, including promoting good corporate governance throughout the product and service life cycle, gaining new customers, and retaining the same customer base (win customers with sustainability)

Since 2017, the Company focused on sustainable development and is responsible for the world by joining the UN Global Impact to pledge its commitment to build a sustainable economy in accordance with international principles (Sustainable Development Goals – SDGs), which builds the Company's credibility and promotes sustainable development activities in the Company.

Before delivering products and services to consumers, there is a related management process from the procurement, manufacturing, storage, transportation, and distribution, collectively called the supply chain. The supply chain is therefore considered to be a very important part of the food business because the standards of suppliers and the quality of raw materials directly affects the consumer through its cleanliness, safety, is without contaminants, and is nutritious. The Company understands and realizes the importance of the supply chain and therefore, establishes a strict raw material screening process, production process that meets international standards, and safe transportation. Additionally, with the determination to be part of the sustainable supply chain development, the company has signed a memorandum of cooperation with Mahidol University with the intention to jointly promote agricultural and food products that are safe for both domestic and international consumers as an important raw material in the production and processing of food products for domestic consumption and further production for export in the future. The Company initiated the NRF Contract Farming project and visited the farmers, gave advice on marketing, and selected farmers to join the project, allocating experts to provide knowledge and skills, assisting in investment and co-planning with farmers from upstream to downstream (preparing the soil system, water until harvesting and transportation to the factory), continually

taking care of farmers, and providing advice on plant care and disease management. Mahidol University will share knowledge with farmers to enhance both the quality of raw materials and products to improve the quality of life for both consumers and producers for the goal of truly creating sustainability throughout the supply chain.

With a determination to be responsible to society and the public in addition to improving the quality of life for farmers, the Company is interested in climate change, a crisis that many organizations around the world come together to solve. Therefore, the Company began by being an official member of the UN Global Compact and, more recently, joined the 1.5 degree pledge. Apart from this, in 2019, the Company initiated the Carbon Neutral project to express its intention to be an organization that cares about reducing global warming. Currently, the Company is Thailand's first Carbon Neutral private food producer that can support the industry's shift that now requires a label stating the carbon footprint of a single food product in the future. As the process of the Carbon Footprint identification takes more than a year, the company believes it is well prepared for the transition and will gain first-hand business benefits, such as acquiring new customers and the opportunity of entering into contracts to manufacture a wide range of products for current customers.

1.1.1.3 Opening the product market under the Company's brand, both in Thailand and abroad (NRF Brand Go Global) and the expansion of online channels (NRF E-commerce Platform)

- **Expansion of the Company's products in Thailand**

Ethnic Foods – In the past, the company sold almost all of its products for export, where domestic customers also order the company's products to be exported as well. Most of the Company's products were exported to consumers in the United States and in Europe, where there are relatively strict quality inspection measures for food products, which therefore helps confirm the quality and safety of the company's products are at the international level. The Company sees the opportunity to present its international quality export products to Thai consumers because at present, most of the general products sold in the Thai market have not been certified that their raw materials are chemical-free. Although some products have labels indicating health safety, such as organic or free from impurities, etc., such products however often have a higher price than those made from general raw materials. The Company will start selling products under the company's brand in the Thai market to create brand awareness and increase its reputation. In the beginning, products in the category of seasonings and dipping sauces under the brand Por Kwan and Sabzu will be introduced, whereby the formula will be improved to better satisfy the taste of Thai consumers. The Company will sell through prepared distribution channels and has increased the sales team for the domestic market by selling through traditional trade and modern trade channels via various marketing plans to make the Por Kwan and Sabzu brands more well known amongst Thai people.

- **International Expansion of the Company's products**

Presently, although the Company distributes its products to many continents around the world, it has only some importers around parts of North America, parts of Europe, as well as only a few importers in China. Thus the Company has many opportunities for international market expansion, such as expanding to cities with many Asians, such as Chicago, Seattle, and Miami, etc. The Company has a plan to market and promote more products under the Company's brand to increase the brand's visibility. The Company will use the customer's previous order information as a database for analysis to find groups and types of products in different countries that are similar, and present it to new customers in the same country or new countries through direct customer meetings and exhibitions abroad. In the first quarter of 2021, the Company launched Tom Yum and Basil seasoning products in China and exported the Por Kwan brand into the Netherlands, both of which have been well received by the market.

Apart from this, the Company has many business alliances to help distribute the Company's products in new countries or further expand sales in old countries. For example, in China, the Company has succeeded

in sourcing a celebrity chef to help develop the Company's products to appeal to the local people. In Europe, the Company has signed an agreement with Asia Express, a major European importer, to distribute products under the Por Kwan brand in Austria, Germany, and Benelux with the goal of achieving sales of at least 2.3 million euros per year in order to maintain the terms of the contract, such as receiving a special discount from the company.

- **Expansion of the Company's products via Online Channels (NRF E-commerce Platform)**
In 2021, the Company seeks to increase the sales of the Company's products via online channels to support the dramatic changes in consumer behavior after the Covid epidemic. Furthermore, the Company saw the opportunity to expand the Company's new products through investments in businesses that are popular with consumers online. To accelerate the Company's online sales growth, the Company invested in Boosted NRF Corporation, USA by entering into a joint investment with Boosted Ecommerce Inc. ("Boosted"), a professional manager with expertise in investment, to make a joint investment in E-commerce businesses with high sales on the Amazon E-commerce marketplace on 31st January 2021. In the past year, the Company has invested in 3 projects, as follows:

- 1) In January 2021, Boosted NRF acquired intellectual property, trademark, know-how, and other intangible assets associated with its operations under the Prime Labs brand, who are leading sellers of functional products on the Amazon.com platform. Prime Labs' core products are nutritional supplements that have been on the market for more than 5 years and have average sales of more than 8 million USD per year (or more than 240 million baht) for the past 3 years. Products under Prime Labs first started selling on Amazon.com in 2016 and currently has accumulated more than 60,000 reviews, and is number 1 in sales in its category, as ranked by Amazon.com.
- 2) In May 2021, Boosted NRF acquired intellectual property under the SOL Trading, such as The Cocoa Trader, Fossil, Power Caribbean Cacao, and Aspen Naturals, which are leading health food products sold on the Amazon.com platform. The main SOL Trading products are cooking and baking products that have been on the market for more than 8 years and has past 12-month sales (TTM) more than \$2 million per year (or 62 million baht). Currently, there are 45 products (SKUs) available for sale.

Examples of SOL Trading products



Sodium Bentonite Powder 2lb



Black Cocoa Powder



Beef Gelatin Powder



Unrefined Cocoa Butter 1lb

- 3) In September 2021, Boosted NRF acquired the intellectual property of the WellPath brand, including pure apple cider vinegar gummies, boost elderberry gummies, zen anxiety and stress relief supplements, and vital turmeric gummies, which are leading health food products sold on the Amazon.com platform that have been on the market for over 6 years. Currently, a total of 11 products (SKUs) are distributed, such as jelly vitamins and dietary supplements

Examples of WellPath Products

Zen Ashwagandha Supplement



Vital Turmeric Gummies



Pure Apple Cider Vinegar Gummies



Boost Elderberry Gummies



1.1.1.4 Capacity Expansion and the development of production processes and technologies to support the growth of the company (digitalization of production process)

- Capacity expansion**

To prepare enough production capacity for the Company's growth in the future, the Company planned to expand its production capacity in the form of machinery purchase, investments, acquisitions, contract manufacturing, factory construction on vacant land owned by the Company located behind the Company's current factories for future capacity expansion. The Company will consider the value of each investment form, the suitability in terms of operation and maintenance of production quality in the shortest time, and will select the appropriate method of capacity expansion.

On 31st November 2020, the Company invested in ordinary shares of City Food Co., Ltd. ("City Food") in the proportion of 100% of the registered and paid-up capital to increase production capacity and support the growth of the Company. This helps increase the readiness for contract manufacturing of more diverse foods, such as nut-free factories.

The Company has a project to build a plant-based protein factory, especially in Thailand by using the knowledge and expertise gained from the joint venture with Plant And Bean Ltd., together with business alliances with the PTT Group. The project aims to establish the P&B Thailand as a base for production and further exports of plant-based protein food products in the Asian region with a target production capacity of 3,000 tons per year. The construction will start in 2022.

- Improve the production process for greater production, use technology throughout the production chain to adapt to intelligent manufacturing, increase efficiency and potential for higher profitability (Smart production and Digitalization of the business process)**

The company has consistently improved the production processes for better profitability potential, such as investing in the purchase of machinery to produce konjac noodles when the Company has an order amount that is worth the investment due to the popularity of consumption of konjac noodles in the United States and in Europe, and from the trade war, as most of the konjac noodles are produced in China. The investment in the purchase of machines for producing konjac noodles will not only enable the company to produce more, but can also reduce the cost of raw materials because formerly, the Company did not produce the konjac noodles. The Company used to order the ready-made konjac noodles, cooked it, processed it into various packaging, and then sold it to customers according to the incoming order.

1.1.1.5 Focus on research and development, building and extending business partnerships with partners to increase business variety by offering products, packaging, or new services

The company's research and development team has more than 20 years of experience in product development for customers. The Company is committed to studying changes in consumer behavior to develop or invest in products or technologies that increase business opportunities, which can expand the company's growth. An example is an investment in functional and plant-based businesses to support the increase of

Millennials or Gen Me customers, as well as the trend of health care and more environmentally friendly consumers. These will be a key driver of the growth in food businesses in the future.

1.1.2 Major changes and developments

Brief explanation of the nature of business operations in the past year

The Company's business is in manufacturing, procurement, and distribution of food seasoning products, ready-made food, condiments, vegetarian food that does not contain eggs and milk, plant-based protein food, and instant beverages in the form of powder and liquid. The Company is committed to carrying out sustainable business operations to become one of the leaders in the food production and sales industry that is sustainable, good for producers and consumers, environmentally friendly, and has a production process that meets international standards, especially food safety.

The Company's business can be divided into 4 groups: Ethnic/Specialty Food, Plant-based Food, Functional Products that are manufactured under a contract and under the brand of the Company, and products sold on e-commerce platforms. Under the COVID-19 situation, the Company was impacted in the 3rd quarter of 2021, causing a 20% reduction in production capacity due to container shortage problem, and postponement in the transportation of the shipping line. This delayed the planned export of the Company's products to customers. However, the Company has taken additional measures to reduce the impact of the lack of containers and the delays in shipping that had helped decrease the freight forwarding delay from 20% of the sales in the second quarter to 5% of the sales in the fourth quarter.

Changes in shareholding, management, business structure, or other important events in the past 3 years

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

In April 2017, Panthera Partners Co., Ltd. (an investment company that had the sole objective to invest in the Company) invested in the Company by buying all the shares from existing shareholders and enhancing the potential of the Company's management team. This investment was led by Mr. Dan Pathomvanich and new executives who had experience and gained expertise in the food business for more than 10 years. They had an important aim to drive the Company forward to become one of the leaders in the contract manufacturing business for plant-based protein food and seasoning industry that would be internationally recognized for its quality standards and product variety.

After Mr. Dan Pathomvanich and his team came in to manage the Company, the management started using an internal management control system and applied the SAP system in the organization. Additionally, a Board of Directors and sub-committees were established to create an effective and transparent management, and the organization was led with ESG to enable sustainable, continuous operations of the Company.

In October 2017, Panthera Partners Co., Ltd. entered into a merger with the Company to establish a new company that still uses the name of NR Instant Produce Co., Ltd.

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

As of 9 October 2020 the company first traded in the Stock Exchange of Thailand (IPO).

The Company's history and important developments can be summarized as follows:

Year	Preliminary Development
1991	<ul style="list-style-type: none"> Established a company called NR Instant Produce Co. Ltd. with a registered capital of 10 million baht, starting from a small household business, and was a contract manufacturer of dry food and seasonings.
1996	<ul style="list-style-type: none"> First started exporting to a major U.S. customer.
2001	<ul style="list-style-type: none"> Started exporting to the U.K. Started to export products under the Company's brand, namely Phor Kwan.
2003	<ul style="list-style-type: none"> Moved production base to Krathum Baen District, Samut Sakhon Province to increase production potential and standard. It remains the current location of the factory with 5 production lines.
2004	<ul style="list-style-type: none"> Invested in an instant noodle business and their own fresh noodles, which is one of the Company's unique products.
2005	<ul style="list-style-type: none"> Certified for the BRC food safety quality from BRC Global Standards.
2014	<ul style="list-style-type: none"> Had a market share of 1,000 million baht.
2017	<ul style="list-style-type: none"> April 2nd: Panthera Partners Co. Ltd. acquired all the Company's shares from the founder . October 2nd: Merger between Panthera Partners Co. Ltd and the Company. The newly established company still uses the name NR Instant Produce Co. Ltd. December 1st: Installed an SAP system for managing data resources and preparing the Company's financial statements.
2018	<ul style="list-style-type: none"> February: Started investing in Nove Foods Company Limited. March: Company increased registered capital to 400,000 shares, valued at Par 100 baht per share with 200,000 shares allocated to Dusit Foods Co., Ltd. and 200,000 shares to 4 other shareholders. The total value was 100 million baht. March: Dusit Foods Co., Ltd., a subsidiary of Dusit Thani Public Company Limited purchased 2,452,076 ordinary shares at a par value of 100 baht from the existing shareholders and purchased 200,000 newly issued ordinary shares of the Company at a par value of 100 baht per share. Overall, the sum represented a total of 2,652,076 shares, which is 25.9% of the total number of shares of the Company after the registration of the capital increase was completed. June: The Company invested in Dusit Gourmet Co., Ltd. to engage in the business of selling and marketing food-related products such as condiments, seasoning sauces, and ready-to-eat food both domestically and internationally. The Company holds 10% of shares and Dusit Foods Co., Ltd. holds 92.5%. November: The Company received the Thai SELECT award, an award given by the Ministry of Commerce for Thai food that is of standard, using authentic Thai cooking and seasoning methods with Thai ingredients and condiments. December: Memorandum of Understanding between the Faculty of Medical Technology, Mahidol University and the Company. The intention of this memorandum was to jointly promote agriculture and food safety in both domestic and international consumers, which will be used as an important raw material in the production and processing of food products for domestic consumption, and for further development of products for export in the future. December: The Company collaborated with the Faculty of Medical Technology, Mahidol University to support farmers who did not have their own land to cultivate chemical-safe crops in Kanchanaburi Province. The farmers received technological support from the Faculty's standardized laboratories in cultivation quality control on a demonstration plot of approximately 10 rai.
2019	<ul style="list-style-type: none"> January: The Company acquired shares in Sriracha Company (Currently, Sabzu Co., Ltd.) at cost price (Par). It is a company that has not yet entered to any businesses. May: The Company increased its registered capital by 18.00 million baht by issuing ordinary shares in the amount of not more than 180,000 shares at a par value of 100 baht per share, divided into

Year	Preliminary Development
	<p>(1) Allocation of 135,000 newly issued ordinary shares with a par value of 100 baht per share offered to Black River Food 2 Pte. Ltd.</p> <p>(2) The allocation of 45,000 newly issued ordinary shares with a par value of 100 baht per share, offered to Mr. Damkerng Pathomvanich.</p> <ul style="list-style-type: none"> ▪ July: The Company moved the production line for noodle products, which helped increase efficiency of the production process. ▪ July: The Company invested in a £500,000 convertible bond issued by Meatless Farm. The bond will be able to convert into fully paid-up shares of the issuer. The Company still receives interest from holding such debt securities. ▪ October: The Company invested in Big Idea Venture as a non-managed investor. Big Idea Venture is a limited liability partner in New Protein Fund I . ▪ November: The Company increased its registered capital, issued, and paid-up by issuing 268,553 new ordinary shares with a par value of 100 baht per share. The shares were issued to existing shareholders for business expansion. ▪ December: Registration (1) Transforming the Company to a public limited company and changing its name from “NR Instant Produce Company Limited” to “NR Instant Produce Public Company Limited,” (2) (2) Changed the value of shares from 100 baht per share to 1 baht per share, and (3) Increased the registered capital of 355,260,100 baht from the original registered capital of 1,065,780,300 baht (one thousand sixty-five million seven hundred eighty thousand three hundred baht). The new registered capital amounts to 1,421,040,400 baht (one thousand four hundred twenty-one million forty thousand 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 Bracks Co., Ltd. by establishing a new joint venture company named P&B Co., Ltd. The aim of the new joint venture was to operate as a manufacturer and distributor of meat-free food that only uses nutrients and proteins from grains and agricultural products. The joint venture will be subject to conditions precedent stipulated in the contract. ▪ December: The Company joined an agreement to purchase V-shape packaging machinery under which the Company has been granted Right of First Refusal to provide contract manufacturing services of V-Shape packaging for food, cosmetic, pharmaceutical, and chemical industries. Additionally, the Company has also been granted the role of the machinery dealer, where it will receive a commission on sales in the Southeast Asia region.
2020	<ul style="list-style-type: none"> ▪ January: The Company invests in the ordinary shares of City Food Co., Ltd. in the proportion of 15% of the registered and paid-up capital. A production contract with City Food was also made to increase production capacity and support the Company's growth. ▪ January: Dusit Foods Co., Ltd. sells 204,047,175 shares of the Company to DPA Fund S Co., Ltd., a company in the Pathomvanich family, which is the Company's major shareholder. ▪ January: The Company ordered a machine to produce Konjac Noodles from Japan to expand the production capacity of Konjac Noodles to support the growing demand of the health food market. ▪ February: The Company made further investments in the New Protein Fund I LP and Big idea Ventures GP I, LLC, totaling to a value of \$12,866. ▪ March: The Company receives the first revenue from the sale of Alcohol Gel in V-Shapes packaging. ▪ March: The Company invested in Phuture Limited, which manufactures plant-based proteins, with a total value of \$25,000. ▪ May: The Company invests £5 million in 25% of the common stock of Plant and Bean Ltd, a company registered in the United Kingdom. The aim was to invest in the expansion of plant-based protein food production. ▪ June: The Company signed a joint operation contract with Fluid Energy.

Year	Preliminary Development
	<ul style="list-style-type: none"> August: The Company signed a joint venture with Boosted for business expansion in e-commerce. September: The Company implemented the name change of Sabzu Co., Ltd. to NRF Consumer Co., Ltd. September: The Company established Root the Future Co., Ltd. to host social activities, encouraging people to eat more protein-based food in a non-profit manner. October: The Company listed and traded the Company's newly issued ordinary shares on the Stock Exchange of Thailand on October 9, 2020. November: The Company purchased an additional 85% of the registered capital of City Food Co., Ltd.'s ordinary shares, from the previous 15%. The Company now held 99.99% of all common shares in City Food Co., Ltd. December: The Company invested US\$3 million in 3.7% of Boosted Ecommerce, Inc's preferred shares as an investment in the e-commerce platform business. December: The Company signed as a Limited Partner in the Unovis NCAP II Fund.
2021	<ul style="list-style-type: none"> January: The Company entered a joint venture with Boosted to form Boosted NRF Corp. and acquired Prime Labs. April: The Company established Nove Eats Co., Ltd., a subsidiary, to penetrate the domestic plant-based market with a 51% stake. May: The Company acquired intellectual property under the SOL Trading brand through Boosted NRF. June: The Company invested \$1 million in Wicked Foods, Inc. June: The Company invested \$1.5 million in Konsconscious Foods, Inc. July: The Company invested in Unovis NCAP II Fund May: The Company acquired intellectual property under the WellPath band through Boosted NRF. August: The Company established Newtra Regenerative Protein Co., Ltd., a joint venture company with the PTT Group, holding an equal 50% share. The aim was to penetrate the region's plant-based market. September: The Company invested ordinary shares of Indeem Group Co., Ltd. to expand omnichannel sales channels within the country. October: The Company invested in 66% of Botany Petcare Co., Ltd., which will be an improvement of the Company's existing factory to become a pet food factory. Production is expected to begin in the third quarter of 2022. October: The Company acquired all ordinary shares in Golden Triangle Health Co., Ltd. ("GTH") in exchange for NRF shares and working capital. December: The Company established Regeneration Capital Co., Ltd. to supervise and manage the Company's investments. December: The Company sold 25% of its stake in GTH to Australis Capital, Inc., an international hemp leader.

1.1.3 Use of fundraising money

Use of proceeds from equity offerings

From the Extraordinary General Meeting of Shareholders No.1/2021 on 8th July 8 2021, the increase in the Company's registered capital in an amount of not more than 7,643,892 baht from the original registered capital of 1,477,799,265 baht was approved. The registered capital amount was of 1,485,443,157 baht by issuing ordinary shares of not more than 7,643,892 shares with a par value of 1.00 baht per share to 2 existing individual shareholders of Golden Triangle Health Co., Ltd. (GTH). This was done to support the investment in the ordinary shares of Golden Triangle Health Co., Ltd. in the proportion of 49% of the paid-up shares, which has increased its capital and swapped shares on 29th September 2021 at a price of 8.80 per share or 67.266 million baht.

Use of money from debt security offerings

On 23rd July 2021, the Company issued unsubordinated debentures, which has the right to redeem the debentures before maturity and without collateral in the amount of 700,000 units with a par value of 1,000 baht per unit. By offering the debentures to institutional investors or high net worth investors, the Company received money from this debenture issuance of a total of 700 million baht. The debentures have a maturity of 2 years with an interest rate of 6.50% per annum and interest payment is due every quarter. The debentures were approved during the Board of Directors Meeting No. 3/2021 on 1st March 2021 and at the Annual General Meeting of the Company's Shareholders on 22nd April 2021.

The Company has used the proceeds received from the IPO ending on 31st December 2021 as follows:

Objective for utilizing the proceeds	Amount used for the intended purposes	Amount used between 1 Oct. - Dec. 2021	Accumulated amount used until 31 Dec 2021	Balance at 31 Dec. 2021
1. Other projects under the Boosted NRF Corp. ("BOOSTED NRF") investment to expand online business	500-550 million baht	83.95 million baht	150.47 million baht	349.53-399.53
2. Investments in other projects /1	150 million baht	-	37.50 million baht	112.5 million baht

Remarks /1 is an investment project in a new establishment that Nove Foods Co., Ltd., a subsidiary of the Company, will join the joint venture with Inobic (Asia) Co., Ltd., a company in the PTT group.

Laws applicable to debt instruments

The Company issued unsubordinated debentures, which has the right to redeem the debentures before the maturity date and has no collateral according to the rules and regulations of the Securities and Exchange Commission of Thailand and the Thai law.

1.1.4 The Company's committed obligations in the Securities Offering Registration Form and/or the Office's approval conditions

None

1.1.5 Name, location of head office, type of business, company registration number, telephone, fax, company website, and number and types of total shares issued

Thai Name : บริษัท เอ็นอาร์ อินสแตนซ์ จำกัด (มหาชน)

English Name : NR Instant Produce Public Company Limited

Registration Number : 0107562000483

Business Characteristics	: The business is a manufacturer, supplier, and distributor of food seasoning products, ready-to-cook meals, condiments for cooking, vegetarian food that does not contain eggs and milk, plant-based protein food, and instant beverages in the form of powder and liquid
Head Office Location	: No. 99/1, Moo 4, Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province 74110
Bangkok Office Location	: No. 518/5, Maneeya Center Building, 6 th Floor, Pleonchit Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330
Telephone	: (66) 34849576-80
Fax	: (66) 34849586
Website/Home Page	: www.nrinstant.com
Registered Capital (as of 31 st December 2021)	: 1,485,443,157 ordinary shares (one thousand four hundred and eighty-five million four hundred forty-three thousand one hundred and fifty-seven shares), totaling to 1,485,443,157 baht (one thousand four hundred and eighty-five million four hundred forty-three thousand one hundred and fifty-seven)
Paid-up Capital (as of 31 st December 2021)	: 1,417,654,142 ordinary shares (one thousand four hundred and seventeen million six hundred fifty-four thousand one hundred and forty-two shares), totaling to 1,417,654,142 baht (one thousand four hundred and seventeen million six hundred fifty-four thousand one hundred and forty-two)
Par Value	: 1.00 baht (one baht)
Security Name	: NRF

1.2 **Business Characteristics**

Business Overview

The Company operates as a manufacturer, procurer, and distributor of food seasoning products, ready-made meals, condiments, vegetarian food that does not contain eggs and milk, plant-based protein food and instant beverages in the form of powder and liquid. The Company is committed to carry out sustainable business operations to become one of the leaders in the industry for producing and selling sustainable food. Foods that are good for both producers and consumers, is environmentally friendly, has a production processes that meet international standards, especially food safety, such as standards from the British Retail Consortium (BRC)⁵, and International Food Standards (IFS) to ensure food production safety, established by the Federal Republic of Germany Retailers,⁶ and retailers and wholesalers of France,⁷ and meet the US Food and Drug Administration's (FDA) inspection standards of imported food products, etc. The Company's products are not only safe, but also has a variety of more than 2,000 SKUs and more than 500 recipes.

The Company has 2 factories located at 99/1, Moo 4, Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province, which is a factory for producing noodles, and a factory for producing sauces and

⁵ Formed by large retail companies such as Tesco, Sainbury's, Iceland Food, Waitrose, Sainsbury's, the Co-operative Group and Asda Stores to reduce redundancy from assessment for enterprise that wish to export to retail stores in the UK using their house brands.

⁶ HDE - Hauptverband des Deutschen Einzelhandels e.V., Germany or The Central Association of the German Retail Trade <http://www.einzelhandel.de>

⁷ FCD-Federation des entreprises du Commerce de la Distribution, France, <http://www.fcd.asso.fr/>

seasonings for City Food Co., Ltd., a manufacturer and exporter of Thai curry paste, seasonings, chili sauce, and chicken sauce under the Classic Thai brand. On the other hand, Shin Po soymilk has a factory at 99/1, Moo 2, Phra Prathon-Ban, Phaeo Road, Talat Chinda Subdistrict, Sampran District, Nakhon Pathom Province, and Botany Petcare Co., Ltd., a manufacturer and exporter of pet food, has a factory located at 155/1, Moo 4, Chet Samian Subdistrict, Photharam District, Ratchaburi Province.

The Company's business operations can be divided into the following 4 groups:



Cateogry 1 Ethnic/Specialty Food, divided into











A. Original Equipment Manufacturer (OEM) / Private Label

The Company provides production services for seasonings, ready-to-cook food, ready-to-eat food, vegetarian food, and instant beverages in powder and liquid form. The Company has the ability to meet the needs of customers in a variety of products, with a team with more than 20 years of experience, especially the research and development department that has accumulated experience in developing new flavors and packaging according to customer needs within a short period of time. The Company has more than 2,000,500 SKUs recipes, over 200 customer brands, a variety of packaging, and a flexible production line with size adjustments according to customer requirements, both in the form of small and large orders, long-term production contracts, and one-time production orders (Most are made to order according to the characteristics of the food production industry). The Company's customers have long-standing relationships with the Company and are from more than 25 countries around the world, such as the United States of America and European countries, all of which have strict quality inspections of imported food. The Company is one of the first manufacturers that have been certified for production quality from the British Retail Consortium (BRC) since 2004. Additionally, the Company has passed many quality inspections such as IFS Food, GMP, FDA Standards.

B. Product Businesses under the Company's Brand and its Subsidiaries (Brand's Ethnic Foods)

The Company offers food products under the Company's brand with unique flavors, according to the consumer's tastes in both traditional local products, such as those under the Por Kwan brand, and products with modern flavors and packaging, such as those under the Thai Delight and Sabzu brand with quality raw materials and production processes that meet international standards. The Company produces and sells various food products under the Company's brands, with a total of 6 brands. City Food Co., Ltd. has products under 2 brands, whilst Botany Petcare Co., Ltd. has pet food products under 2 brands. The brands are as follows:

Products Under the Company's Brand	Product Characteristics
	Por Kwan is the Company's first brand. The Company intends to offer international quality merchandise through various products, such as Tom Yum seasonings, Thai seasonings, sauces, curry pastes, etc. The products under the Por Kwan brand reflects the original taste that customers love and have been recognized for more than 30 years
	Lee Brand is a brand that the Company focuses on promoting in the Asian region. Products in the local food condiments category, instant broth, and other products, are sold under this brand, all of which have a unique, authentic oriental taste. This is suitable to be used for cooking dishes originating from Asia, such as black pepper sauce, teriyaki sauce, yakitori sauce, etc.

Products Under the Company's Brand	Product Characteristics
	Thai Delight is a brand that the Company selling ready-made food that do not require seasoning. In addition to being Thai food, dishes from other Asian countries are also available, such as chicken green curry and pad thai, stored in modern and microwaveable packaging
	The Shanggie brand comprises mainly of condiments and instant soups. The products are Thai and Asian food. Therefore, it is considered an alternative brand for customers and consumers abroad only. Examples include pickled ginger for sushi, pho, wonton soup, etc.
	The DeDe brand consists of instant beverage products in both powder and liquid form, with a unique taste that is foreign consumers enjoy. Examples include coconut water, Thai tea, bubble milk tea, etc.
	Sabzu is a brand that the Company intends to use to introduce new types of products that contain chili as the main raw material, namely healthier dipping sauces such as Sriracha sauce, Jaew dipping sauces, and chicken dipping sauces. etc. This also includes chilies in snack form
	Classic Thai brand is a brand of City Food Co., Ltd., which focuses on authentic Thai food. The brand offers international quality products through products such as Tom Yum seasonings, Thai seasonings, sauces, curry pastes, etc. The products under the Thai Classic brand reflect the original taste that customers love and have been recognized for more than 20 years
	Passaya brand is a brand of City Food Co., Ltd., which focuses on authentic Thai food. The brand offers international quality merchandise through products such as Tom Yum seasoning Thai seasonings, sauces, curry pastes, etc.
	Katty Boss cat food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand
	Katty Boss cat food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand and overseas
	Bravo Boss dog food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand
	Bravo Boss dog food is a brand of Botany Petcare Co., Ltd. that is sold in Thailand and overseas

Category 2 Plant-Based Food

Currently, the company produces and sells food made from plant-based proteins that are sustainable and environmentally friendly. Natural plant-based ingredients such as jackfruit, konjac, eggplant, beans, chili, etc., are used to produce healthy food and vegetarian food. Examples of products are artificial fish fillets, shirataki, artificial eel rice balls, artificial tuna rice ball, artificial ground pork, and various ready-made meals.

As a result, the company has more types of product, such as plant-based sausages, plant-based ground beef, plant-based ground pork, and patties for hamburgers, etc.

At present, the Company has revenue from sales of konjac noodles and young jackfruit. The plant-based sausage products, plant-based ground beef, plant-based ground pork, and patties will be manufactured by the Company's associates. The sales will not appear in the company's main income.

Category 3 Functional Product

In addition to a wide range of food products with international quality, the Company is also committed to creating products that are convenient to consumers (Functional products), which are products that perform specific functions including non-food consumer products in consumer- and environmentally-friendly packaging. Furthermore, the Company has invested in Golden Triangle Co., Ltd. to produce hemp oil (CBD Oil) and hemp products.

Category 4 Various Products Distributed Through E-commerce

Apart from this, the Company has participated in the E-commerce business and distributes consumer products and other products through the E-commerce and membership system in Thailand. This it to continue and expand the Company's and Corporate Group's business.

1.2.1 Revenue Structure

ประเภทสินค้า	ปี 2561		ปี 2562		ปี 2563		ปี 2564	
	จำนวน (ล้านบาท)	สัดส่วน (%)	จำนวน (ล้านบาท)	สัดส่วน (%)	จำนวน (ล้านบาท)	สัดส่วน (%)	จำนวน (ล้านบาท)	สัดส่วน (%)
รายได้จากการขาย	1,124.0	98.70%	1,111.1	99.20%	1,408.3	97.50%	2,100.0	90.60%
1) กลุ่ม Ethnic Food	1,059.2	93.00%	1,033.7	92.30%	1,251.5	86.70%	1,623.4	70.00%
1.1) ผลิตภัณฑ์ข้าวเจ้าผลิต	733.4	64.40%	729.9	65.20%	888.3	61.50%	1,192.00	51.40%
1.2) ผลิตภัณฑ์ข้าวเจ้าได้ตราสินค้า ของบริษัท	325.8	28.60%	303.8	27.10%	363.3	25.20%	431.4	18.60%
2) กลุ่ม Plant-Based Food	64.8	5.70%	77.4	6.90%	109.3	7.60%	63.5	2.70%
3) กลุ่ม Functional Product	-	0.00%	-	0.00%	47.5	3.30%	29	1.40%
4) กลุ่ม E-commerce	-	0.00%	-	0.00%	-	0.00%	384.1	18.30%
กำไรจากอัตราแลกเปลี่ยน	5.8	0.50%	-	0.00%	0.4	0.00%	9.8	0.40%
กำไรจากการเปลี่ยนแปลง มูลค่าของทรัพย์สิน ทางการเงิน	-	0.00%	-	0.00%	-	0.00%	33.6	1.40%
กำไรจากการจำหน่าย เงินลงทุนในบริษัทร่วม	-	0.00%	-	0.00%	-	0.00%	99.6	4.30%
รายได้อื่น ^{/1}	8.8	0.80%	8.6	0.80%	35.6	2.50%	75.2	3.20%
รายได้รวมหลังกำไร (ขาดทุน) จาก อัตราแลกเปลี่ยน	1,138.60	100%	1,119.70	100%	1,444.30	100.00%	2,318.20	100.00%
อัตราแลกเปลี่ยน(บาทต่อดอลลาร์ สหรัฐอเมริกา)	32.24		30.82		31.74		31.82	

Remarks ^{/1}Other revenues are: Other service income, compensation tax card income from exports, interest income, etc.

Product Type	2018		2019		2020		2021	
	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)
Sales Revenue	1,124.0	98.7%	1,111.0	99.2%	1,408.3	97.5%	2,100.0	90.6%
1) International^{1/}	942.8	82.8%	921.7	82.3%	1,189.5	82.4%	1,759.3	75.9%
1.1 United States	368.5	32.3%	350.4	31.3%	468.5	32.4%	986.7	42.6%
1.2 Europe	353.9	31.1%	372.8	33.3%	432.5	29.9%	489.7	21.1%
1.3 Asia	110.5	9.7%	101.6	9.1%	180.1	12.5%	160.8	6.9%
1.4 Other	109.9	9.7%	96.9	8.7%	108.4	7.5%	122.0	5.3%
2) Domestic^{2/}	181.2	15.9%	189.3	16.9%	218.8	15.2%	340.7	14.7%
Foreign Exchange Profit	5.8	0.5%	0.0	0.0%	0.4	0.0%	9.8	0.4%
Profit from changes in values of financial assets	0.0%	-	0.0%	-	0.0%		33.6	1.4%
Profit from divestment in associated companies	0.0%	-	0.0%	-	0.0%		99.6	4.3%
Other Income ^{3/}	8.8	0.8%	8.6	0.8%	35.6	2.5%	75.2	3.2%
Total Income	1,138.6	100%	1,119.6	100%	1,444.3	1,138.6	2,318.2	100%

Remarks ^{1/}Total income from sales on the E-Commerce Platform in the US

^{2/}Customers in the Company's country. Almost all are exporters

^{3/}Other revenues are: Other service income, compensation tax card income from exports, interest income, etc.

Product Type	2018		2019		2020		2021	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Sales Revenue from the Company's Products								
(1) Condiments for Cooking and Seasoning	755.7	67.2%	739.3	66.5%	865.0	61.4%	1,184.9	56.4%
(2) Ready-to-eat Food and Beverages	368.3	32.8%	371.8	33.5%	495.8	35.2%	487.8	23.2%
(3) Non-food Consumer Products in Consumer	0.0	0.0%	0.0	0.0%	47.6	3.4%	29.0	1.4%

and Environmentally Friendly Packaging								
(4) Products Sold on E-Commerce Platforms	0.0	0.0%	0.0	0.0%	0.0	0.0%	384.1	18.3%
(5) Pet Food	0.0	0.0%	0.0	0.0%	0.0	0.0%	14.2	0.7%
Total	1,124.0	100.0%	1111.1	100.0%	1,408.3	100.0 %	2,100.0	100.0 %

1.2.2 Product Information

1.2.2. (1) Product Characteristics

A. Ethnic Foods

1) Contract Manufacturing Products

The Company manufactures food and beverage products for customers both domestically and internationally mainly for exporting. The Company has the ability to produce a variety of products, namely: (1) seasonings used for cooking, (2) ready-to-cook and ready-to-eat food, and (3) beverages and others. The Company is able to offer its customers a wide range of products with more than 2,000 SKUs from 3 product categories.












Examples of the Company's Products Classified by Categories

Seasoning	Ready-to-eat Food
	
<p>For example, stir-fry sauces, curry paste, curry condiments such as red curry condiments and green curry seasoning, and various ready-made condiments such as Thai tom yum seasoning, etc.</p>	<p>Pad Thai, fried noodles with various flavors such as stir-fried Hokkien noodles with satay sauce and stir-fried Hokkien noodles with teriyaki sauce, etc., and curry rice such as green curry rice and red curry rice, etc.</p>
Beverages and Others	
	
<p>Includes various seasoning sauces such as Sriracha chili sauce, chicken sauce, plum sauce, etc. and</p>	<p>Instant beverages such as coconut water and aloe vera juice etc., ready-to-brew beverages such as</p>

condiments for cooking such as fish sauce, soy sauce, etc.

Thai tea and pearl milk tea, etc., and others such as salad dressings and pickled ginger, etc.

Examples of the Company's Packaging

 <p>Container for eating noodles Size: 330 grams</p>	 <p>Minced crab meat or minced shrimp can Size: 160 grams and 400 grams</p>
 <p>Seasoning powder can Size: 227 grams and 1,000 grams</p>	 <p>Soup can Size: 400 grams, 794 grams, and 1,200 grams</p>
 <p>Seasoning powder sachet Size: 45 grams, 75 grams, and 100 grams</p>	 <p>Squeezable Plastic Bottle Size: 245 ml, 500 ml, and 720 ml</p>
 <p>Transparent Stand-up Pouch 100 x 145 x 30 mm for curry paste 140 x 185 x 40 mm for rice and noodles</p>	 <p>Aluminum Stand-up Pouch</p> <ul style="list-style-type: none"> • 100 x 155 x 30 mm for sauce • 120 x 180 x 35 mm for coconut milk and curry sauce • 140 x 210 x 40 mm for curry sauce
 <p>Glass Jar Size: 144 ml, 225 ml, and 454 ml</p>	 <p>Glass Bottle Size: 100 ml, 200 ml, 300 ml, 500 ml, and 700 ml</p>
	<p>Single-use Packaging for Sauces or Ingredients</p> <ul style="list-style-type: none"> • 40x50 mm (0.2-0.9 ml) • 50x50 mm (0.3-1.1 ml) • 40x80 mm (0.5-1.5 ml) • 50x80 mm (1-4 ml) • 60x100 mm (2-10 ml) • 85x100 mm (5-20 ml) • 100x100 mm (10-30 ml)







2) Products Under the Company's Brand

The Company produces and sells products under the Company's brand to customers both domestically and internationally. Each of the Company's brand reflects the Company's intention to offer products with original authentic oriental taste that is appealing to the consumer's tastebuds. The products also including new flavors and packaging that meets the needs of the new generation of consumers, such as millennials, whilst still maintaining the good product quality that meet international standards.

The Company's current brands are as follows:







- Por Kwan:** Por Kwan is the Company's first brand. The Company intends to offer international quality merchandise through various products, such as Tom Yum seasonings,

- Thai seasonings, sauces, curry pastes, etc. The products under the Por Kwan brand reflects the original taste that customers love and have been recognized for more than 30 years.
- ii. **Lee Brand:** Lee Brand is a brand that the Company focuses on promoting in the Asian region. Products in the local food condiments category, instant broth, and other products, are sold under this brand, all of which have a unique, authentic oriental taste. This is suitable to be used for cooking dishes originating from Asia, such as black pepper sauce, teriyaki sauce, yakitori sauce, etc.
 - iii. **Thai Delight:** Thai Delight is a brand that the Company selling ready-made food that do not require seasoning. In addition to being Thai food, dishes from other Asian countries are also available, such as chicken green curry and pad thai, stored in modern and microwaveable packaging.
 - iv. **Shanggie:** The Shanggie brand comprises mainly of condiments and instant soups. The products are Thai and Asian food. Therefore, it is considered an alternative brand for customers and consumers abroad only. Examples include pickled ginger for sushi, pho, wonton soup, etc.
 - v. **DeDe:** The DeDe brand consists of instant beverage products in both powder and liquid form, with a unique taste that is foreign consumers enjoy. Examples include coconut water, Thai tea, bubble milk tea, etc.
 - vi. **Sabzu:** Sabzu is a brand that the Company intends to use to introduce new types of products that contain chili as the main raw material, namely healthier dipping sauces such as Sriracha sauce, Jaew dipping sauces, and chicken dipping sauces. etc. This also includes chilies in snack form.

Examples of Products Under the Company's Brand					
					
Por Kwan			Lee Brand		
					
Thai Delight			Shanggie		
					
DeDe			Sabzu		

B. Plant-based Food

The company has plant-based food products, such as ready-made meals made from jackfruit, plant-based meat made from jackfruit, vegan eel sushi, vegan tuna sushi, tom yum-flavoured konjac noodles, pad thai-flavoured konjac noodles, Japanese konjac noodles, plant-based protein sausages, ground pork, ground beef, pork hamburgers, etc.

Examples of Plant-Based Protein Food Products		
		
Barbecue Meat Made from Jackfruit	Plant-based Sausages ⁸	Eel and Tuna Sushi Made from Tomatoes
		
Imitation Meat Patties for Hamburgers	Shirataki or Konjac Noodles	Fried Larb

C. Functional Products

Are product businesses that perform specific functions, including non-food consumer goods in consumer- and environmentally friendly packaging, and products containing hemp oil under the GTH company

1.2.2. (2) Marketing and Competition

A. Marketing of Key Products and Services, and B. Competitor Landscape

Marketing and Sales

1. Continuous Development of New Products

The Company has a policy to continually develop new food products each year to meet the consumer's need, for health, and for sustainability. The output of this new food product development will be entirely new products without the modification or improvement of existing, original products. Additionally, this new product development initiative is a collaboration between the Company and customers who work together to develop

⁸ Currently produced by Brakes and the business has been transferred to Plant and Bean Base Co., Ltd.

new products, suitable for festivals or market trends, and to readily meet customer's needs that continually change. Furthermore, this cooperation is the main factor that helps promote a good relationship with the customers, enabling the customers to continue carrying out good businesses for the company.

The Company is confident that it can develop new products consistently and rapidly as the Company has a wide range of products, more than 2000 SKUs, 500 formulas, 200 brands, 20 R&D teams, as well as flexible production lines that can produce a variety of products in small batches and in mass quantities. The benefits of producing each type of product in small quantities enables the Company to produce a larger variety of new products, and customers can test the market as well. Furthermore, the ability to release new products in a timely manner can also help expand the customer base of the Company, allowing the Company to reach more retail customers or start-ups, and reduces risks that may arise from changes in raw material prices and seasonal changes, and changes in economic and industrial conditions.

The Company has a flexible production line capable of producing a variety of products in small batches with high food safety and quality standards. These standards are set by the British Retail Business Association (Global Standard for Food Safety: BRC), which is different from general small manufacturers. This can be considered as a key advantage of the Company, allowing the diversification of the Company's customer group, from large customers to small customers or start-ups, where small orders tend to have higher profit margins than mass production.

2. Development of the Company's Brand

The Company aims to develop more and more products under its own brand as the Company is able to manage the selling price and set the trading currency for products under their own brand rather than those hired to produce, thus having a better profit margin. The Company intends to offer products under the company's brand that are different to existing ones, for example, healthier sauces such as Sriracha sauce, jaew sauce, chicken sauce, or chili snacks that use Jalapeno peppers, with better taste. In addition, the Company plans to bring products under the Company's brand that is popular in each country to sell in other countries with similar customers.

3. Increasing Sales in Current Customers, Increasing Customer Base in the Current Country, and Entering the Market in New Countries

The Company plans to market both contract manufacturing products and products under the Company's brand through various channels, such as exhibitions using social media media, etc. By using data analysis with the Company's long-running business experience, the Company has information on the purchase of each type of product in each country and is thus able to analyze customers' needs and consumer behaviour in each region around the world in terms of product type, taste, and product size. Accordingly, the Company can develop and improve products to suit the needs of consumers in each region, for example, the demand for noodles in America, and the demand for healthy noodles in Europe, such as those made from konjac. However, according to the Company's analysis, consumers in the America demand quality, fresh, and safe noodles. They therefore avoid consumption of noodles from certain manufacturers due to quality reasons. To this end, the Company focuses on developing products such as noodles, konjac, and other types of noodles to meet the needs of consumers in the America as the Company's noodle products and merchandise is of high quality, fresh, and safe for consumers, which meets the needs of American consumers. In addition, the Company also organizes promotional programs with importers to entice the purchase of products from the Company's importers and distributors to end customers (Trade Promotion).

4. Managing Environmental, Social and Economic Impact, Including Promoting Good Corporate Governance Throughout the Product and Service Life Cycle (Sustainability Supply Chain)

Throughout this time, the Company has given importance to stakeholders in all parties, from upstream to downstream, as well as the customers, in order to provide customers and consumers around the world with good products and services, and provide trust in the products as the Company's production process are standardized and socially responsible.

The Company has improved and developed packaging made from biodegradable natural fibers and encourages farmers to produce natural fertilizers by using raw materials left from the production process, reducing the use of chemical fertilizers, which are polluting the environment.

With the determination to be responsible to the society and the public, the Company is interested in the issue of climate change that requires organizations around the world to come together to solve. Therefore, the Company began by becoming an official member of the UN Global Compact and recently joined the 1.5 degree pledge.

To fulfill the commitment, the Company installed LED lights and replaced all roofs with solar roofs. Moreover, the Company has also started the Carbon Neutral project in 2019. To reinforce its intention in being an organization that cares about the world, the Company also plans to join the Negative Carbon Emission project.

The Company believes that being a sustainable and environmentally friendly manufacturer will make it one of the first manufacturers that companies worldwide who are committed to sustainable development will choose to trade with.

5. Exhibitions Around the World

The Company attends exhibitions about food and beverages both domestically and internationally. For example, the Thai Fex held in Thailand, Anuga in Germany, SIAL in France, Foodex Japan in Japan, and Fancy Food Show in the United States. At the exhibition, the Company presents the vision of being a sustainable manufacturer who is responsible for farmers, consumers and the environment. Additionally, the Company provides cooking demonstrations under the Company's brand together with other importers and regularly attends events hosted by the Department of Export Promotion to create brand awareness.

6. Utilization of Product Distributors to Distribute Products in Each Country

Most of the Company's customers are top-selling importers and distributors of each country or region. With the good business relationship and confidence gained with them, the Company is able to recommend products from both contract manufacturers and the Company's own brand that is expected to be popular in that country. From using and analyzing the sales data, both customers and the Company can stay on top of business opportunities that arise from trend changes. These companies play an important role in enhancing the competitiveness of the company through the distribution of the Company's products to the hands of the consumers.

7. Online Channel Expansion

The company seeks to increase its product sales to online channels to respond the consumer behavior that has significantly changed from the COVID-19 epidemic. Additionally, the Company sees the opportunity to add popular products online and can enhance the diversification of the company's product portfolio. To create sales and online distribution channels that can grow steadily, the Company has started negotiating with a group of investors and professional executives who are experts in investment. The goal of the negotiations is to establish a joint venture that invests in businesses whose products are in the Ethnic Food, Plant-based Food, Functional Food, and Pet Food groups that attract good sales in Amazon's e-commerce system and continue to generate profits. There will be a clear investment selection criterion for the Company in order to be able to sell its products on Amazon Market Place where an existing customer base is already available where new products can be offered immediately (Upselling). Channel expansion within the country can be achieved under investment in Indie Group Co., Ltd., an omnichannel sales channels.

8. Pricing Policy

Pricing Policy Under the Company's Brand

The Company determines the product price by focusing on the target customer, while considering sustainability factors, value for money, and competitive advantage in the market.

Pricing Policy for Contract Manufacturing

In most cases, the price of contract manufacturing depends on the negotiations with the customers. The Company will take into account the production cost, exchange rate, and the competitive advantage in the market.

The company has studied and developed the cost structure and regularly compares the market price. The Company plans to increase sales capacity within the country, increasing both sell and also in neighboring countries to reduce the impact of exchange rate fluctuations.

9. Characteristics of Customers and Target Customers

The Company has a diverse range of customer groups due to the variety of product categories and distribution channels. Target customers can be divided into 5 groups

(1) General Stores (Traditional Trade) – these types of customers are general stores, miscellaneous shops, and diverse grocery shops. The target for products sale will be local customers who are attracted to the taste of the Company's products.

(2) Modern Trade or Large Overseas Retailers – this type of customer group will distribute the Company's products and merchandise to general consumers and various restaurant groups that regularly use the products for cooking. The products are currently distributed in supermarkets or retail stores, such as Walmart.

(3) Supermarkets, such as 7-Eleven – most of the products that go to the customers in this group are cooking sauce, ready-to-cook food, and ready-to-eat food.

(4) Food Service Customers – this customer group will buy products for food production.

(5) Online Customers - this customer group is mainly composed of foreigners who have traveled to Thailand and love Thai food. Overseas customers are more concerned with the quality and cleanliness of the product than the price. The Company's products and merchandise, including those under the Company's own brand, are suitable here as the products are of high quality and have a taste that has continuously appealed to foreigners.

Last year, only two customers had sales that accounted for 13 percent and 11 percent of the Ethnic/Specialty Food's total sales, and the top 10 customers accounted for 50% of the group's total sales in the category.

10. Distribution and Distribution Channels

Presently, all the Company's products are exported for sales overseas. The Company's product distribution channels can be divided into 3 channels, namely 1) Agents - the agents introduced the Company to the customers, 2) Importers - customers who order products that are both from contract manufacturing and under the Company's brand to sell in stores or supermarkets in various areas, and 3) Traders - a domestic customer who buys products from the Company and then re-sells or exports it to another country.

Even though the Company distributes its products through the aforementioned channels, the Company also develops product formulas and products, including various packaging with end customers who are supermarkets, as well as large retailers, such as Walmart, who will monitor the quality of the products before ordering. This is another way that helps confirm the production quality and the Company's ability to develop products and merchandise. In addition, large retailers generally establish a quality checking process of supplier-

supplied goods to larger retailers. The process takes quite a long time (approximately 6 months), thus, large retailers often do not switch suppliers.

Industrial Conditions

Overview of the Global Economy

In 2021, the global economy and many companies were affected by the spread of COVID-19, especially the Omicron strain, which has caused the number of global infections to reach a record high as seen by the significant increase in the number of infections in the United States and England during late December. However, with large support measures from the government and widespread vaccination, the Company expects the global economy to show signs of bottoming out and the return of investors who will start to take more risky assets. After the number of COVID-19 cases slowed down in many countries at the beginning of 2022, together with the government's large support measures and the gradual relaxation of public measures, the economic activity gradually recovered from its lowest point. Capital flows began to flow back into emerging markets (EM), especially government bond markets that have lower risks than stock markets. The stock market indices of many countries gradually rose as well. Some markets have risen above pre-epidemic levels, such as the US Stock Exchange (NASDAQ), China Stock Exchange (Shanghai), and South Korea Stock Exchange, among others. Apart from the economy, the pandemic also caused global logistic problems affecting the export industry. However, such transport problems are expected to be resolved and will continue to improve in 2022. The EIC expects that in 2022 the global economy will expand by a 4.1% in 2022, which is slowed down from 5.8% in 2021, but is considered a recovery that is above the historical average.

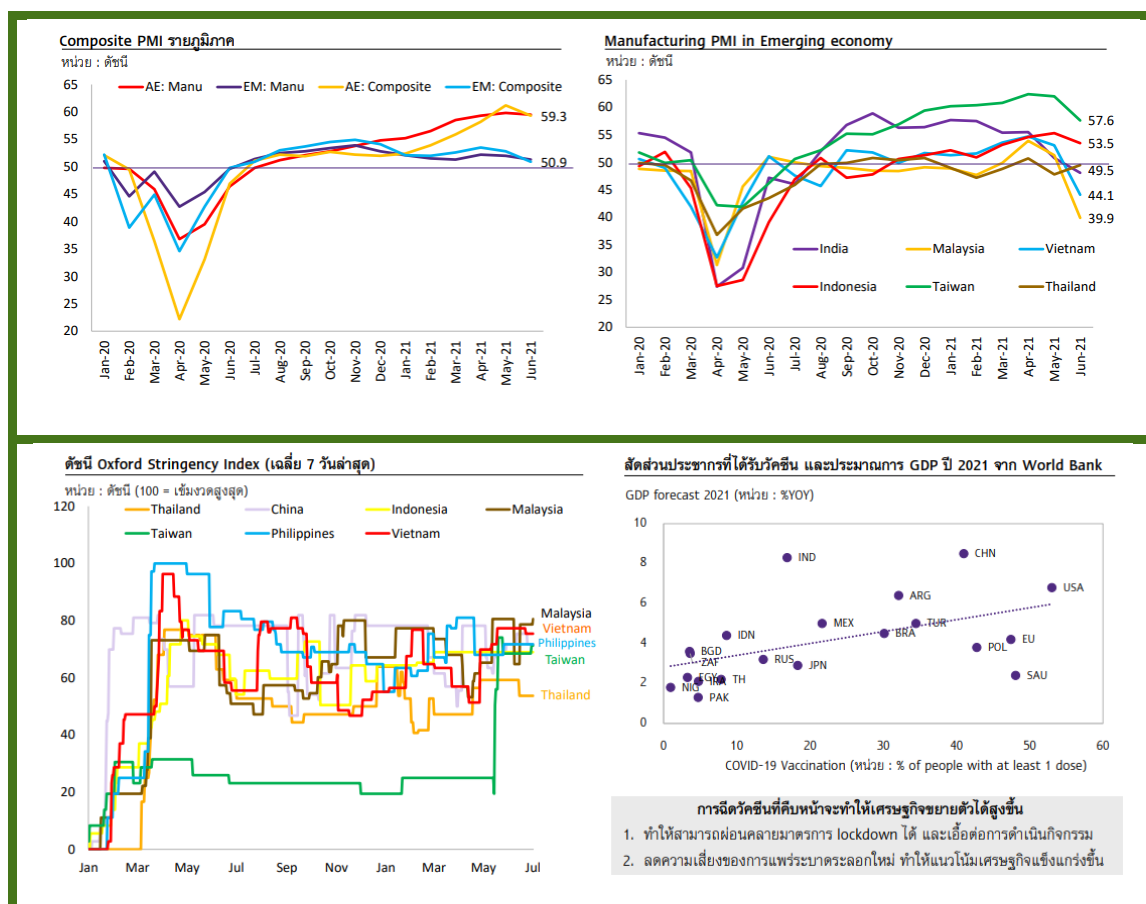
Nevertheless, the EIC assesses two key factors that will affect the outlook of the global economy and financial markets during the rest of 2022 due to the situation of increased numbers of people infected with the Omicron variant in many countries after the gradual open of cities. This rise could result in the stalling of economic recovery in the next phase even though the global economy has recovered from the lowest point. EIC has assessed the key factors affecting trends, the world economy, and financial markets for the remainder of the year. The details are as follows:

1. Measures on the opening of many countries may be tightened again as the COVID-19 escalates. This causes a risk towards economic recovery in the next phase that may slow down
 2. The Supply Chain Disruption problem may persist longer than expected. This may cause a sharp raise in and affect the purchasing power of consumers
- (Source: SCB Economic Intelligence Center, 9 December 2021)

Overview of the Thai Economy

In 2021, the Thai economy expanded by 1.6 percent from the previous year, which was better than previously expected (1.2%), with a chance of recovery in the tourism sector. The National Economic and Social Development Council (NESDB) expects that in 2022, the Thai economy will return to expand at 3.5-4.5%.

During the rest of the remaining year, the EIC expects the Thai economy to continue to recover due to the vaccination progress. During early December, the number of people who have received the full dose of the vaccine is about 60% of the population and is expected to increase to 68-70% by the end of the year, thus allowing the government to relax measures to control the disease periodically. This progress will make economic activities more active, such as tourism from both Thais and foreigners, as well as policies to promote various government funds, such as Khon La Kreung, Phase 3, giving additional money to holders of state welfare card and employment projects in the SMEs sector, etc. At the same time, as a whole, the EIC also views that Thailand's exports of goods in 2021 will grow by 16.3% (Source: SCB Economic Intelligence Center, 9 December 2021).



(Source: SCB Economic Intelligence Center, 22 July 2021)

Overview and Trends of the Food and Beverage Industry in Thailand

In the second half of 2021, the value of Thai food and beverage exports is expected to grow by 4.9% (YoY), resulting in an overall 3.6% growth in 2021 compared to 2020, which had an overall expected growth rate of by 2.8 (YoY), in line with the expansion of the domestic economy and the expansion of tourism and service sectors. Consequently, the demand for food products has increased in the category of processed livestock products, processed fisheries, processed vegetables, fruits and vegetable oils, including the main trading partners that have continuously increasing demand for Thai food products, especially fresh, chilled, frozen and processed chicken products, processed cassava products, fresh and frozen durian, jasmine rice, white rice, and canned tuna. For the non-alcoholic beverage industry in 2019, the growth is expected to have slowed down at a rate of 0.5-1.5% (YoY), according to the growth of the domestic economy tourism and services and border trade, causing the demand for non-alcoholic beverages to increase. Additionally, there is an expansion of non-alcoholic beverage exports to CLMV countries, which are Thailand's main trading partners (such as energy drinks, mineral water, and instant tea).

For the year 2021, the food and beverage industry is expected to continue to grow, but at a slower rate. The factors supporting the continual growth of the industry are the following:

- 1) Demand for processed livestock products from key trading partners that remain of good standard. The number of chilled, frozen, and processed chicken exported to Japan, the

- Netherlands, and South Korea is still growing. This will benefit entrepreneurs who export chilled, frozen, and processed chicken, as this area has a tendency to grow as well
- 2) Trends in the health care of people in the current era who turn to choose to consume quality food and beverages that are safe and healthy. This has increased the demand for healthy food and beverages in the country, benefiting entrepreneurs in the food and beverage supply chain that will grow accordingly
 - 3) Thai food products that benefit from the US-China trade war, such as Thai fresh/processed fruit products that have a chance to replace US products in the Chinese market from China's measures to raise tariffs on US goods. This also includes processed food products / processed seafood / seasoned seafood products that benefited from China's measures to reduce tariffs on international imports
 - 4) US upgraded the status of Thailand's trafficking situation to Tier 2 from Tier 2 (Watch list) level, which will help improve the image of Thai products, especially fishery products
 - 5) Policies supported and promoted by the government (such as the establishment of a food innovation city: Food Innopolis, the establishment of a special economic zone along the border: SEZ, the establishment of the Eastern Fruit Corridor Project: EFC) have caused the demand for food and beverage products nationally and along the borders, increasing its tendency to grow. As a result, entrepreneurs in the food and beverage supply chain have the opportunity to grow as well

(Source: Economic Research Center, Business and Fundamental Economy, Government Savings Bank (Information as of Q2/ 2019) and Economic Research Center, Kasikorn Bank (data as of quarter 2/21))

As the Company's business is related to food production, ready-meals, condiments, vegetarian food that does not contain egg and dairy ingredients, and plant-based protein supplements, and there is a focus on exports to foreign countries, the Company therefore expects to receive positive results from supporting factors from the food industry.

Overview and Trends of the Specialty Food Industry

Specialty food is a food that is unique, such as products of high grade, excellent quality, and superior in appearance, much more than general food products. It is also unique in its production process and is a product that is only available in certain parts of the world. Examples of specialty foods include balsamic vinegar from Italy, which uses a specific grape variety as its raw material for fermentation to obtain a concentrated vinegar. Additionally, food that is spicy and has exotic taste is considered a specialty food. It is an opportunity for small and large food producers to be able to successfully penetrate the Specialty Food industry. The Company has exported Specialty Foods to various continents around the world, where the trend of the specialty in the market has grown significantly. In 2016, the Specialty Foods category in the food and beverage market was valued at 3.6 trillion baht, and increased to 4.0 trillion baht in 2017, equivalent to 9.8%. In 2018, the food and beverage market was worth 4.5 trillion baht, equivalent to 9.8%. In the Specialty Food market, most of the products them are food, plant-based meat, plant-based milk, and tofu, which have the largest percentage of sales in the market. In addition, most specialty foods currently have general department stores or convenience stores as the main distribution channel, whilst the second highest Specialty Foods are foods sold in restaurants. Lastly, a new Specialty Food distribution channel that has recently emerged are online sales. At present, 76% of sales are through department stores or general stores, followed by sales through restaurants at 22%, whilst only 2% of sales are online. As for the specialty food market trend, it is expected that it will continue to grow in parallel with consumer behaviour that continues to focus on consumption, food prepared with fresh ingredients, or various healthy food including high quality frozen food, with excellent taste, and, most importantly, has health benefits. There continues to be strong demands in the specialty food market as food producers in this market keep producing new products, with a 26% increase in the market. It is expected that Specialty foods will continuously grow at around 5-6% as the market still has channels and opportunities for new products and merchandise, especially those that are plant-based.

Source: Specialty Food Association by Mintel 2019 – 2020 Edition

Specialty Food Industry Trends

The Specialty Foods industry is likely to become a key factor in driving the development of the global food industry because Specialty Food is unique, full of quality with a careful selection process, without focusing on producing extremely high volumes of the product but mainly focusing on product quality. These foods have been increasingly popular with both consumers and retailers, resulting in Specialty Foods being one of the fastest growing food segments. In 2019, in the US market, sales were \$158.4 billion, which is a 10.7% increase from 2017, where foodservice and online retail channels grew the most at 12.8% and 13.5%, respectively. Specialty foods tripled extremely fast in the general food category because the consumer's behaviour today have an important condition for consumption, namely the taste and quality of food. Specialty Foods meet the needs of the consumers, especially gen-z and millennials today. Specialty plant-based food and beverages have sales of approximately \$5 billion, with Refrigerated Plant-based Meat Alternative having a 110% growth during 2017-2019. Regarding the Global Specialty Food market, it is expected to grow from \$165.06 million in 2019 to \$209.47 million in 2023 (an average of 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

Ethnic Food is mostly food for foreigners. However, today US consumers have begun to pay more attention to foreign food, such as Asian food, Mediterranean food, Hispanic food, and those adapted and integrated with local delicacies. The global ethnic food market is valued at 1.2 trillion baht, which can be divided into 31.9% from Europe, 27.8% from America, 26.0% from Asia, and 14.3% from other countries. The main reason behind the growth of the ethnic food industry is largely due to the immigration of immigrants. In addition, this growth is also due to groups of workers who are open to working in the United States. Furthermore, there is a growing population of young people who follow global trends and love to experiment with different types of food. As a result, the demand for ethnic food has increased. Mordor Intelligence forecasts that the ethnic foods industry will grow to 2.3 trillion baht, being an average growth of 11.8% by 2024.

Ethnic Food Industry Trends

At present, the ethnic food industry market is considered one of the megatrends in the world's food consumption market. The current world's food consumption market has changed due to variables, namely the population pattern as many consumers have now become obese and many are entering old age while there are also many foreign consumers with different cultures and with many more environmentally conscious consumers as well. Nutritionists and food market experts believe that they will influence the demand for edible food, resulting in the growing trend of the ethnic industry food. Apart from this, another reason influencing the growth of the ethnic food industry is the popularity of foreign food. Consumers in many countries around the world have turned to eat food of foreigners living in that country, such as Asian food, Mediterranean food, Hispanic food, food that is adapted and integrated with local delicacies, and halal food. These foods are becoming more and more popular and are expanding, entering the mainstream consumer market due to safety reasons. According to Research and Market, the ethnic food industry market was valued at \$36,481.1 million in 2018, and is project to grow at a CAGR of 11.8% through to 2024, as many countries have more and more immigrants, and consumers have increasing knowledge and understanding on food consumption. This causes an increasing demand for ethnic food in many countries around the world.

Overview and Trends of the Plant-Based Food Industry

Today, the population that consumes plant-based food has spread to many regions around the world, with an approximate population size of about 750 million people, or 10% of the world population. The EU and North American market, especially the United States, are potential markets and trendsetters. There has been a

huge increase in the development and marketing of a wide variety of food products, including plant-based protein food products. The plant-based protein food market has grown rapidly in the past 5 years as a result of the change in mega trends regarding health. Therefore, people's dietary habits have changed. Apart from this, has also been an expansion of vegan and plant-based protein consumer groups in many parts of the world. A wide variety of food products, including plant-based products are rapidly being developed and marketed in these markets. The growth drivers of the plant-based protein food market initially came from the restaurant service sector, especially the world's largest fast food restaurant businesses originating from the US. These businesses were ready to introduce plant-based menus and synthetic meat dishes to the market at the same time in 2019, both in the US and EU market. Examples of the fast-food chains are Burger King, Dunkin Donuts, McDonald's, and KFC. Other businesses include Swiss food giant Nestle and consumer product giant Unilever, who also offer multiple meat substitutes options, entering the plant-based protein food retail market to compete for a part of the shares as well.

Moreover, from the number of vegan and plant-based protein food products released in the market from 2014 to 2018, it was found that the market grew by 31%, with European countries being the largest global market for this type of food. There are 9,396 products from Europe released in the market, equivalent to 60%, followed by North America with 15%, Asia-Pacific region with 13%, Latin America with 7%, and the Middle East and Africa with a proportion of 4%.

Source: Research and Development Department, Food Institute

Plant-Based Meat Export Industry Trends

Currently, the world market value of plant-based meat is less than 1% of the world meat market value, whilst the world market value of plant-based milk accounts for 13% of the world milk market value. Starting in 1999, the US milk company, Silk, began to pack soymilk into consumer-friendly packaging, resulting the product's exponential growth. Therefore, it is expected that the Plant-based meat market value will grow in the same way as the plant-based milk market once consumers have easier access to products, as well as better tasting products.

In the US, the industry's growth trend is similar to the world's growth. Plant-based food sales in 2019 were worth \$5.0 billion, up 11% from 2018. The main driver of the increase in sales was the growth in plant-based milk sales and plant-based (Source: SPINScan Natural and Specialty Gourmet).

Consumers tend to pay more attention to buying healthy and environmentally conscious food, which includes reduced meat consumption. Taste, quality, price, and product accessibility will be factors supporting the growth of alternative meat products. The Beyond Meat and Impossible Foods Company in the United States sparked people's interest and acceptance in plant-based food. This type of food is likely to have the greatest demand in developed countries. MarketsandMarkets predicts that plant-based meat will be worth about \$27.9 billion in 2025, with an average 15% annual growth from 2019.

E-commerce Market Industry Trends

The lockdown policies in many countries, including Thailand, caused the stagnation of economic activities. People were unable to travel outside to buy groceries at the shops, markets, and department stores as before. This had a huge impact on the people's lifestyles that began to change. Many people began experimenting and later become regular users of online shopping services even as the lockdown has eased to avoid traveling in crowded areas. Information from the website <https://www.ihdigital.co.th/thailand-e-commerce-2020/> pointed out that various factors affecting the expansion of e-commerce in Thailand are as follows:

- Thailand 4.0 Policy: The Thai government's policy that aims to develop the country in various fields. This development includes the development of the digital industry, which directly

benefits e-commerce and encourages the accessibility of e-commerce to reach the Thai people as well. A clear example of this Prompt Pay.

- Internet usage behavior of Thai people: Statistics for Thai people in this area is very interesting because the number of devices connected to the Internet in Thailand is as high as 93.39 million devices, which is more than the country's population (67.98 million people). Combined with the average amount of time that Thai people use the Internet every day (as high as 9 hours), businesses that open e-commerce stores have a very high opportunity to reach customers online.
- The spread of the COVID-19 virus: No one wants a pandemic to occur, but when it happens, its impact on business is enormous. Revenue from storefronts has dropped dramatically to the point that stores had to shut down both temporarily and permanently. Many businesses have turned to rely on digital channels instead, open e-commerce stores to create revenue channels to keep the business running even when the situation is unfavorable

Regarding the e-commerce market trend in the United States over the past 5 years from 2014 to 2018, the value of e-commerce transactions in the United States market increased from approximately \$300 million in 2014 to approximately \$500 million in 2018 at an average annual growth rate of 14%. The popularity of online shopping in the United States has long been established, directly affecting brick and mortar stores in the United States, which quickly shut down, with more than 10,000 stores closing in 2019. (Source: <https://www.businessinsider.com/stores-closing-in-2019-list-2019-3>).

In addition, the Global Ecommerce 2020 Report estimates that the global e-commerce market will total to approximately \$3.914 trillion in 2020. Five interesting issues on e-commerce markets of different countries around the world 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 within this year.
2. Although Amazon sales grew exponentially during the COVID-19 pandemic, Amazon has not been able to penetrate the Canadian market as it should have due to slow shipping times.
3. During the COVID situation, e-commerce businesses in the US and France tended to grow better. However, after the COVID restrictions eased, physical stores have not recovered.
4. Mobile phone sales in Germany are growing at a record pace, and over half of UK's e-commerce sales come from mobile phones, especially smartphones.
5. There are significant growths in deliveries, including ordering and paying for products online and picking up products in-store (click-and-collect), in the UK.

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

1.2.2.(3) Procurement of Products or Services

Raw Material Procurement

The Company has procured raw materials that are fresh, dry, food compounds, and packaging, mainly from domestic manufacturers and distributors. The Company's policy is to procure raw materials from many suppliers to reduce the risk of relying on one supplier. In some cases, the Company has to import packaging and/or raw materials used in certain types of production from abroad, which are in accordance to customer's specifications.

The raw materials used by the Company can be divided into 2 groups as follows:

- 1) Raw Materials Used in Production

Raw materials used in production consist of fresh ingredients, dry goods, and food compounds. Most of the raw materials are agricultural products such as chili, lemongrass, lemon, and garlic. The Company's main raw materials are agricultural products, which has an uncertain yield and a short shelf life. Therefore, the Company has a strict production plan and schedule for receiving these raw materials to maintain the quality of the materials, which directly affect the quality standards of the Company's products. Generally, the Company will keep raw materials for about 3 to 7 days, whereby the reference price of the purchase of these materials are from the average price of Sri Muang Market and Thai Market, large fresh fruit, and vegetable market in Ratchaburi Province. The agricultural raw materials are mostly purchased from dealers where the Company is the one who determines the required quality.

2) Packaging

The Company will order packaging of all sizes and types according to the customer's order. Most of the packaging are ordered from local distributors. There are some parts that need to be ordered from overseas distributors, but this only occurs when there are specific requirements from the customer whom most of which are domestic producers.

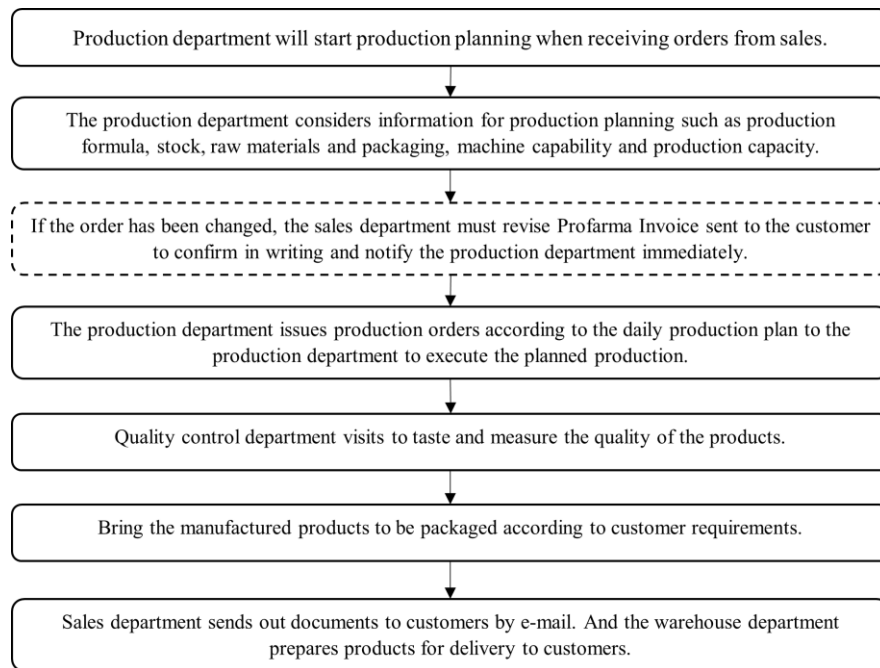
The Company procures raw materials from both manufacturers and suppliers to reduce the risk of relying on only one source. In addition, the Company has a policy of consistent and continual purchase orders with the same manufacturers and suppliers to build a good relationship between both parties. As a result, the Company has never encountered a shortage of raw materials for production and the business operations have remained unaffected from this aspect.

Production and Production Control

In 2021, the Company's average capacity utilization rate was at approximately 86% of the total production capacity (approximately 13,937 tons per year) for the sauce and seasoning factory. The average capacity utilization rate of City Food Co., Ltd. is at approximately 8% of the total production capacity (approximately 5,120 tons per year) for the sauce and seasoning production in Nakhon Pathom.

Production Process

In general, the Company mainly produces made to order products, whilst only a small proportion is produced as stock for distribution to large retailers and general retailers both domestically and internationally. The production department plans the production together with the sales and raw materials purchasing department. This enables efficient production, achievement of production goals, and the delivery of products within the time agreed with the customer. The production process is as follows:



The Company has a production and production control department, which is one of the most important parts of the Company's operations. The process controlled by the department directly affects the product's quality and standard. Therefore, the Company pays a lot of attention and gives great importance to the production and production control process to ensure all employees can work at the highest efficiency. The Company has divided the production division into 5 subdivisions as follows:

- 1) **Powder Production Division** - This production line produces various powder products such as seasoning powders, instant drink powders, etc. It also includes the process of mixing various powder components, and packing products into packets and boxes by automatic machines and manual labour.
- 2) **Noodle Production Division** - This production line produces various kinds of noodle products such as noodles and Hokkien noodles. In this production line, the process starts from mixing flour, rolling the dough, seasoning, and packaging it into a finished product that can be delivered to customers.
- 3) **Raw Material Preparation and Frozen Product Production Division** - This production line receives the incoming raw materials and takes them to the preparation stage so that they can be used for production in the next step. The process starts from cleaning and shaping the raw material before sending it to the various production processes. In addition, this production line also produces frozen products.
- 4) **Curry and Sauce Production Division** - This production line mainly produces curry and sauce products. It begins by receiving raw materials that have already been prepared from the raw material preparation division, which are then grinded, seasoned, packaged, and sterilized before being forwarded for delivery preparation.
- 5) **Label Production and Packing Division** - This production line will carry out the labeling and packing of products from other production lines to ensure that they are ready to be delivered to the customer. This division receives products from the powder and curry and sauce division.

Production Control Procedure

The Company is determined to produce products that meet food safety standards. The products are mainly exported to European countries and the United States, which are a group of countries that are very strict in terms of imported food product quality and safety. Therefore, the Company has a quality control policy in each production process to ensure that every product issued from the factory to the hands of the customer will pass international standards.

- **Quality of Raw Material Used in Production**

The raw materials used in production will consist of fresh products, dry goods, and food compounds. The Company will determine the quality of all raw materials, making it a standard for selecting raw material suppliers for the Company. Additionally, the production control department uses a random selection method to choose and take raw materials to the laboratory for examination to prevent the use of raw materials that do not meet the required standards and to maintain the quality of raw materials from suppliers. In the event that the production or the production control department finds that the raw material received were not of the agreed quality, the Company will return all non-standard raw materials and have the distributors send compensation raw materials as soon as possible. If the supplier is unable to deliver the compensation material within the specified period, the Company will order additional raw materials from other suppliers in the list of qualified suppliers.

- **Product Quality**

The production control department inspects the quality of the products during the production process by using random sampling methods. The products undergo a physical examination including colour, size, temperature, humidity, and contaminants, and chemical examination such as taste, moisture, pH, and alkalinity. Additionally, microbial testing is also done, as well as checks on the product label information for completeness and accuracy.

Warehousing and Transportation

As the Company's products are food and condiments, there is no policy for keeping fresh ingredients and finished goods. Most of the company's raw material storage contains dry raw material, condiments and, packaging. The Company will contact with partners on a daily basis to specify the raw materials that need to be delivered to the factory according to the production plan. For manufactured goods with complete packaging, the Company will immediately contact the freight forwarding company for delivery to the port.

The Company uses FOB (Free on Board) delivery conditions, whereby the Company, as the seller, is obliged to deliver the goods to the port of origin. Thereafter, it shall be the responsibility of the purchaser to transport the goods from the port of origin to the destination designated by the customer. By transporting goods to the port of origin, the Company will hire a transport company for the operations. Most of the company's products will be delivered to Laem Chabang Port.

Related Laws and Regulations

Related Laws and Regulations in Thailand

Food Law

The Food Act of B.E. 2522 (A.D. 1979) (including amendments) ("Food Act") is the primary law applicable to the Company's products. According to the provisions of the Food Act, the term "food" includes edible items or life-sustaining items that a person eats, drinks, consumes, or enters into the body by any means or in any form. The Food and Drug Administration and the Food Committee are the agencies responsible for supervising the implementation of the Food Act.

Licensing and Production

Under the Food Act, businesses in the food industry who wish to establish a factory to produce and sell food must obtain a food production license. To apply for a food production license, food manufacturers are required to submit various documents, including a schematic drawing of a manufacturing facility, for approval by the Food and Drug Administration. Afterwards, the Food and Drug Administration will conduct an inspection of the manufacturing plant. If the manufacturing plant is in accordance with the rules of the Food and Drug Administration, the Food and Drug Administration will issue a food production license. The food production license will expire on December 31 of the third year from the issued year, and can be renewed for a period of three years each time.

Additionally, the Ministry of Public Health regulations require food manufacturer to comply with the Good Manufacturing Practice guidelines, and food producers must obtain a certificate stating that they have complied with the relevant regulations and guidelines.

The Good Manufacturing Practice Guidelines outlines the general guidelines for the different stages of food production, such as: (1) All operations in food production must be controlled in accordance with good sanitation principles, starting from the inspection of raw materials and ingredients in food production, handling, preparation, production, packaging, and food storage, (2) Production equipment in contact with food must be made of materials that do not react with food as it may be harmful to consumers, and (3) All workers must wear clean and suitable clothing at all times.

Registration and Type of Food

Most types of food produced by food factories must be those registered with the Food and Drug Administration. Food registration in Thailand can be divided into 4 categories:

Category 1 Specific Controlled Foods - Foods that require food registration. The production of specifically regulated food must comply with the requirements of food quality standards, packaging specifications, and labeling, and other rules related to good production methods.

Category 2 Foods with Defined Quality or Standard – 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 sealed containers).

Category 3 Foods That Must Be Labeled - Foods that are required by rules or regulations to be labeled to avoid misleading or deceiving consumers (there foods in containers, irradiated food, chewing gum, bread, and seasonings in sealed containers).

Category 4 General Food - Food that is any of the foods mentioned above. Food in this category includes raw food, cooked food, and processed or unprocessed food. This type of food, which is not produced by a food factory, does not require a registration or license. Nevertheless, food factories still need a license to produce food.

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

The Company's products include chili sauce, ketchup, instant tea powder, and instant teas, which are classified as foods with determined quality or standard (Type 2), as well as sauces in sealed containers and ready-to-eat foods, which are classified as foods that must be labeled (Type 3) under the Food Act. Accordingly, the production and marketing of such products must comply with the requirements under the Food Act and must be registered with the Food and Drug Administration. In this regard, it is in accordance with the notification of the Ministry of Public Health regarding related food categories.

Label and Advertising

The labelling regulations require that food in containers must be labelled with descriptive text, as required by the relevant regulations. In addition, any product having the following characteristics must be labelled in accordance with the Nutritional Labelling Standards and Regulations: (1) Foods with nutritional claims, (2) Foods that are used for promotional purposes, (3) Foods that identify consumer groups for promotions, or (4) Other foods as prescribed by the Food and Drug Administration with the approval of the Food Committee, provided that the labelling must be in accordance with the relevant laws and notifications.

The labelling of food in containers produced for sale in Thailand must be expressed in Thai language, and at least have a statement showing details as specified in the notification of the Ministry of Public Health. Details include food names, food serial number, name and location of the manufacturer, warnings or statements as required by relevant regulations, expiration date, quantity of food in the package, as well as the important components of that food. Apart from this, food labels must also have the following characteristics:

- Not false or deceptive to cause unreasonable or misleading beliefs in its content
- Does not show food names, food ingredients, food ratio, amount of food, or shows food properties that are false or deceptive
- Does not display text, names, images, pictures, fabricated marks, signs, or trademarks that imply that there is an ingredient in the food that is actually not in the product or contains insufficient quantities to be express as a food property
- Not homophonic, homogenous, with words or statements that convey benefits, qualities, or properties, which are boastful, or false, or exaggerated, or deceiving to cause unreasonable belief
- Not contradictory to the good culture and morals of Thailand or in a way that destroys the value of the Thai language
- Does not promote or potentially cause conflict, division, or have a negative impact both directly or indirectly on society, culture, morality, tradition, or behaviour related to sex, language, and violence
- For labeling food produced for export, messages may be displayed in any language. However, the label should at least specify the country of production, food serial number, or number of food production locations, or the name and location of any one of the production sites

Public Health Law

The Public Health Act B.E. 2535 (A.D. 1992) (including amendments) (“Public Health Act”) aims to take care of public health. The Public Health Committee oversees the Public Health Act, whereby under this act, they will regulate and supervise important matters related to public health such as the establishment of markets, as well as places to sell food, and places to collect food, sewage and soil waste management, building hygiene, nuisances caused to nearby residents, operations that are harmful to health, etc. The supervision in each matter related to public health differs accordingly, such as:

- A. The establishment of food distribution and food storage places - In the case of establishment of a food distribution place or storage place in any building or area with an area exceeding 200 square meters, a permit must be obtained from the local clerk prior to establishment. If the area does not exceed 200 square meters, it must be notified to the local clerk to obtain a certificate of notification prior to establishment
- B. Businesses that are harmful to health - The activities that are harmful to health are detailed as prescribed in the notification of the Ministry of Public Health, together with the local ordinances, such as activities related to food production or various types of seasoning sauces.

If anyone runs a business that is considered harmful to health, they must obtain a license from the local clerk before carrying out such businesses

The Company's business operations, such as establishing a place to store food and business that is harmful to health, is related to the public's health under the supervision of the Public Health Act. In addition, the Company's business operations must be aware that it does not cause any nuisances that can cause trouble residents in the vicinity as well, such as refraining from any actions that may cause noise, smell, or dust, causing harm to health.

The Company has obtained permission and been granted all licenses for the Company's operations. These have been renewed continuously as of the date of this document. All licenses are still valid.

Regulations on Export Establishments

Regulations of the Department of Livestock Development on obtaining and issuing certificates of GMP and HACCP in enterprises for exports, B.E. 2562 are intended to supervise the business operations of companies that export livestock products to sell abroad. These regulations ensure that the establishment is tidy, meets international standards, and is in accordance with the regulations of the partner country. For example, the cold storage facility certification has specific criterias for such establishments regarding matters such as general cleanliness, air conditioning refrigeration inspection, shelf for frozen products, as well as employee dress codes and others.

Consumer Protection Act

The Consumer Protection Act B.E. 2522 (A.C. 1979) (including amendments) ("**Consumer Protection Act**") is intended to define the rights of consumers and the obligations of manufacturers or service providers to maintain fairness to consumers. The Consumer Protection Act has set rules to maintain the rights of customers.

Liability for Damages Arising from Unsafe Products Act

The Liability for Damage Caused by Unsafe Goods Act B.E. 2551 (A.C. 2008) ("**Liability for Damages Arising from Unsafe Products Act**") aims to heal those who have been damaged by unsafe products. The word "Entrepreneur" has been defined as a manufacturer, an employer, an importer, a seller of goods that cannot identify the manufacturer, employer, or an importer, those who uses the name, trade name, trademarks, symbols, texts, or any other means that can be perceived as being the manufacturer, employer, or importer. The operator has a duty to be liable under the Liability for Damages Arising from Unsafe Products Act. The injured person can sue the operator under the Liability for Damages Arising from Unsafe Products Act without the need to provide proof that the damage was caused by any of the operator's actions. The injured person only needs to prove that they have been damaged by unsafe products. Damage from unsafe products means being damaged from defects in the manufacturing or design of that product, or from the operator's failure to specify the methods of use, storage methods, or product information, or incorrectly defined, or unclear. The condition of the product, usage, and normal storage of such goods must be considered.

In this regard, the operator is not liable for such damage if it can be proven that the product is not unsafe, or if the injured person already knew that the product was unsafe product, or the damage was caused by incorrect use or storage that is not in accordance with the storage methods, warnings, or information about products that the operator has already correctly and appropriately determined.

However, the Liability for Damages Arising from Unsafe Products Act broadly defined operator definitions and gives consumers the right to prove that the damage was caused by any operator. It is the duty of each entrepreneur to prove that they are not liable.

Factory Act

According to the Factory Act B.E. 2535 (A.C. 1992) (including amendments) (“Factory Act”), the word “factory” means a building, place, or vehicle that uses machinery with a total power of fifty horsepower (or its equivalent) or more, or those employing fifty workers or more, regardless of machinery use, for the purpose of engaging in a factory business that is in accordance with the category or type of factory stated in the Ministerial Regulation. The Department of Industrial Works is an agency under the Ministry of Industry and is responsible for overseeing factories and the efficient operation of those factories, as well as the supervision of operations to ensure it is in accordance with the Factory Act and related rules.

Trade Competition Act

The Trade Competition Act B.E. 2560 (A.C. 2017) (“Trade Competition Act”) is a law governing and preventing the monopoly of business operators, including reducing or limiting the competition in business operations. The Act states that the word “business operator” means a distributor, manufacturer for distribution, those ordering or importing into the Kingdom for distribution, buyers for production or resale of goods, or service providers in business. The Trade Competition Act determines 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 other businesses amongst others.

Due to the business characteristics of the Company that operates as an OEM, it is considered as a business operator according to the definition in the Trade Competition Act. Therefore, the business operations as well as the expansion of the Company's business must consider its compliance with the Trade Competition Act.

United States’ Regulations Related to the Import of Food Products

The United States of America is recognized as having the best food security system in the world. Entrepreneurs who produce and deliver food products to the United States must take into account the quality of the product in that it is produced in a hygienic environment, the product is clean, it is safe to consume, and it is packaged with accurate labels that will not cause misunderstandings.

Food product producers and exporters to the United States need to study and understand the strict rules, law, and regulations of food products. Examples of important regulations are as follows:

- The Federal Food, Drugs, and Cosmetic Act (FD & C Act) under the responsibility of the US Food and Drug Administration (FDA) is a law that controls food, drugs, medical devices, cosmetics, etc.
- The Public Health Security and Bioterrorism Preparedness and Response Act of 2002
- Agricultural produce and livestock products must comply with the regulations of the United States Department of Agriculture, whilst seafood products must comply with the regulations of the National Marine Fisheries Service
- The US Bioterrorism Preparedness and Response Act 2002

Examples the US Food and Drug Administration’s General Regulations

- 1) Canned food items or acidified and low acid canned food must be registered to obtain a Food Canning Establishment (FCE) number from the US Food and Drug Administration, and details of the production process must be provided to the US Food and Drug Administration for consideration to receive a Submission Identifier (SID) before sending the product
- 2) General requirements for food labelling
 - (A) Nutrition Information Labelling regulations
 - (B) The packaging labels show the net weight according to international weight and measure standards or those used in the United States

- (C) The labeling regulations require the indication of the amount of trans fat acids on the nutritional information label and there is a statement of ingredients
- (D) Food Allergen Labelling regulations
- (E) Country of Origin Labeling regulations
- (F) Rules and regulations on the use of food additives and color additives. Food additives refer to any substances added to food, affecting the characteristics of food both directly and indirectly, including substances that come into contact with food (Food Contact Substance)
- 3) Food delivery, especially those containing seafood, into the United States must be manufactured in accordance with the guidelines of the Hazard Analysis Critical Control Points (HACCP)
- 4) Hygiene regulations under the Food Safety Modernization Act (FSMA) officially promulgated on 4 January 2011

Regulations Related to the Import of Food Products in the European Union (EU) Countries

The EU General Food Law Regulations are divided into:

- 1) Regulations governing general standards (Horizontal Legislation), which are:
 - Food Hygiene Standards : EU Regulation 852/2004
Food products sent to the European Union must be produced in a hygienic and safe manner under the Directive 93/94/EEC, which is a general requirement for all food products covering from raw material preparation, production, processing, packing, storage, transportation, transfer, distribution, handling, delivery, and service
 - Food Additives Standard : Regulation (EC) No 1331/2008
Both the type and quantity allowed for use in food of food additives including colour, sweetener, and flavouring agent, must be as stated and must be clearly stated on the label as an E number
 - Microbiological Criteria
Processed food requires special attention to the hazards of microbial contamination, especially Salmonella, Listeria, Enterobacter and Staphylococcus. There are standards for microorganisms according to Regulation 2073/2005 that was further amended by Regulation 1441/2007
 - Standards for Food Contaminants
The contaminants that are allowed to be found in food according to Regulation 1881/2006 are: nitrates, nitrites, microbial toxins, 3-MCPD, nioxin, PAH, and PBCs
 - Standards for Pesticide Residues
Currently, the EU Pesticide Residue Standard provides a database that can verify the type and amount of permissible chemicals that can be found in food
http://ec.europa.eu/sanco_pesticides/public/index.cfm
 - Hazard Analysis and Critical Control Point System (HACCP) Standard or analysis system for hazards and critical points that must be controlled in food production. This standard emphasizes the prevention of hazards in the process rather than on-the-spot testing on final products. Subsequently, biological, chemical, and physical hazards, or contaminants of food can be effectively prevented. The manufacturer must apply the HACCP in the food production process
 - Traceability System
A system designed to give consumers confidence in their purchases that it is contamination-free and safe. The food's route can be checked, which helps reduce the loss of the

manufacturer's product through recalls, making the recall process accurate, precise, and promptly in the correct amount

- Requirements for Food Contact Materials and Items

Regulation 1935/2004 relating to food contact materials and items requires that the materials and items must not transfer chemicals from the packaging to the food at levels that are harmful to human health, or causes changes in food composition, or has a detrimental effect on the taste and smell of food. All food contact materials and items must be labeled as being used for food contact, which is a symbol of a pair of glasses and forks

- Food Labelling Requirements : Regulation (EU) No 1169/2011

Food products must be labeled as required. Food labels are considered a medium for communicating with consumers, as well as for providing information on nutrition knowledge, consumption method, and benefits of each nutrient This gives consumers the opportunity to gain a better understanding of the nutrition and correct food consumption. Food products packed in containers must specify the following information:

- Name of manufacturer, distributor, and seller
- List of types and quantities of ingredients and additives
- Product number lot
- Date of manufacture, or expiration date, or 'consume before' date
- Storage details and necessary warnings
- Nutritional information in accordance with the General Regulations Directive 90/496/EEC

- Genetically Modified Organism (GMO) Requirements

Requirements established to regulate and supervise the sale of genetically modified crops on the market for cultivation, import, or processing of goods under the Regulations Directive 2001/18/EC.

2) Regulations governing specific standards of each food product (Vertical Legislation).

Regulations on the import of meat, poultry, and seafood products

For the delivery of meat, poultry, and seafood products to be sold in the European Union, exporters should be aware of the 3 key principles required for the approval of import of goods, as follows:

First Stage	Various information must be presented to the European Commission for their consideration
Second Stage	Factories with sanitary standards in accordance with the European Commission's criteria will be randomly inspected by the committee
Third Stage	The European Commission will monitor and control factories to ensure their production meets the standards set by the European Union. For Thailand, these are the Department of Fisheries (according to the General Regulation 94/325/EEC) and the Department of Livestock Development for poultry products

Category 3. International standards and standards set by the private sector.

Examples of international production and export standards

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

International production and export standards obtained by the Company

The Company focuses on the development and maintenance of production standards to meet international standards. It is essential to meet product and production standards for exports to the United States and Europe. The Company has been certified for the following international production standards:

Standards	Institution
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	The Central Islamic Council of Thailand
SEDEX	The Sedex Members Ethical Trade Audit (SMETA), also known as SEDEX

IFS Food Standards

IFS or International Food Standard is an international food standard for food production safety and quality. IFS covers 1) Quality System Management and HACCP, 2) Management Responsibilities, 3) Resource Management, 4) Product Manufacturing, and 5) Measurement, analysis, and improvement. However, this standard has no legal effect, but nevertheless affects the confidence of customers and consumers

BRC Global Standard for Food Safety

The British Retail Consortium (BRC) is a food safety and quality standard set by the British Retailers' Association, which is grouped together by various retail organizations such as Tesco, Sainsbury's, Iceland Foods, Waitrose, Safeway, The Co-operative Group, and Asda Stores. The standards provide guidelines for food producers looking to deliver products to UK retailers to comply with applicable food safety legislation. The BRC must consist of the HACCP system, Quality Management System, Factory Environment Standards, Product Control, Process Control, and Personnel

GMP Standards

Good Manufacturing Practice (GMP) is a good practice and standard in food production to control quality and safety. This encompasses the standard from the location of the factory, building structure, and production process that is controlled at every step, from the beginning of production planning, control system from raw materials during production, end products, storage, quality control, and delivery to consumers. The GMP is also a fundamental quality assurance system before moving on to other higher quality assurance systems such as ISO 9000 and HACCP (Hazards Analysis and Critical Points).

HACCP Standards

Hazard Analysis Critical Control Point (HACCP) is a standard for preventing hazards that may affect food consumers, and focuses on assessment and analysis of food hazards, such as biological hazards, pathogens, chemical hazards, and physical hazards. This standard consists of seven principles, which are 1) Hazard Analysis, 2) Determine the critical point that must be controlled, 3) Determine the critical value, 4) Determine the system to check and monitor the control of critical control points, 5) Determine corrective measures when the inspection reveals that the critical point is not under the specified critical value, 6) Determine review methods to

maintain the efficiency of the HACCP system, and 7) Determine document storage measures related to appropriate record keeping practices.

HALAL Standards

HALAL is food that has been processed, mixed, cooked, assembled, or transformed according to Islamic rules. It is a symbol guaranteeing that Muslims can generally consume food, products, or services with confidence.

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

1. Permit for factory operations (Ror Ngor.4)
2. Product registration application form (Sor Bor.5)
3. Food product license application to obtain a food serial number or FDA number
4. The company has arranged labour contracts with employees by complying with the Labor Act, including preparing the Company's work regulations according to the law and establishing rights and welfare as required by the law
5. The Company has requested 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 inspect 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 inspect the company's factory quality and received satisfactory audit results.

SEDEX Standards

The Sedex Members Ethical Trade Audit (SMETA) or called SEDEX is regarded as an international organization with a management system for labor protection and work safety. The SMETA gathers business members around the world to work on a mutual agreement to develop the company's ethics or ethics of a group of distributors. Any company or organization wishing to participate must treat its employees or labor ethically throughout their entire system. This not only applies to their own 3 organization but must also include farmers, raw material suppliers, customers, and consumers.

Environmental Impact

In addition to customers and consumers being assured that every product from the Company's factory has quality and safety confirmed with international standards, The Company focuses on taking care of all stakeholders throughout the production system from farmers, suppliers of raw materials, and employees, as well as the environment in the vicinity of the factory and the farmer's cultivation base. The Company has measures to dispose of rubbish, measures to create good hygiene at work, and measures for wastewater generated from production processes, container washing, product design, and development. A sieve will be used to trap the waste before it flows into the sewage pipe and collects it at the septic tank to help reduce environmental impact.

Throughout the years, the Company has never had any disputes or been litigated regarding the environment in its business operations, and has never been warned or fined.

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, and ready-to-eat food and drinks. According to the Company's separate financial statements as of 31 December 2021, the Company has investments in subsidiaries equal to 626.0 million baht, accounting for 14% of total assets according to the Company's separate financial statements

Subsidiaries	Business Characteristics	Shareholding (%)	Paid-up Capital (MB)	Net investment value shown in the separate financial statements as of 31 December 2021 (MB)
Nove Foods Co., Ltd.	Sells food products that do not contain meat or animal products	100	205	205
NRF Consumer Co., Ltd.	Invests in the e-commerce business and sells products through e-commerce systems	100	200.1	200.1
City Food Co., Ltd.	Production, import, and export of ready-to-eat food	100	200	200
Super Plans Co., Ltd.	Invests in hemp, cannabis, and medicinal product businesses	100	2.1	2.1
Regeneration Capital Co., Ltd.	Supervise and manage investments	100	18.8	18.8
Total Net Investment				626.0

Fixed Assets

As of 31st December 2021, significant fixed assets used in the Company's core business and its subsidiaries are as follows:

Land and Land Improvements

Location	Area			Purpos e of Holdin g	Holding Characteris tics	Obligation	Net book value as of 31 December 2021 (MB)
	Rai	Nga n	Squar e Wa				
1) Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province (Title Deed No. 22931)	1	2	36	Vacant land for future business expansion	Ownership		8.27
2) Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province (Title Deed No. 22942)	-	2	60	Noodle factory	Ownership		3.25
3) Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province (Title Deed No. 22943)	-	2	59	Noodle factory	Ownership	None	3.24
4) Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province (Title Deed No. 22944)	-	2	62	Noodle factory	Ownership	None	2.23
5) Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province (Title Deed No. 30474)	2	-	46	Vacant land for future business expansion	Ownership	None	11.00
6) Khae Rai Subdistrict, Krathum Baen District, Samut	4	2	63	Office and factory	Ownership	None	21.61

Location	Area			Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2021 (MB)
	Rai	Ngan	Square Wa				
Sakhon Province (Title Deed No. 47663)							
7) Khae Rai Subdistrict (at the end of the Krathum Baen Canal), Krathum Baen District, Samut Sakhon Province (Title Deed No. 7757)	10	1	73	Office and factory	Ownership	None	48.39
8) Talat Chinda Subdistrict, Sampran District, Nakhon Pathom Province (Title Deed No. 93068) (City Food Co., Ltd.)	6	-	-	Office and factory	Ownership	Mortgage is guaranteed with Thai Military Bank Public Company Limited, mortgage amount of 52,000,000 baht	8.52
9) Chet Samian Subdistrict, Photharam District, Ratchaburi Province (Title Deed No. 41052) (City Food Co., Ltd.)	3	3	17.1	Office and factory	Ownership	Second mortgage, including two title deeds with Thai Military Bank Public Company Limited, mortgage amount of 215,000,000 baht	24.70 Total of 2 plots
10) Chet Samian Subdistrict, Photharam District, Ratchaburi Province (Title Deed No. 41053) (City Food Co., Ltd.)	4	3	82.1	Office and factory	Ownership		

Location	Area			Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2021 (MB)
	Rai	Nga n	Square Wa				
11) Appraisal value for land title deed No. 93068 (City Food Co., Ltd)	-	-	-	Office and factory	Ownership	Mortgage is guaranteed with Thai Military Bank Public Company Limited, mortgage amount of 52,000,000 baht	20.28
12) Appraisal value for land title deed No. 41052, No. 41053 (City Food Co., Ltd)				Office and factory	Ownership	Second mortgage, including two title deeds with Thai Military Bank Public Company Limited, mortgage amount of 215,000,000 baht	10.29
13) Appraisal value for land title deed No. 47663, No. 7757, and the improvements of said land ⁹	-	-	-	Office and factory	Ownership	None	14.06
14) Land improvement (Title Deed No. 22942 to No. 22944)	-	-	-	Office and factory	Ownership	None	1.19
Net Total							183.51

⁹ It is the appraised 2017 value for recording the book value in relation to the acquisition of Panthera Partners Co., Ltd. for all the Company's shares from existing shareholders. After 2017, Panthera had a merger with the Company (amalgamation).

Buildings and Building Improvements

No.	Location	Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2021 (MB)
1.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Office building	Ownership	None	3.62
2.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Factory building	Ownership	None	131.67
3.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Office building improvements	Ownership	None	4.78
4.	Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province	Factory building improvements	Ownership	None	23.04
5.	Khlong Tan Nuea Subdistrict, Watthana District, Bangkok (Nove Foods Co., Ltd.)	Office building improvements	Lease	None	0.42
6.	Talat Chinda Subdistrict, Sampran District, Nakhon Pathom Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	15.79
7.	Chet Samian Subdistrict, Photharam District, Ratchaburi Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	47.93
8.	Appraised value for buildings and building improvements, Nakhon Pathom Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	19.02
9.	Appraised value for buildings and building improvements, Ratchaburi Province (City Food Co., Ltd.)	Office building and factory	Ownership	Mortgage	(7.72)
10.	Utilities (City Food Co., Ltd.)	Factory	Ownership	Mortgage	10.72

No.	Location	Purpose of Holding	Holding Characteristics	Obligation	Net book value as of 31 December 2021 (MB)
11.	Nawamin Subdistrict, Bueng Kum District, Bangkok (Indeem Group Co., Ltd.)	Office building improvements	Lease	None	0.77
Net Total					250.04

Machinery and Factory Equipment

No.	Asset	Holding Characteristics	Obligation	Net book value as of 31 December 2021 (MB)
1.	Machinery	Ownership	None	58.82
2.	Tools and Equipment	Ownership	None	11.66
3.	Factory Appliances	Ownership	None	1.28
4.	Factory Decoration Machines	Ownership	None	3.59
5.	Machinery (City Foods Co., Ltd.)	Ownership	Mortgage	40.60
6.	Tools and Equipment (City Foods Co., Ltd.)	Ownership	None	5.14
7.	Tools and Equipment (Nove Foods Co., Ltd.)	Ownership	None	2.86
Net Total				123.98




Other Fixed Assets





As of 31st December 2021, other fixed assets used in the Company's business and subsidiary has a net book value as shown in the Company's consolidated financial statements. Details are as follows:

No.	List	Holding Characteristics	Obligation	Net book value as of 31 December 2021 (MB)
1.	Information System Equipment	Ownership	None	17.27
2.	Fixture and Office Equipment	Ownership	None	11.18
3.	Vehicle	Ownership	None	1.25
Net Total				29.70


Intellectual Property









As of 31st December 2021, the Company's important trademarks are as follows:







No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
1.		(30) Curry paste, sauce, and chilli paste	24 Feb 2019 – 23 Feb 2029	๓12342 / Thailand
2.		(29) Shrimp curry paste, crab curry paste, ready-made shark fin, ready-made fish maw, mushroom soup, spicy shrimp soup, spicy crab soup, vegetable soup, beef flavored soup, chicken soup, chicken flavored soup powder, pork soup powder, tom yum soup, wonton soup powder, white miso soup, red miso soup, fried onion soup, pho, green curry soup, curry soup, Massaman soup, Galangal soup, and Laksa soup	23 Apr 2019 – 23 Apr 2029	5731177 / United States (USPTO)
3.		(29) shrimp curry paste, crab curry paste, and beef curry paste	29 Jan 2009 – 29 Jan 2029	R29116/ New York

No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
4.		<p>(29) Meat, fish, poultry, hunted meat, beef extract, pickled, candied, dried, or prepared vegetables and fruits, jellies, jams, fruit sauces, eggs, milk and dairy products, and edible oils and fats</p> <p>(30) Coffee, tea, cocoa, sugar, rice, sago, artificial coffee, flour and cereal grains, bread, pastries and confectionery, ice cream, honey, syrup, yeast, baking powder, salt, mustard, vinegar, condiments, spices, and ice</p> <p>(31) Agricultural, horticultural, and forest produce and products not included in other classes, live animals, fresh fruits and vegetables, seeds, plants and flowers, animal feed, and malt</p>	<p>5 Jun 2020</p> <p>–</p> <p>5 Jun 2030</p>	<p>001506492 /</p> <p>EU</p>
5.		<p>(29) Instant curry, soup, soup products, vegetables for soups, broths, processed vegetables, processed herbs, canned curry, canned soup, and canned food</p> <p>(30) Sauce</p>	<p>23 Nov 1999</p> <p>–</p> <p>23 Nov 2029</p>	<p>814716 /</p> <p>Australia</p>
6.		<p>(29) Beef curry paste, curry paste made from fruit, and vegetable curry paste</p> <p>(30) Sauce</p>	<p>24 Jul 2001</p> <p>–</p> <p>24 Jul 2021</p>	<p>2471101 /</p> <p>United States (USPTO)</p>
7.		<p>(29) Fast food, curry, rice, soup, soup ingredients, vegetable soup ingredients, porridge, pickled vegetables, curry soup, and canned soup</p>	<p>14 Jun 2008</p> <p>–</p> <p>13 Jun 2028</p>	<p>4887011 /</p> <p>China</p>

No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
8.		(30) Condiments, fast food, curry, vegetables, and rice	14 Jun 2008 – 13 Jun 2028	4887012 / China
9.		(30) BBQ sauce, oyster sauce, shiitake sauce, Hoisin sauce, and all-purpose sauce	4 Dec 2001 – 4 Dec 2021	2514428 / United States (USPTO)
10.		(30) Noodles	25 Nov 1999 – 23 Nov 2029	814715 / ออสตรเลีย
11.		(29) Canned shark fin and ready-to-eat canned fish maw	16 Jun 1998 – 15 Jun 2028	ก91534 / Thailand
12.		(30) Noodles, wheat flour, and food flavourings except for essential oil	11 Jul 2003 – 10 Jul 2023	ก203853 / Thailand
13.		(30) Curry paste and sauce	30 Oct 2007 – 1 Nov 2027	3323031 / United States (USPTO)
14.		(29) Soup	29 Jan 1979 – 29 Jan 2029	R31251 / New York
15.		(29) Soup	26 May 1998 – 26 May 2023	19718 / California

No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
16.		<p>(29) Meat, fish, poultry, hunted meat, beef extract, pickled, candied, dried, or prepared vegetables and fruits, jellies, jams, fruit sauces, eggs, milk and dairy products, and edible oils and fats</p> <p>(30) Coffee, tea, cocoa, sugar, rice, sago, artificial coffee, flour and cereal grains, bread, pastries and confectionery, ice cream, honey, syrup, yeast, baking powder, salt, mustard, vinegar, condiments, spices, and ice</p> <p>(31) Agricultural, horticultural, and forest produce and products not included in other classes, live animals, fresh fruits and vegetables, seeds, plants and flowers, animal feed, and malt</p>	14 Feb 2002 – 20 Nov 2020	001963016 / EU
17.		(29) Soup Powder	10 June 2021 – 10 June 2023	2723011 / United States (USPTO)
18.		(29) Processed Fish	15 Oct 2002– 15 Oct 2022	2634898 / United States (USPTO)
19.		(29) Chicken Soup, and beef-flavored Soup	29 Oct 2002 – 29 Oct 2022	2641478 / United States (USPTO)
20.		(29) Soup, soup paste, gelatin, and stuffing (used for stuffing sausages)	In the process of trademark registration	30674190 / China



No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
21.		(29) Soup (30) Tea (32) Fruit juice drink	10 Oct 2000– 10 Oct 2020	2393302 / United States (USPTO)
22.		(29) Algae extract for eating, jam, processed betel nuts, soups, tomato paste, eggs, butter, milk sauce, coconut oil, gelatin, nuts, dried mushrooms, egg whites, and stuffing (used for stuffing sausages)	28 May 2019 – 27 May 2029	30674199 / China
23.		(30) Tea drinks, sweetener, instant rice, cereal products, hardening products, whipped cream, household meat tenderizer, and gluten for cooking	28 May 2019 – 27 May 2029	30674198 / China
24.		(32) Non-alcoholic beverages, fruit juices, and vegetable juices	7 Mar 2019 – 6 Mar 2029	30674197 / China
25.		(30) Seasoning sauce and noodles	10 Apr 2003 – 9 Apr 2023	๓269175 / Thailand
26.		(29) Curry with coconut milk	24 Feb 2019 – 23 Feb 2029	๓315958 / Thailand
27.		(29) Soup (30) Curry paste	21 Mar 2020 – 21 Mar 2040	2332525 / United States (USPTO)
28.		(30) Rice and Noodles	13 Feb 2001– 13 Feb 2021	2428173 / United States (USPTO)




No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
29.		(29) Curry powder soup, soup products, soup, vegetable, and processed herbs	26 Mar 2021 – 2 Jun 2029	001193671 / EU
30.		(29) Soup, Rice, and Noodles (30) Curry	23 Jun 2003 – 23 Jun 2033	TMA583596 / Canada
31.		(29) Instant curry, soup, soup products, vegetables for soup broths, processed vegetables, processed herbs, canned curry, canned soups, and canned food (30) Sauce	23 Nov 1999 – 23 Nov 2029	814718 / Australia
32.		Chili sauce, chicken sauce, jaew sauce, and fried chili dessert	¹⁰	Request number 190120378 / Thailand
33.		(29) Beef curry, algae extract for eating, fish dishes, canned meats, fried potatoes, french fries, fruit and vegetable snacks, processed chickpeas, pickled peppers, pickled soy sauce, soup paste, eggs, butter, coconut oil, gelatin, instant beans, dried mushrooms, egg whites for cooking, stuffing (used for stuffing sausages)	¹¹	38674673/ China
34.		(30) Beverages containing coffee, coffee, tea, beverages with tea, natural artificial sugar, sweets, food syrup, crispy bread, cereal snacks, frozen food made from rice, instant rice, cereal products, instant noodles, rice confectioneries, thickeners for	¹²	38674672/ China

¹⁰ In the process of trademark registration


¹¹ In the process of trademark registration








¹² In the process of trademark registration

No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		cooking, shrimp crackers, ice, preserving salt, soy sauce, seasoning, seasoning sauce, chili seasoning, gravy sauce, chili oil, pepper powder, sauce, marinades for curries, ingredients for non-fragrance drinks, products for making whipped cream, household meat tenderizer, and gluten for cooking		
35.		(29) Fried potatoes, french fries, frozen fries, crispy fruits, low fat fried potatoes, dried fruits, mixed fruits, fruit desserts, cooked fruits, processed fruits, dehydrated vegetables, snacks from dried vegetables, cooked vegetables, pickled vegetables, potato snacks, fruit snacks, meat snacks, soup ingredients, soup paste, soup powder, soup products, soup, dehydrated coconut, dried coconut, crispy coconut, pickled onions, and milk	27 Sep 2019 – 27 Sep 2029	2040309/ Australia
36.		(30) Spicy sauce, sweet and sour sauce, sauce ingredients, cereal products, BBQ sauces, sauces, ketchup, cooking sauces, chili confections, crispy chili, corn crisps, pickled vegetables, vegetable products, condiments, seasoning ingredients, noodles, instant noodles, rice ingredients, sauce for rice, curry, seasoned curry powder, curry ingredients, curry powder, curry sauce, vegetable marinade, vegetable starch, grain drinks, chocolate drinks, cocoa beverages, coffee beverages, tea beverages, chocolate-containing drinks, cocoa-containing drinks, coffee-	1 Oct 2019 – 1 Oct 2029	2040824/ Australia

No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		containing drinks, tea-containing drinks, and coffee		
37.		(30) Chili sauce, sweet chili sauce, and spicy BBQ sauce	- ¹³	88616191 / United States (USPTO)
38.		<p>(29) Meat, fish, poultry, hunted meat, beef extract, pickled, candied, dried, or prepared vegetables and fruits, jellies, jams, fruit sauces, eggs, milk and dairy products, edible oils and fats, fruit snacks, crispy fruit, crispy potato chips, and crispy chili</p> <p>(30) Coffee, tea, coca, imitation coffee, rice, pasta, noodles, sago, flour and grains, bread, pastries and desserts, chocolate, ice cream, fruit ice cream, ice, sugar, honey, syrup, yeast, baking powde, salt, condiments, spices, herbs, vinegar, sauces, seasoning sauces, frozen water, rice snacks, plant-based snacks, chili sauce, sweet chili sauce, and all-purpose sauce</p>	23 Nov 2019 – 3 Jun 2029	018075962 / EU
39.		(29) Meat, fish, poultry, hunted meat, beef extract, pickled, candied, dried, or prepared vegetables and fruits, jellies, jams, fruit sauces, eggs, milk and dairy products, edible oils and fats, fruit snacks, crispy fruit, crispy potato chips, and crispy chili	26 May 2014 – 25 May 2024	ก407630 / Thailand

¹³ In the process of trademark registration

No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
40.		(30) Coffee, tea, coca, imitation coffee, rice, pasta, noodles, sago, flour and grains, bread, pastries and desserts, chocolate, ice cream, fruit ice cream, ice, sugar, honey, syrup, yeast, baking powde, salt, condiments, spices, herbs, vinegar, sauces, seasoning sauces, frozen water, rice snacks, plant-based snacks, chili sauce, sweet chili sauce, and all-purpose sauce	11 Nov 2019 – 22 Mar 2029	ก315007 / Thailand
41.		(30) Coffee, tea, coca, imitation coffee, rice, pasta, noodles, sago, flour and grains, bread, pastries and desserts, chocolate, ice cream, fruit ice cream, ice, sugar, honey, syrup, yeast, baking powde, salt, condiments, spices, herbs, vinegar, sauces, seasoning sauces, frozen water, rice snacks, plant-based snacks, chili sauce, sweet chili sauce, and all-purpose sauce	26 May 2014– 25 May 2024	ก407631 / Thailand
42.		(30) Coffee, tea, coca, imitation coffee, rice, pasta, noodles, sago, flour and grains, bread, pastries and desserts, chocolate, ice cream, fruit ice cream, ice, sugar, honey, syrup, yeast, baking powde, salt, condiments, spices, herbs, vinegar, sauces, seasoning sauces, frozen water, rice snacks, plant-based snacks, chili sauce, sweet chili sauce, and all-purpose sauce	16 Apr 2015– 15 Apr 2025	161105214 / Thailand
43.		(30) Coffee, tea, coca, imitation coffee, rice, pasta, noodles, sago, flour and grains, bread, pastries and desserts, chocolate, ice cream, fruit ice cream, ice, sugar, honey, syrup, yeast, baking	16 Apr 2015– 15 Apr 2025	161109304 / Thailand

No.	Trademark	Category of products / types of products / services	Coverage Period	Registration Number / Registered Country
		powde, salt, condiments, spices, herbs, vinegar, sauces, seasoning sauces, frozen water, rice snacks, plant-based snacks, chili sauce, sweet chili sauce, and all-purpose sauce		
44.		(35) Business management, category-specific product sales, condiments, management of the category-specific business, and ready-made meals mainly from flour and rice.	19 Mar 2018 – 18 Mar 2028	191116625 / Thailand
45.		(30) Coffee, tea, coca, imitation coffee, rice, pasta, noodles, sago, flour and grains, bread, pastries and desserts, chocolate, ice cream, fruit ice cream, ice, sugar, honey, syrup, yeast, baking powde, salt, condiments, spices, herbs, vinegar, sauces, seasoning sauces, frozen water, rice snacks, plant-based snacks, chili sauce, sweet chili sauce, and all-purpose sauce	25 Oct 2017 – 24 Oct 2027	304313745 / Hong Kong
46.		(32) Soymilk Drinks	30 Nov 2020 – 23 Jun 2021	794568 / Thailand
47.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107206 / Thailand
48.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107207 / Thailand
49.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107205 / Thailand
50.		31) Pet Food	21 Aug 2020 - 20 Aug 2030	221107209 / Thailand

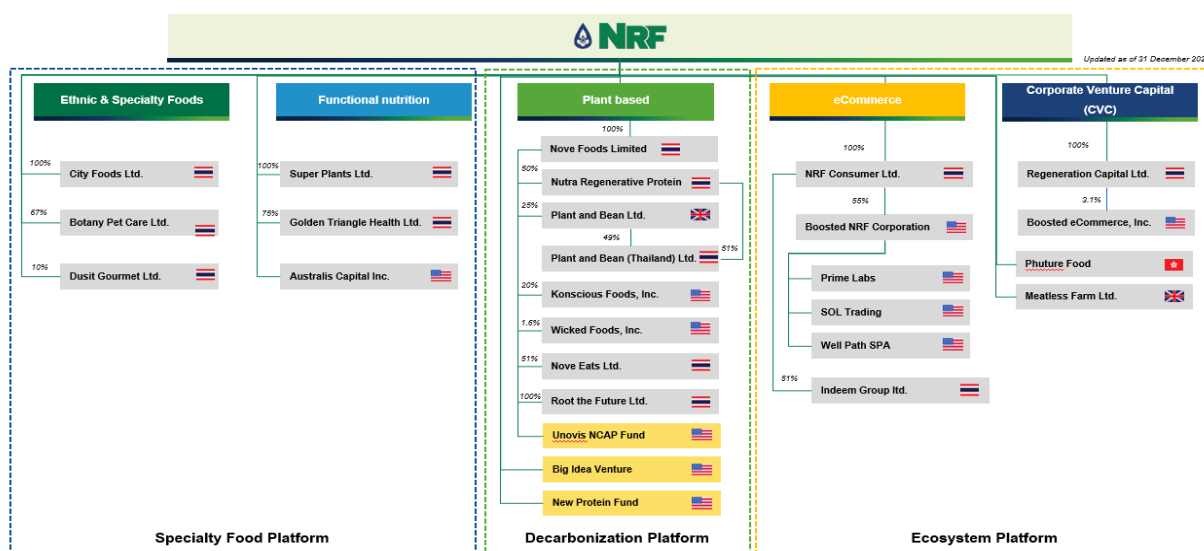
1.2.2 (5) Undelivered Work

Due to the COVID-19 situation, there were no ships arriving at the port in late December 2021, therefore, there are postponed shipments in early January 2022, accounting for 0.01% of the total sales in 2021.

1.3 Group Shareholding Structure

1.3.1 Structure

The Company's business strategy is divided into 4 groups: the Ethnic/Specialty Food business, Plant-Based business, Functional business, and E-Commerce business. The Company has invested in the Ethnic/Specialty Food business directly, for example, by investing in City Food Co., Ltd. Limited at a rate of 100% and Botany Petcare Co., Ltd. at a rate of 66.67%. In the Plant-Based business, the Company invested in Nove Foods Co., Ltd., with a holding of 99.99% of the shares, whilst the investment in the E-commerce business was in the NRF Consumer Co., Ltd. where the Company held 99.99% of shares. As of 31 December 2021, the shareholding structure of the Company and companies in the group are as follows:



- No persons who may have conflicts of interest can hold shares in subsidiaries or associates that is collectively more than 10% of the Company's voting shares

Company	Country	Paid-up Capital (MB)	Shareholding Percentage (%)	Year of Establishment / Year the Company Invested	Business Characteristics
Companies that Invest in Common Stocks					

Company		Country	Paid-up Capital (MB)	Shareholding Percentage (%)	Year of Establishment / Year the Company Invested	Business Characteristics
1	Nove Foods Co., Ltd.	Thailand	205	99.99	2561/2561	Jointly invest in the business of producers of plant-based protein food products, and is supplies, sells, and markets plant-based protein products in Thailand such as Meatless Farm and Shinpo tofu
2	NRF Consumer Co., Ltd. (formerly known as Sabzu Co., Ltd.)	Thailand	200.1	99.99	2560/2560	Invested in Boosted Ecommerce Inc. and Boosted NRF Corp for the E-commerce business
3	Dusit Gourmet Co., Ltd.	Thailand	30	10	2561/2561	Operates in the sales and marketing business for food related products, both domestically and internationally, under the brand of Dusit Thani Hotels
4	City Food Co., Ltd.	Thailand	128	99.99	2531/2563	Operates in the contract production and distribution of food seasonings, ready-to-cook food, soy food and milk, both in the form of contract manufacturing and under the Company's band name, such as Classic Thai
5	Plant and Bean Co., Ltd.	United Kingdom	£14 million	25	2563/2563	Operates as a manufacturer and distributor of artificial meat (Meat analogue)
6	Meatless Farm Co., Ltd.	United Kingdom	Investment of approximately 4.76 million baht	0.875	2560/2563	Operates as a manufacturer and distributor of artificial meat (Meat analogue) under the Meatless Farm brand
7	Root The Future Co., Ltd.	Thailand	1	99.99	2563/2563	Operates social activities to support the consumption of plant-based foods with a non-profit purpose

Company		Country	Paid-up Capital (MB)	Shareholding Percentage (%)	Year of Establishment / Year the Company Invested	Business Characteristics
8	Nove Eats Co., Ltd.	Thailand	1	51	2564/2564	Sells foods products that do not contain meat or animal product
9	Super Plans Co., Ltd.	Thailand	2.09	99.99	2564/2564	Invests in hemp, cannabis, and medicinal products businesses
10	Regeneration Capital Co., Ltd.	Thailand	89.9	99.99	2564/2564	Directs and manages investments
11	Indeem Group Co., Ltd.	Thailand	1	51	2564/2564	Sells consumer products through the membership system
12	Newtra Regenerate Protein Co., Ltd.	Thailand	75	50	2564/2564	Produces and sells food products that do not contain meat or animal products
13	Golden Triangle Health Co., Ltd.	Thailand	72	75	2564/2564	Produces and distributes hemp and cannabis products
14	Botany Petcare Co., Ltd.	Thailand	54	66.67	2564/2564	Produces and distributes pet food products
15	Australis Capital Inc.	Canada	n.a	11.75	2564/2564	Produces and distributes hemp and cannabis products
Companies with a Limited Partner Investment						
16	Big Idea Ventures Co., Ltd.	United States	Investment of approximately \$0.254 million	2.16	2562/2562-2563	Operates fund management businesses

Company		Country	Paid-up Capital (MB)	Shareholding Percentage (%)	Year of Establishment / Year the Company Invested	Business Characteristics
17	New Protein Fund	United States	Investment of approximately \$0.26 million	0.4	2562/2562-2563	Operates as an investor in plant-based food startups
18	Unovis Fund	The Netherlands	Investment of €2.08 million	3.41	2564/2564	Operates as an investor in plant-based food startups
Companies that Invested in Simple Agreement for Future Equity (SAFE)						
19	Phuture Limited	Singapore	Investment of \$0.025 million	-	2561/2563	Develops and distributes artificial ground pork
Companies that Invest in Preferred Shares						
20	Boosted Ecommerce, Inc	The United States of America	\$3 million investment	3.7	2562/2563	Acquires businesses selling branded products on Amazon.com
21	Boosted NRF Corp	The United States of America	\$16.3 million investment	55	2564/2564	Acquires businesses selling branded products on Amazon.com

Current Subsidiaries of the Company

The Company's subsidiaries are as follows:

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

Registration Date : 25 January 2018

Registered and Paid Capital : 205,000,000 baht (Par value 10 baht per share)

Office Location : No, 99/1, Moo 4, Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon

Country of Location : Thailand

- Business Characteristics : Jointly invests in the businesses of plant-based protein food products, and is a supplies, distributes and markets plant-based protein products in the country
- Directors : 1) Mr. Dan Pathomvanich
2) Ms. Penhurai Chaichatchaval
3) Mr. Teerapong Lorrachawee
- Authorized Directors : Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval, and Mr. Teerapong Lorrachawee – requires a co-signature of two of the three authorized directors
and affix with the Company’s seal
- Relationship with the Company : NFL is a subsidiary of the Company, in which the Company holds 20,500,000 shares, representing 100.00% of NFL’s registered capital. The subsidiary shares common directors with the Company, namely Mr. Dan Pathomvanich, Ms. Penhurai Chaichatchaval, and Mr. Teerapong Lorrachawee

2) NRF Consumer CO., Ltd. (“NRF Consumer”) (formerly Sabzu Co., Ltd. (“Sabzu”))

- Registration Date : 10 August 2017
- Registered and Paid Capital : 200,100,000 baht (Par value 100 baht per share)
- Office Location : No. 518/5, Maneeya Center Building, 6th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok
- Country of Location : Thailand
- Business Characteristics : Invests in Boosted Ecommerce Inc. and Boosted NRF Corp for the E-Commerce business
- Directors : 1) Mr. Dan Pathomvanich
2) Ms. Penhurai Chaichatchaval
- Authorized Directors : Two directors co-sign and affix with the Company’s seal
- Relationship with the Company : NRF Consumer is a subsidiary of the Company, in which the Company holds 209,998 shares, representing 99.8% of NRF Consumer’s registered capital. The subsidiary shares common directors with the Company, namely Mr. Dan Pathomvanich and Ms. Penhurai Chaichatchaval

3) City Food Co., Ltd. (“CTF”)

- Registration Date : 9 January 1986
- Registered and Paid Capital : 128,000,000 baht (Par value 100 baht per share)
- Office Location : No. 99/1, Village No. 2, Phra Prathon-Ban Phaeo Subdistrict, Talat Chinda District, Nakhon Pathom Province

Country of Location	: Thailand
Business Characteristics	: Operates as a contractor for the production and distribution of food seasonings, Ready-to-cook food, soy food and drinks, both in the form of contract manufacturing and under the company's brand name, such as Classic Thai
Directors	: 1) Mr. Dan Pathomvanich 2) Mr. Teerapong Lorrachawee 3) Ms. Penhurai Chaichatchaval
Authorized Directors	: Two directors co-sign and affix with the Company's seal
Relationship with the Company	: CTF is a subsidiary of the Company, in which the Company holds 1,279,998 shares, representing 99.99% of CTF's registered capital. The subsidiary shares common directors with the Company, namely Mr. Dan Pathomvanich, Mr. Teerapong Lorrachawee, and Ms. Penhurai Chaichatchaval

4) Super Plans Co., Ltd. ("SPP")

Registration Date	: 16 March 2021
Registered and Paid Capital	: 2,090,770 baht (Par value 5 baht per share)
Office Location	: No. 2, Ploenchit Center, G Floor, Sukhumvit Road, Khlong Toei Subdistrict, Khlong Toei District, Bangkok
Country of Location	: Thailand
Business Characteristics	: Invests in hemp, cannabis, and medicinal plant businesses
Directors	: 1) Mr. Dan Pathomvanich 2) Mr. Teerapong Lorrachawee 3) Mr. Dhas Udomdhammabhakdi
Authorized Directors	: Two directors co-sign and affix with the Company's seal
Relationship with the Company	: SPP is a subsidiary of the Company, in which the Company holds 418,152 shares, representing 99.99% of SPP's registered capital. The subsidiary shares common directors with the Company, namely Mr. Dan Pathomvanich, Mr. Teerapong Lorrachawee, and Mr. Dhas Udomdhammabhakdi

5) Regeneration Capital Co., Ltd. ("RCL")

Registration Date	: 4 November 2021
Registered and Paid Capital	: 89,861,610 baht (Par value 5 per share)
Office Location	: No. 2, Ploenchit Center, G Floor, Sukhumvit Road, Khlong Toei Subdistrict, Khlong Toei District, Bangkok
Country of Location	: Thailand
Business Characteristics	: Direct and manage investments

- Directors : 1) Mr. Dan Pathomvanich
2) Mr. Udomkarn Udomsab
3) Ms. Penhurai Chaichatchaval
- Authorized Directors : Co-signatures of Mr. Dan Pathomvanich and Ms. Penhurai Chaichatchaval and affix with the Company's seal
- Relationship with the Company : **RCL** is a subsidiary of the Company, in which the Company holds 17,972,320 shares, representing 99.99% of RCL's registered capital. The subsidiary shares common directors with the Company, namely Mr. Dan Pathomvanich, Mr. Udomkarn Udomsab, and Mr. Dhas Udomdhammabhakdi

1.3.2 Persons who may have conflicts of interest holding shares in subsidiaries or associates that is collectively more than 10% of the Company's voting shares

None

1.3.3 Relationship with the major shareholders' corporate group

None

1.3.4 Shareholders

(1) List of Major Shareholders

(A) Top 10 shareholders as of 30 December 2021

List of Shareholders	As of 30 December 2021	
	Number of Shares (shares)	Shareholding (%)
1. Asian Food Corporation Co., Ltd. ^{/2}	549,533,180	38.76%
2. DP Partners Co., Ltd. ^{/3}	177,663,720	12.53%
3. DPA Fund S Co., Ltd. ^{/5}	115,202,241	8.13%
4. DLN 2017 Co., Ltd. ^{/4}	88,156,016	6.22%
5. Dusit Foods Co., Ltd.	70,736,353	4.99%
6. Ms. Jarumon Vanichsuvan	18,080,596	1.27%
8. Mr. Yosawin Vanichsuvan	16,095,900	1.13%
9. Mr. Damkerng Pathomvanich ^{/11}	15,609,980	1.10%
10. Thai NVDR Co., Ltd.	13,630,689	0.96%
Total	1,064,708,675	75.10%

(B) Major shareholders who, by circumstance, significantly influence the Company's policy making, and management or operations as of 30 December 2021

List of Shareholders	As of 30 December 2021	
	Number of Shares (shares)	Shareholding (%)
1. Pathomvanich Family		
1.1 Asian Food Corporation Co., Ltd. ^{/1}	549,533,180	38.76%
1.2 DP Partners Co., Ltd. ^{/2}	177,663,720	12.53%
1.3 DPA Fund S Co., Ltd. ^{/3}	115,202,241	8.13%
1.4 DLN 2017 Co., Ltd. ^{/4}	88,156,016	6.22%
Total	930,555,157	65.64%

(2) List of shareholders of subsidiaries that operate the main business

Remarks /1 Details of shareholders of Asian Food Corporation Co., Ltd. are as follows:

List of Shareholders	Number of Shares (shares)	Shareholding (%)
1. Pattanasuk 2015 Co., Ltd. ^{/5}	20,386,358	51.00
2. DPS Corporation Co., Ltd. ^{/6}	17,365,700	43.44
3. Thanatat Pattana Co., Ltd. ^{/7}	2,221,191	5.56
4. Dan Pathomvanich	1	0.00

/2 Details of shareholders of DP Partners Co., Ltd. are as follows:

List of Shareholders	Number of Shares (shares)	Shareholding (%)
1. DPS Corporation Co., Ltd. ^{/5}	100	100.00

/3 Details of shareholders of DLN 2017 Co., Ltd. are as follows:

List of Shareholders	Number of Shares (shares)	Shareholding (%)
1. Thanatat Pattana Co., Ltd. ^{/9}	9,998	99.98
2. Dan Pathomvanich	1	0.01
3. Penhurai Chaichatchaval	1	0.01

/4 Details of shareholders of DPA Fund S Co., Ltd. are as follows:

List of Shareholders	Number of Shares (shares)	Shareholding (%)
1. Thanatat Pattana Co., Ltd.	1	100.00

/5 Details of shareholders of Pattanasuk 2015 Co., Ltd. are as follows:

List of Shareholders	Number of Shares (shares)	Shareholding (%)
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

/6 Details of shareholders of DPS Corporation Co., Ltd. are as follows:

List of Shareholders	Number of Shares (shares)	Shareholding (%)
1. Thanatat Pattana Co., Ltd.	1	100.00

/7 Details of shareholders of Thanatat Pattana Co., Ltd. are as follows:

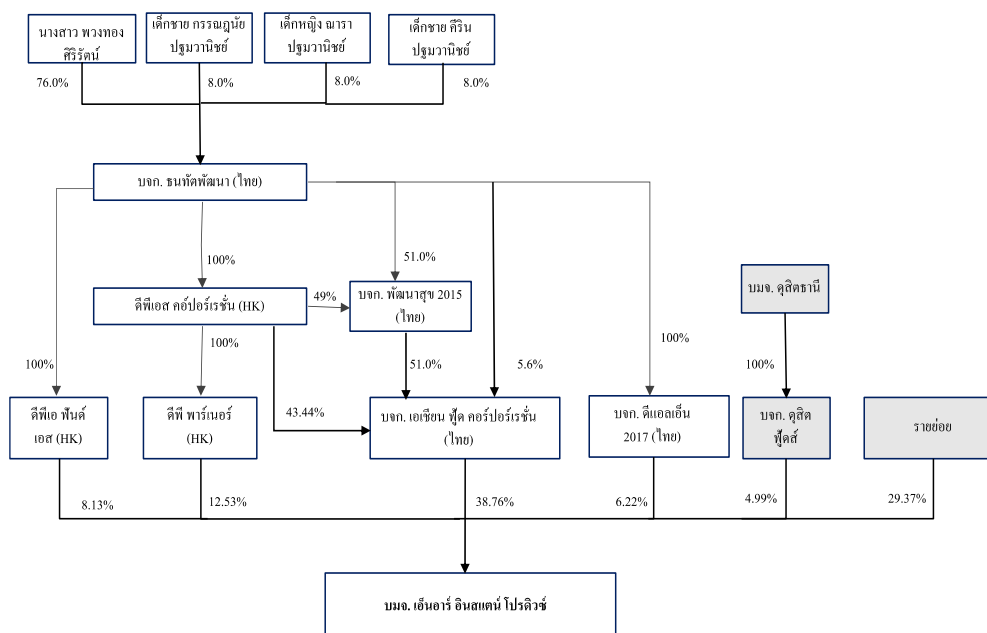
List of Shareholders	Number of Shares (shares)	Shareholding (%)
1. Ms. Puangthong Sirirat (Mr. Dan's aunt)	7,635,000	76.00
2. Kandanai Pathomvanich (Mr. Dan's son)	798,000	8.00
3. Nara Pathomvanich (Mr. Dan's daughter)	798,000	8.00
4. Kirin Pathomvanich (Mr. Dan's son)	798,000	8.00

Additionally, the Board of Directors' of Thanatat Pattana Co., Ltd., granted Mr. Dan Pathomvanich management authority.

(3) Agreements Between Major Shareholders in Matters Affecting the Company's Operations

None

Current Shareholding Structure of the Company



For transparency regarding shareholding changes of major shareholders, in May 2020, Mr. Dan Pathomvanich signed a letter of comfort for the Company acknowledging the duty to notify the Board of Directors as soon as there is a shareholding change in the Company, and of individuals and juristic persons in Mr. Dan's group. Mr. Dan Pathomvanich will pledge to oversee the shareholding changes of individuals and juristic persons in his group in that it must not prevent the Company from being able to maintain qualifications as a Thai juristic person to be a land owner. The letter of comfort is valid for as long as the Company has the status of being a listed company on the stock exchange. Mr. Dan Pathomvanich's group consists of 1) Asian Food Corporation Co., Ltd., 2) DP Partners Co., Ltd., 3) DLN 2017 Co., Ltd., 4) DPA Fund S Co., Ltd., 5) Ms. Nitnara Minthakin, 6) DPS Corporation Co., Ltd., 7) BR Associates Co., Ltd., 8) DPS Holdings Limited SPC, 9) Thanatat Pattana Co., Ltd., and 10) Pattanasuk 2015 Co., Ltd. (collectively “Persons and Juristic Persons in Mr. Dan Pathomvanich Group”), in which Mr. Dan Pathomvanich, Chief Executive Officer and Director of the Company, is the director and/or decision-maker related to the juristic person in Mr. Dan Pathomvanich’s group, thereby considered a joint action person.

Additionally, the Company will regularly close the Company’s shareholder registration book to check the shareholder change. The Company has assigned the Company secretary to be responsible for monitoring and following such measure closely, including notifying the Board of Directors regularly.

In this regard, the Company has entered a non-competitive business contract with Mr. Dan Pathomvanich, whereby Mr. Dan agrees not to engage in a business that competes with the Company's business, as stated in the terms of the contract. This is to prevent conflicts of interest that may arise in the future.

1.4 Amount of Registered and Paid Capital

1.4.1 Registered Capital/Paid-up Capital/Number of Shares

Thai Name : บริษัท เอ็นอาร์ อินสแตนซ์ โปรดิวซ์ จำกัด (มหาชน)

English Name : NR Instant Produce Public Company Limited

Registration Number : 0107562000483

Business Characteristics	: The business is a manufacturer, supplier, and distributor of food seasoning products, ready-to-cook meals, condiments for cooking, vegetarian food that does not contain eggs and milk, plant-based protein food, and instant beverages in the form of powder and liquid
Head Office Location	: No. 99/1, Moo 4, Khae Rai Subdistrict, Krathum Baen District, Samut Sakhon Province 74110
Bangkok Office Location	: No. 518/5, Maneeya Center Building, 6 th Floor, Pleonchit Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330
Telephone	: (66) 34849576-80
Fax	: (66) 34849586
Website/Home Page	: www.nrinstant.com
Registered Capital (as of 31 st December 2021)	: 1,485,443,157 ordinary shares (one thousand four hundred and eighty-five million four hundred forty-three thousand one hundred and fifty-seven shares), totaling to 1,485,443,157 baht (one thousand four hundred and eighty-five million four hundred forty-three thousand one hundred and fifty-seven)
Paid-up Capital (as of 31 st December 2021)	: 1,417,654,142 ordinary shares (one thousand four hundred and seventeen million six hundred fifty-four thousand one hundred and forty-two shares), totaling to 1,417,654,142 baht (one thousand four hundred and seventeen million six hundred fifty-four thousand one hundred and forty-two)
Par Value	: 1.00 baht (one baht)
Security Name	: NRF

1.4.2 Other Types of Shares with Different Rights or Conditions than Ordinary Shares

None

1.4.3 Number of Shares and Shares Reserved for Convertible Securities

On 22 April 2021, the 2021 Annual General Meeting of Shareholders of the Company passed a resolution approving the allocation of warrants (NRF-W1) to purchase the Company's ordinary shares in the amount not exceeding 67,789,015 units. Warrants were issued to existing shareholders who subscribe for newly issued ordinary shares and was allocated at the rate of 20 existing ordinary shares per unit of warrant. The warrants are the type that specifies the name and are transferable. The terms of the warrants does not exceed 2 years and there is no offering price. The exercise ratio is 1 warrant per 1 new ordinary share, whilst the specified exercise price is valued at 10 baht per share and is scheduled to be exercised every 6 months. The initial exercise date is 15th December 2021 and the warrant expires in 2 years, which is on 26th May 2023.

The company has listed the warrants as securities with the Stock Exchange of Thailand on 11th June 2021. During the year, the warrants were not exercised. As of 31st December 2021, the Company had a remaining of 67,789,015 warrants that were not exercised.

1.5 Issuance of Other Securities

1.5.1 In the Case of Convertible Securities

None

1.5.2 In the Case of Debt Securities

Debentures

On 22nd April 2021, the Annual General Meeting of the Company's Shareholders approved the issuance of debentures to institutional investors or high net worth investors. Such debentures are unsubordinated, has no collateral, no rating, and with shareholder representatives. The debenture issuer has the right to redeem the debentures before maturity, with a total credit line of 700 million baht, a timeline of 2 years, and an interest rate of 6.5% per annum, with quarterly interest payments throughout the bond term. The debentures have a requirement to maintain a net debt to equity ratio, according to the consolidated financial statements, of no more than 2:1 for each quarterly accounting period throughout the term of the debentures. The objective is to use the money received from the issuance and offering of debentures to operate and/or expand the business, and/or as working capital of the Company, or for other purposes as the Board of Directors deems appropriate

The Company has been granted permission from the SEC Office to issue and offer debentures to institutional investors and/or high net worth investors according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 17/2018 Re: Application for and Approval for Sale of Newly Issued Debt Securities dated 17 January 2018 (including any amendments or substitutes) ("Announcement No. Tor Jor.17/2561") to institutional investors and/or high net worth investors, whereby the Company has registered a transfer limitation to institutional investors and/or high net worth investors with the SEC. Therefore, the Company and/or the debenture registrar will not accept registration of any transfer of debentures to any person other than institutional investors and/or high net worth investors in accordance with the Notification of the Securities and Exchange Commission. No. Kor Jor. 5/2009 Re: Determination of Definitions in the Notification Regarding the Issuance and Offering of All Types of Debt Securities dated 13 March 2009 (including any amendments or substitutes) and the Notification of the Board of Directors Securities and Exchange Commission No. Kor Jor. 4/2017 Re: Determination of Definitions of Institutional Investors, Special Large Investors, and High Net Worth Investors Dated 8 February 2017 (including as amended or substituted), except for transfers by inheritance.

The Company has the right to redeem or repay the principal in whole or in part (and whether all at once or multiple instalments) before the bond redemption date. In the event that the debenture issuer exercises the right to repay some of the debentures before maturity, the principal amount that the issuer will exercise the right to redeem or partially repay each time, the total amount must not be less than 10% of the principal amount of the debentures on the date of issuance, and the redemption from or partial repayment of the debenture principal to each bondholder shall be made by repaying the equal amount of principal for each unit of debentures to the bondholders together with accrued interest up to (but not including) the redemption date of such debentures. In the event that the debenture issuer exercises the right to repay some of the debentures before maturity, the principal amount that the issuer will exercise the right to redeem or partially repay each time, the total amount must not be less than 10% of the principal amount of the debentures on the date of issuance, and the redemption from or partial repayment of the debenture principal to each bondholder will be made by repaying the principal for each debenture in an equal proportion to the bondholders together with the accrued interest until (but not including) the date of partial redemption of the debentures. The Company can exercise its right to repay the debentures before maturity starting from (and including) 1 year since the issuance date

(which is 5th August 2022) onwards, before the date of repayment of the principal debt of the debentures. Prior to such expiry, it must match the interest payment due date (regardless of the period).

1.6 Dividend Policy of the Company and Subsidiary

The Company and its subsidiaries has a policy to pay dividends to shareholders at a rate of no less than 30% of net profit after deduction of legal reserves and other reserves (if any). However, such dividend payment is subject to change, depending on the operating results, financial position, liquidity, the need for working capital for operations, investment plans and future business expansion, market conditions, suitability and other factors related to operations, and the management of the company and subsidiary under the condition that the Company and its subsidiaries must have enough cash to run the business and such actions must be of the greatest benefit to the shareholders as the Board of Directors and/or shareholders of the Company and its subsidiaries deemed appropriate. The resolution of the Board of Directors and subsidiary is that the approval to pay dividends must be presented for approval at the shareholders' meeting, except for the payment of interim dividends. The Board of Directors has the authority to approve the payment of interim dividends, which will be reported at the next general shareholders meeting.

On 22nd April 2021, the 2021 Annual General Meeting of Shareholders resolved to approve the allocation of profit from operations for the year 2020 by paying dividends in common shares to the existing shareholders of the company, and pay dividends in cash. The details are as follows:

- Pay dividends in the form of newly issued ordinary shares to the existing shareholders of the Company in the amount of no more than 54,231,212 shares with a par value of 1.00 baht per share, at the rate of 25 existing shares per 1 stock dividend. This totals to a dividend payment of 54,231,212 baht or equivalent to a dividend payment rate of 0.04 baht per share. In the event that any shareholder has a fraction of shares, the Company will pay a cash dividend instead of a stock dividend at the rate of 0.04 baht per share
- Pay a cash dividend at the rate of 0.004444 baht per share, or an amount not exceeding 6,025,690.23 baht

The shareholders will receive dividends in the form of stock dividends and cash dividends totaling to 0.044444 baht per share or a total amount 60,256,902.23 baht, representing a dividend payment rate of 43.68% of the net profit from the separate financial statements after deduction of legal reserves. All dividends will be subject to withholding tax at the rate prescribed by law. The Company will use the dividends in the form of cash to pay withholding tax

The company has already paid a stock dividend of 54,229,950 baht on 21st May 2021

2. Risk Management

2.1 Policy and Risk Management Plan, 2.2 Risk Factors for the Company's Business, and 2.2.1 Risks Related to Company's or Corporate Group's Business Operations

1. Risks to the Company's or Corporate Group's Business Operations

A) Competitive risk in the contract manufacturing market.

Factors affecting the Company's competitiveness in the food production industry is the selling price of the product and the cost of raw materials that fluctuate according to the market price, which is a factor that the manufacturing Company cannot control. Customers could change to other food production contractors instead of using the Company if the customer receives a more satisfactory bid, putting the Company at risk from competitive conditions in the contract manufacturing market. This may go on to affect the Company's future revenues and profits.

However, the process of switching producers for large corporate customers can be costly and the validation process of the new manufacturer's production standards are time-consuming (high switching costs). The following competitive advantages will ensure that the Company is the first choice product manufacturer for world-class companies: (1) The Company focuses on sustainable business operations, (2) Preparedness in entering the future food product market both in terms of production and access to new food technologies and innovations (Platform for the Future of Food), (3) Having a wide range of food formulations and packaging, (4) Having global distribution channels, (5) Flexible production lines that are able to support small and lean batch production, and (6) Product quality that meets international food safety standards and is accepted by customers all over the world.

B) Risks from raw material sufficiency, volatility of raw material prices, and quality of raw materials that may not meet the standards specified by the Company

The main raw material used in the production of the Company's products include agricultural products such as produce from plants, livestock, and fisheries, where the amount of produce depends on factors such as the agricultural area, the number of farmers, the climate, disease outbreak, natural disasters, and market demand. Such factors are beyond the control of the Company. Therefore, in the future, fluctuations in agricultural production may cause certain times of the year and the supply of raw materials in the market may not be sufficient to meet the needs of the Company's customers, going on to affect the cost of raw materials as well. During the past 3 years, the average price per year of the main raw materials that the Company can buy has been on a downward trend because the Company can compare raw material prices between supplier on the list. There are exceptions of the decreased price in some items, such as lemongrass, due to higher international market demand. For packaging materials, items such as glass bottles and tin-coated steel cans are raw materials whose price do not fluctuate with the weather or season of the year, making it easier for the Company to forecast changes their market prices than agricultural raw materials. Apart from this, the quality of agricultural produce may be affected by factors such as weather, season, and farmers' expertise, making it difficult to predict the quantity and quality of agricultural produce in advance despite the government's disclosure of area estimates and annual production volumes. Additionally, government policies play an important role in affecting production volumes and product prices. The changing customer demands may also prevent the Company from procuring raw materials or packaging that have a characteristic, price, and quality that meet the needs of customers, which is an opportunity cost to earn income from the customer.

Although the cost of purchasing raw materials accounts for only about 34.3% of the total raw material purchase cost in 2021, the fluctuation in raw material prices may affect the gross profit margin of the Company. If the Company is unable to adjust the product price to reflect the rising cost of raw materials, whether in whole or in part, the Company's operating profit and results may be affected. Nevertheless, the Company has put in place a strategy to determine the appropriate proportion of sales for each type of product with different profit margins (Product mix) to allow the Company to maintain target profit margins. Regarding packaging, the Company prevents risks by ordering packages that are regularly used during the period when the prices were relatively low, such as glass bottles. Moreover, risks are also mitigated by maintaining good business relationships with packaging manufacturers and distributors to serve as a channel for ordering specific packaging according to customer needs, whilst customers may also provide a list of packaging distributors for the Company, making the process more convenient.

The Company has a policy to procure raw materials, both agricultural products and packaging, from many suppliers to reduce the risk of relying on raw material procurement from any one of the sources. Therefore currently, the Company does not have any dependency on any supplier of raw materials for more than 30% of the Company's total raw material purchase price. The top five raw material suppliers account for 28% of the total raw material purchase in 2021. In addition, the Company plans to work with large customers on an annual basis and requires around a 3-month pre-order quantity from most customers. Each month, the Company will plan the amount of raw materials needed to fulfill orders from customers before sending raw material orders to suppliers. The amount of raw material remaining is updated to the most current, and the production projections that will be available in the market are kept track of, by inquiring both suppliers and farms that are partners with the Company. For containers and packaging raw materials, the Company distributes raw material suppliers, depending on the order and customer's requirements for the type of packaging. This ensures that if there is a problem with sourcing raw materials from one supplier, it will not affect the production of another order. Currently, the Company has not encountered any significant raw material procurement problems yet. The Company selects raw material suppliers with experience and a reliable standard of operation. Even though each supplier will specialize in a different group of raw materials, other raw materials can be still be substituted if requested by the Company.

The Company realizes the importance of the quality of raw materials that will be used to produce high quality products. The Company therefore has a policy to order from raw material manufacturers and suppliers who can supply the material that meet the quality standards set by the company on a regular basis to create trade alliances and joint procurement plans between the Company and raw material manufacturers and suppliers. This ensures that manufacturers and suppliers will be able to deliver the raw materials as needed. However, if raw material suppliers deliver products that do not meet the agreed standards, the seller must accept all returns and send new products to the Company – this is an important quality standard policy of the Company.

In addition, to develop the quality of raw materials to be safer for consumers and have sufficient quantities of raw materials, the Company and Mahidol University have signed a Memorandum of Understanding. The intention of this memorandum is to jointly promote agriculture and food safety for both domestic and international consumers so that it can be used as an important raw material in the production and processing of food products for domestic consumption, and for further product development for export in the future.

C) Risk of dependence on labour or key personnel

The Company attaches great importance to invention, which is used to develop products that highly meet the customer needs. There is a research and development team responsible for this area with more than 20 years of experience who invent new flavors to meet customer needs, change according to the final consumer. Furthermore, the presentation and promotion of the Company's products to both customers at home and abroad requires a sales team with expertise and experience. Therefore, to reduce reliance on the expertise of any special

personnel, the Company has a procedure for collecting information and knowledge that is considered the Company's property. The information and knowledge are kept in the central system and does not require a relationship between salespeople and customers. Instead, there is a focus on the quality system, reputation, and credibility of the Company that customers trust. After the change of management in 2017, the Company has been able to maintain its existing customer base until now.

- D) Risks arising from the change in consumption trend of plant-based protein products, which may cause the Company to lose its investments in this business

Today, the population that consumes plant-based food is spread across many regions around the world, making up around 750 million people, or 10% of the world's population. The EU and North America market, especially the United States, are potential markets and trendsetters. The main factor affecting consumption is that consumers want to avoid eating meat, as antibiotics and hormones are often used, increasing the risk of carcinogenic accumulation. Additionally, meat production also involves environmental and ethical issues. As consumers believe that the livestock industry is the world's top source of greenhouse gas emissions, more and more consumers have begun to change their consumption behavior by choosing to eat alternative products to replace their meat consumption. However, if the consumption trend is only temporary, the Company may be at risk of losing its entire invested capital in the development of plant-based protein food production capacity is as follows:

In 2020, the Company signed a joint venture agreement with Brekes, a British plant-based protein food company. The investment was made through a new joint venture company called Plant And Bean Ltd., at a total value of £5 million, to enter the highly popular alternative protein market in the United States and Europe. The joint venture produces plant-based protein products. The Company intends to expand such products to meet the changes in the needs of consumers in the world market. Moreover, the Company will have the opportunity to learn and increase expertise in producing such products. This gives the Company an opportunity to become one of the major Thai food contractors for product type in the future. The production plant that will materialize under this joint venture will be the first factory in the Company's group that is located overseas. In addition, the Company does not have total control over the operations, therefore, the Company faces risks from investment expansion. This may put the Company at risk of losing all the invested capital.

In 2019, the Company made an investment by holding a convertible bond (Loan Note Instrument) issued by Meatless Farm, a company located in England. The convertible bonds were converted into fully paid shares of Meatless Farm under certain conditions. The Company also received interest on the bonds, which the company has invested, totaling £500,000. The said debt securities were converted to ordinary shares in July 2020 and the Company holds approximately 1%. The Company believes that it is an investment to create good business relationships, enabling the possibility of the Company becoming a manufacturer and distributor in the future, including receiving various information and knowledge at the shareholder level, even though it is an investment holding of only 1% of common stock. However, if the country's farm has a problem with its business operations, the Company may be affected by the risk of foreign investment, which may put the Company at risk of losing all the invested capital.

The Company signed a contract investing in Big Idea Venture as a general partner, and joined the investment in New Protein Fund 1 as a limited liability partner. In 2021, the Company invested in Unovis NCAP Fund II. These funds support businesses that can improve or transform the food industry through knowledge, new technology, and innovation that focus on plant-based protein foods. Although the Company will invest in funds that are reputable and have investment experience, few start-ups have been able to grow their businesses to a large extent and achieve success in terms of reputation, sales, and profits due to the current competitive situation of startups. Although the Company will invest in well-known funds with investment experience, the Company still faces the risk of expanding investment abroad in this instance as startups are unable to grow as expected. This may put the Company at risk of losing all the invested capital.

The Company invested in Phuture Limited (“Phuture”), a startup that focuses mainly on the development of artificial minced pork made from soy protein. Phuture can be considered as one of the food tech startups in Asia that has received interest from the global investment companies. The Company made a total investment of \$25,000 in instruments for the acquisition of convertible rights into ordinary shares or preferred shares, depending on the case. Today, Phuture is used in a variety of food menus in many restaurants in Singapore. The Company made the investment to strengthen business relationships and as an opportunity to be a product manufacturer for Phuture. If Phuture is unable to grow its business in the future, this may put the Company at risk of losing all the invested capital.

Additionally, there is also a risk of losing the investment for building a factory to produce plant-based protein food in Thailand, which was a joint investment in Nutra Regenerated Protein Co., Ltd. The plan was to start construction within the year 2021 and start operating by 2022 with a budget of no more than 200 million baht.

The Company is aware of the risks arising from the expansion of investment in the plant-based protein business. This may affect the operating results and financial status of the Company. The Company has managed such risks by closely monitoring the industry conditions of such products, including sending representatives from the Company to join the management process by assuming important positions in the newly established joint venture company as clearly stated in the joint venture contract. The Company sees the potential for growth in the plant-based protein food products market, both domestically and internationally. This will help strengthen the product variety and create long-term growth of the Company's performance. Apart from this, the Company believes that people around the world are continually placing more emphasis on healthy consumption as seen from the sales statistics of health products that are growing, especially in the United States, Europe, and Southeast Asia. In addition, the increasing world population directly increases the food demand of the people around the world, contrasting with the limited availability of food resources. Research from Oxford University indicates that vegan food consumption will help reduce global warming more than using electric cars. For these reasons, the food industry is excited to produce new food alternatives such as plant-based protein products to provide food that is sufficient to meet the consumer needs of the world's population and reduce greenhouse gas emissions.

E) Risks from expanding online channels (NRF E-commerce Platform) that may be unsuccessful

At present, almost all of the Company's business operations are business-to-business. Coupled with the COVID situation that has made consumers more familiar with trading on e-commerce, the Company therefore aims to increase sales revenue through online platforms. The Company has made a total investment of approximately 10 million or 300 million baht in shares of Boosted Ecommerce Inc (“Boosted”) (USA) and in a joint venture company with Boosted. This will be an investment through NRF Consumer Co., Ltd. (“NRF Consumer”) (formerly Sabzu Co., Ltd.), which is a subsidiary of the Company. The objective of the joint venture is to invest in businesses that have sales on the Amazon e-commerce platform. After the investment, the management team of Boosted will develop the invested business to grow continuously. Boosted plans to invest in e-commerce businesses and brands (e-commerce brand portfolio or house of brands).

The Company will divide the investment, which will be investments through NRF Consumer, into 2 parts, as follows: 1) The investment 100 million baht will be used to invest in Boosted, which is a joint venture with a group of investors and professional executives with expertise in investment and business management. The goal is to invest in businesses with attractive brands and products (e-commerce brands) of Third Party Sellers on the Amazon e-commerce platform (meaning other sellers on Amazon.com that are not Amazon.com Inc.), as mentioned above. This is to create the world's largest company in the future that sells products and brands online (The New Procter & Gamble), and 2) The 2,000 million baht investment will be used to invest in a joint venture with Boosted to establish the Boosted NRF Corp company for investing in businesses that have products in the Ethnic Food, Plant-Based Food, Functional Food, and Pet Food who have good sales on the

Amazon's e-commerce platform and generate profits continuously. In addition, NRF Consumer is in the process of signing a joint venture agreement where the details are still being negotiated. Therefore, as of the date of the Company's listing on the Stock Exchange of Thailand, NRF Consumer only entered into a non-binding agreement, but has specified the main conditions of the joint venture agreement, causing the Company and NRF Consumer to be at risk of the investment being unsuccessful or delayed. Furthermore, there is a risk of being able to purchase a Branded e-commerce business that meets the criteria and conditions of the investment that have been specified. This may put the Company at risk of losing all the invested capital.

The Company and NRF Consumer are aware of such risk. Accordingly, the main terms of the joint venture agreement have been specified in the non-legal agreement. The agreement includes setting a clear criterion for selecting investments that match the Company's capabilities and strengths at an appropriate price, not exceeding 3.5 times EV/EBITDA, and a settlement condition that allows the existing business owner to continue to participate in the business management and receive the final payment for the shares based on its performance for both the Company and NRF Consumer to get the most benefits. Moreover, the Company and NRF Consumer will be the owner of brands that have sales and profits on the Amazon E-commerce platform, and the Company will be able to bring the Company's products to sell on the Amazon Marketplace with a customer base where products can be promoted immediately (Upselling), reducing investment risks that cause negative effects to the Company.

F) Risk of relying on big customers

The Company's products are related to Thai food and local food seasonings in the Asian region, which is very popular with consumers around the world. The Company's end customers are retail stores, supermarkets, and large department stores spread in many continents around the world, such as North America, Europe, Australia, etc. These are regarded as customers with potential and demand for hiring the Company for mass production. If the Company has a large number of product sales to a particular customer and the Company cannot find other customers to purchase such products with suitable trade terms, or unable to find any other customers at all, it may have a negative impact on the operations of the Company. This may severely impact the Company's operations if such customers cancel the order contract or returns a large number of products. However, the Company has a diversified group of customers and does not depend on a particular customer. In 2017, sales of each customer accounted for less than 10.00% of total sales revenue. In 2019, the Company's top 5 and top 10 biggest customers accounted for 33.04% towards the total sales revenue and 50.32% towards the total sales revenue, respectively. In 2020, the Company's top 5 and top 10 biggest customers accounted for 32.8% towards the total sales revenue and 49.8% towards the total revenue, respectively. In 2021, the Company and its subsidiaries' top 5 and top 10 biggest customers accounted for 37.8% towards the total sales revenue and 50.2% towards the total sales revenue, respectively. This does not include the sales revenue of the E-Commerce category. Moreover, product demand and the desired flavors varies from country to country, which is beneficial for the Company's product diversity of more than 2,000 SKUs, enabling the Company to able to capture customers in a variety of customer groups and many countries around the world. Therefore, it is another important factor that will help reduce the impact from the risk of relying on big customers.

G) The risk of contract or agreement termination, failure to comply with the contracts, or no renewal of contracts and/or memorandums that may generate revenue with key customers or

In the past, the Company would carry out contract product manufacturing for customers according to the orders on a case-by-case basis. Subsequently, after the change in management team in 2017, the Company negotiated to make contracts or agreements with big customers. Thus, at present, the Company's customers have both contracts or memorandums and do not have contracts, such as the joint contract between the Company and Fluid Energy Group Ltd., whereby the customer may not comply with the contract or has the right to cancel the contract or agreement. This may affect the Company's revenue and business relationship with such

customers. Therefore, the Company faces the risk of cancellation or non-renewal of the contract or the inability to comply with the contract.

The Company is aware of the aforementioned risks and therefore has established a marketing and sales team, divided by regions to clearly take care of key customers and continually acquire new customers. The Company is committed to develop research and development and maintain product quality, as well as increase production efficiency to maintain the customer base.

- H) Risk from the Company's insurance policy that may not be sufficient to cover all damages that could occur in the business or in any other action

The Company's business operations are subject to risks, generally those related to product manufacturing as well as the risk of damage, failure of machinery and equipment, or the inability to work according to specified standards, improper installation or use of equipment, accidents, incendiary, political instability, terrorism, operational problems, transportation disruption, and the disruption of labor. These risks can cause personal injury or death, may damage or destroy property and equipment, may cause the Company's business to be interrupted, and may also cause the Company to have legal liability. However, if the Company suffers a serious loss, insurance coverage to compensate for such losses may not be sufficient, and if the loss of the Company is significantly higher than the insured limit, or the Company is unable to receive compensation for such losses under the insured limit, it may have a negative adverse effect on the Company's business.

2. Financial Risk

- A) Exchange rate fluctuation risk

As the Company engages in the business of manufacturing and distributing seasoning products, condiments, beverages, and various ready-to-eat and semi-finished meals for export, the Company's export revenue in foreign currency in 2019 was \$25.32 million and €1.12 million, and in 2020 it was equal to \$32.83 million and €0.38 million. In 2021, the revenue was equal \$42.85 million and €0.89 million, or equivalent to 73% and 1% of the Company's total sales revenue, respectively.

The Company procures raw materials and packaging to produce products, mostly from Thailand, and pays for raw materials mainly in Thai baht, with some raw materials being imported. In 2018, 2019 and 2020, the cost was to 6.75 million baht, 6.50 million baht, and 34.16 million baht (including the cost of V-Shapes machinery), or calculated as 1.14%, 1.10%, and 4.33% of the total raw material purchase value, respectively. In 2020, the proportion was higher than the previous year during the same period as the Company has sales from alcohol gels in V-Shape packaging. The Company hired a manufacturer in Italy to produce and deliver products to customers as the Company could not install V-Shape machines due to travel restrictions because of the COVID situation. As for the import of raw materials or the hiring of foreign manufacturers to produce the products, the Company's payment is mainly in US Dollars. Therefore, the Company is exposed to the risk of high exchange rate fluctuations arising from the sale of products that are mostly in foreign currencies. Nevertheless, the cost of raw materials is mostly in Thai baht. In the event that the exchange rate between Thai baht and foreign currencies fluctuates a lot, this will have a significant impact on income profit margin and cash flow of the Company. When counting in baht currency, if the Company is unable to adjust the selling price according to the change in baht relative to the foreign currency, there may be a profit or loss from the exchange rate in the event that the rate as of the date of recording the purchase account, or sell of products differ from the exchange rate on the date the company receives or pays the payment.

To mitigate the risks from such exchange rate fluctuations, the Company closely monitors exchange rate changes to assess the situation and trend of the US dollar exchange rate. This is used as information for determining the price of products so that it reflect the exchange rate at each period and making contracts early to protect against foreign exchange fluctuations, which accounted for more than 50% of the outstanding foreign

trade accounts receivable. In addition, the Company also has to consider factors of currency volatility. Furthermore, the Company has a policy to set selling prices in Thai baht for products under the Company's brand, especially new products, or new customers that the Company has competitive advantages. The Company has no policy to speculate on foreign exchange rates.

B) Financial cost risk

As of 31st December 2019, the Company's debt to asset ratio was 54.8%. Therefore, an increase in interest rates will affect the load interest rate, financial cost, and the Company's performance. Additionally, according to the loan agreement with financial institutions, during the year 2017 - 2019 the Company must maintain its financial and investment status as specified in the loan agreement, as seen in the table below. However, with the appreciation of the baht against the US dollar and the euro, the average exchange rate has been adjusted from 33.94 baht per USD in 2017 to 31.05 baht per USD in 2019, or approximately a change of 8.5%, whilst the exchange rate has been adjusted from 38.28 baht per Euro in 2017 to 34.75 baht per Euro, or approximately a change of 9.2%, including the company's continuous investment expansion. Consequently, the Company had to require for an approval for a waiver of compliance with the conditions of the loan agreement, whereby the bank has always given the waiver.

For the year 2020, prior IPO, the Company was unable to maintain the financial ratio as stipulated in the loan agreement. However, the Company received a waiver letter from the bank and received a letter of waiver of the repayment schedule from the bank. The Company has been exempt from repayment for a period 1 year from April 2020 to March 2021. Nevertheless, the Company has already repaid all loans under the loan agreements on 6th October 2021. Thus, the Company will have no risk from being unable to maintain the financial ratio according to the terms of the loan agreement that has already been repaid.

For the year 2021, the Company issued debentures, unsecured, at the interest rate of 6.5% and has entered into long-term loan agreements from financial institutions for investment in various projects. However, the Company has no risk from being unable to maintain financial ratios according to the terms of the load agreement.

C) Risks from the COVID-19 situation

Since the COVID-19 pandemic last year, the Company has a good management system. However, the outbreak of delta and omicron strains, which are highly infectious, was more severe than expected by all parties, causing the Company to be affected by the situation, both in Thailand and the UK. Consequently, the Company was unable to fully operate in the short-term regarding production in factories in Thailand and the United Kingdom, with delays in the food safety audit process in the UK factory. Accordingly, the Company strictly monitored and prepared measures to prevent the spread of the pandemic and believes that the situation will continue to unravel and improve.

For the measures to deal with the COVID-19 pandemic, the Company has carried out an "Action Plan to Reduce Business Impact from COVID-19," which has clear guidelines for treating each sector and responsible person. This plan aims to provide preparedness on how to deal with the pandemic situation that may be more severe in the future. All the Company's employees have been vaccinated and been screened according to the risk groups. Additionally, the employees have been screened for infection by doing proactive swab tests.

The Company gives the utmost importance to the health and safety of its employees, business partners, consumers, and surrounding communities. There are more stringent screening measures for those coming back to work at the factory, increased measures to strictly maintain cleaning and disinfection, as well as providing advice to employees so that they can protect themselves from the spread of Covid-19 properly and in accordance with the guidelines of the public health. In addition, measures have been put in place to avoid frequent meetings,

which covers both the Company's employees and those who come to contact, by providing an online communication system as a substitute for in-person meetings.

3. Risks related to regulations

A) Risks from measures and trade barriers from importing countries

As the Company is mainly engaged in the business of producing products for export, the main customers of the Company are United States and Europe. These are a group of countries that have high regulation standards, especially for consumer products where safety and cleanliness from chemicals, residues, and contaminants are of utmost importance. Therefore, the Company is exposed to risks from measures and trade barriers of the importing countries related to the health and safety of goods. Examples include regulations on allergens, pesticides, contaminants, and product label standards.

The Company realizes the importance of different measures in each country. Therefore, the Company has studied and monitored the enforcement of regulations and trade measures of various countries, both from following news and contacting government agencies. This also includes the collection of information received from operators, who are the Company's trading partners, in different countries. The Company has clearly designated the responsible person for the collection of such information to perform the duty of collecting information and informing various related departments in the Company. As a result, the Company has a continuous and sufficient data tracking process for product quality improvement to comply with regulatory compliance, regulations, or measures. At present, the Company has been certified by Hazard Analysis Critical Control Point (HACCP), Good Manufacturing Practice (GMP), International Food Standards (IFS), The British Retail Consortium (BRC), and HALAL, which is an international certification of the Company's quality, safety, and production standards. Furthermore, the Company has diversified its risks by building customer bases in many countries to reduce the risks from the enforcement of regulations or trade measures in a particular country.

In addition, the Company's expansion of plant-based protein product sales will allow the Company to mitigate the risks associated with compliance with regulations related to meat products.

B) Technology risks in food processing

All the Company's products, such as seasoning sauces, curry pastes, instant food, etc., has a necessity to rely on technology in the production process and modern machines to obtain products that meet international standards, of high production efficiency, has production cost savings. The Company may be exposed to risks from technological advancements for production. This may affect the Company's competitiveness, production cost, response to consumer demands, etc.

The Company regularly monitors changes in technology relating to food production processes. The Company has invested in new businesses to enable it to respond to consumer changes such as the investment in City Food Co., Ltd., which has a factory that can mainly produce products by using machines, amongst other. In addition, the investment in Big Idea Venture gives the Company the opportunity to access new technologies and new innovations that can be applied to the Company in the future to increase the productivity and efficiency of production.

4. Other risks

A) Risks from having a group of major shareholders and strategic shareholders who have the power to set management policies

Before the public promotion of newly issued ordinary shares, the Company's shareholding structure as of 30th January 2020 consists of the Pathomvanich family, which holds 91.4% of the registered capital, Dusit Food Co., Ltd., a subsidiary of Dusit Thani PCL, holding 6.4% of the paid-up capital, and Black River Foods 2 Co., Ltd., which holds 2.2% of shares. After offering the newly issued ordinary shares to the public, the

Pathomvanich family, which is a major shareholder, will hold shares in the Company, totaling to 68.2% of the paid-up capital, Dusit Food Co., Ltd. will hold shares in the company accounting for 5.0%, and Black River Foods 2 Co., Ltd. will hold 1.7%. The shareholders of the Pathomvanich family and the Dusit group are still the major shareholders of the Company. Therefore, other shareholders of the Company are at risk of being unable to collect votes to check and balance the matters proposed by the major shareholders to the Board for consideration.

The Company is aware of the importance of such matters. Therefore, a management structure that is transparent and fair has been established to help the Company's business operations. The Company has specified that 4 outsiders will be appointed as independent directors from a total of 8 directors to perform auditing duties, balance the decisions, consider and approve various items before presenting them to the shareholders' meeting, and appoint 3 independent directors to act as an audit committee to perform audits on transactions that may have conflicts of interest and review the Company to ensure there is an appropriate internal control system. This also includes reviewing the Company's preparation and disclosure of accurate financial reports in a complete and timely manner. The Company also specifies a Nomination and Remuneration Committee by appointing 3 independent directors to be responsible for nominating qualified persons to be the Company's directors, and various sub-committees, including considering and determining the form and criteria for payment of remuneration to the Board of Directors and the Company's executives. This is done by appointing 3 independent directors as members of the Nomination and Remuneration Committee from all 3 of the Nomination and Remuneration Committee and appointing 1 independent director to be the Chairman of the Nomination and Remuneration.

2.2.2 The risk that investors may have limited ability to participate in the subscription for shares offered to existing shareholders on a pro-rata basis or other similar offerings

Although a public limited company is not required to offer the right to purchase the newly issued ordinary shares to the existing shareholders first when issuing the newly issued ordinary shares, however, the public limited companies also issue various instruments, including newly issued ordinary shares and other types of instruments issued by the Company. Examples include warrants, transferable subscription rights (TSRs), or convertible debentures from time to time, by allocated to existing shareholders in proportion to their shareholding. In the event that the Company offers or grants the right to ordinary shareholders to purchase newly issued ordinary shares or any rights in any form, the Company has the right, at its discretion, to offer such instruments to shareholders. The Company may not offer the right to subscribe for such instruments to ordinary shareholders located outside of Thailand. In addition, under applicable law, the Company may be prohibited from offering such instruments to ordinary shareholders in certain countries, unless the relevant procedures have been taken. For example, the Company may not offer such rights to ordinary shareholders who are US persons in the sense of Regulation S under the United States Securities Act 1933 (including amendments), unless it (a) contains securities offering registration statement applicable under the United States Securities Act, or (b) is an offering for sale of such rights under the exemption under the United States Securities Act. Compliance with securities laws or other regulatory requirements in certain countries may prevent investors from exercising their right to purchase pro-rata instruments. This may reduce the shareholding of such investors. However, the Company is not obliged to apply for the registration of the Company's ordinary shares in any country for foreign investors to exercise their right to purchase the newly issued ordinary shares in proportion to their shareholding in the future.

2.2.3 Risks of investing in foreign securities

The Company may have risks related to the creditworthiness of the other party, which includes the issuer and foreign securities invested by the Company (outside the stock exchange). The Company may have a risk of losing all or part of the invested capital if the other party, or the issuer of such foreign securities becomes

bankrupt, or insolvent, or is unable to, or not ready to pay debts, or perform their duties. This also includes the duty to pay back the capital or the duty to redeem the securities that the Company has invested.

3. Driving Business for Sustainability

3.1 Sustainability Management Policies and Goals

Corporate Sustainability Management Policy

Over the course of more than 30 years, the Company has operated its business with determination and focus on all stakeholder groups, from upstream to downstream, as well as delivering good products and services to consumers. The Company has set a target framework for changing the supply chain that is not just for profit, but gives importance to being a leading company in food production and distribution with futuristic innovations that has sustainable growth. Furthermore, there is awareness of environmental and social impacts throughout the supply chain and must create effective economic values. The Company continues to pursue its declared sustainability values of the organization, namely People, Planet, and Performance, as follows:



- **People**

The Company is dedicated and gives importance to people both inside and outside the organization seriously by supporting and pushing for personal potential development and considers the human rights principles of employees and personnel. The Company also plays a role in the development of communities around the vicinity of the factories and Thai farmers to grow sustainably, have good hygiene, as well as producing quality products and services to create the best satisfaction for customers and consumers

- **Planet**

The Company focuses on preserving the world's environment by changing its implementation concept to create environmentally friendly products, and taking into account the risks that may affect the environment, including developing factory technology and manufacturing innovations to enable sustainable operations with a responsibility to nature and society

- **Performance**

The Company's success goal is not only regarding profit, but also that effective operations must be performed to repay stakeholders and create long-term value for the organization. Importance is given to people and the environment along with continuous and fair development of the quality of products and services

In 2021, the Corporate Governance & Sustainability Committee (CGSC) approved the announcement of NR Instant Produce PCL's sustainable development policy to confirm the intention and commitment in creating social and environmental values on the basis of good corporate governance. The Company has integrated Sustainable Development Goals (SDGs) of the United Nations with the Company's strategy and operations. The operating policies are as follows:

1. Produce quality products; be certified for both domestic and international product standards; use of quality raw materials and packaging by taking into account the mutual growth and development throughout the supply chain. This is to deliver quality products that complies with food sanitation and nutrition guidelines, as well as creating the highest satisfaction for customers
2. Conduct business on the basis of legal requirements; relevant regulations within the country and overseas where the Company's business is located in; complies with the Company's good corporate governance policy; free of corruption and bribery; transparent; accountable; and adheres to sustainable development guidelines

3. Conduct business with consideration of environmental impact mitigation and climate change adaptation; environmental protection; efficient use of resources and energy; environmentally friendly procurement; as well as the production of environmentally friendly products and services
4. Continuously report information on sustainability performance to stakeholders in an open, transparent, and socially responsible manner
5. Invest in research and product development to further improve innovations and technologies in the production of environmentally friendly products and services; respond to the needs of today's consumers; aims for growth in accordance with the Green Economy concept in the context of sustainable development
6. Aim to build a green supply chain network through cultivating awareness; promote morality, good ethics, and social responsibility, making it a corporate culture; and enhance knowledge and awareness of environmental and climate management for employees, customers, business partners, and related stakeholders
7. Respect and protect human rights for all stakeholders throughout the business chain; treat employees equally and fairly; promote local, underprivileged, and disabled employment; non-discriminatory even if there are differences in race, religion, sex, age, education, belief, or any other matter; provide welfare, safety, and hygiene in the workplace covering emerging and recurrent diseases; as well as develop personnel to enhance the professional work of employees
8. Support Thailand towards a country with a Net Zero Emission before B.E. 2608 (A.C. 2065) (refer to the government announcement) by building cooperation with partners in the development and implementation of greenhouse gas reduction projects, and promote operations that reduce environmental impact for stakeholders throughout the supply chain for the purpose of becoming a Carbon Neutrality Community

The Company has goals and guidelines to drive business for sustainability, which are the Sustainable Development Goals (SDGs) according to the international principles of the United Nations. The Company joined the United Nations Global Compact Network Thailand (UN GCNT) since 2018 and Mr. Dan Pathomvanich, Chief Executive Officer Management, has been appointed to the position of the Environmental Subcommittee since 2020. The responsibility is to propose creative approaches to raising awareness and participation in the business sector with leading companies in Thailand. The Company has established strategies, tactics, and operational guidelines that are in accordance with the Sustainable Development Goals as announced by the Company. In 2021, the Good Corporate Governance and Social Affairs Committee for Sustainable Development approved the announcement to support 3 additional sustainable development goals, from the original 10 goals, namely the 5th goal on Gender Equality, the 7th goal on Affordable and Clean Energy, and the 6th goal of Peace, Justice, and Strong Institutions. Collectively, there are a total of 13 goals, as follows:



Sustainable Management Goals

Changing the Company's Strategic Guidelines

The Company operates its business by adhering to operating principles based on sustainability. In 2017-2020, the Company adheres to delivering quality and environmentally friendly products according to the “FOOD FOR FUTURE” strategy in the past 2021. The Company has adjusted its strategy to support society in the DIGITIZATION era., which in the past year, the Covid-19 pandemic situation was considered as a verification of the efficiency and effectiveness of the strategy, transforming the Company into a clean energy food technology company. The strategy is as follows:

1. In 2023, the Company will transform into a Clean Food Tech Company or Carbon Negative
2. Global leader in plant-based food production
3. Use blockchain technology to help drive the business

In addition, the Company also aims to set up carbon removal factories in Thailand and the United States as well.

The Company opened a new department under the name “Decarbonization Division” to conduct business in solving environmental and social problems as well as the use of products obtained in the upstream part of the Company, to enable the transition of the Company from a carbon neutral company to become a negative carbon emitting company. The decarbonization department was not only created to help society (CSR), but to also stick to the core goal of the organization, which is to be a self-sustaining, profitable business that solves the livelihood problems of people and stakeholders, and most importantly, to solve environmental problems by reducing emissions and removing carbon out of the atmosphere. The decarbonization department's main business projects initial stages, or its pilot project, is to set up a small, portable, clean energy biomass storage plant. The plant will manufacture machines that go into areas that have problems with PM2.5 dust and other pollutants. These pollutants are caused by farmers burning agricultural residues such as cobs, stalks and husks of corn, rice stubble, and trimmed branches from horticultural crops such as longans. By-products released will be transformed into biofertilizers with high content of carbon or biocarbons that can increase agricultural productivity and absorb carbon into the soil. This also helps the issue of water holding in the soil so that the Company can convert the amount buried into the ground into the organization’s carbon credit revenue. In addition, the heat energy generated by the combustion in the production process can be converted into electricity. The Company plans to use electricity to mine cryptocurrency using clean energy. However, at the moment the Company is still in the process of studying cryptocurrency mining as the method is to use all by-products from the manufacturing process without having any waste.

Regardless, the Company will continue to operate the initial phase first in the hopes that the pilot project will help build the market and increase the knowledge of the company in real operations to effectively enter the industry of carbon sequestration from clean energy biomass. However, the Company plans to use bio-carbon bio-fertilizer in the Company’s agricultural upstream raw materials as well so that NRF can become a negative carbon emissions company and a model for sustainable change in Thai agriculture.





Examples of cobs and corn plants in Chiang Mai that is waiting to be burned



During January to April, it is the season when farmers burn cobs, stalks, and corn husks in Chiang Mai

The burning will occur during both the day and night, resulting in high PM2.5 dust pollution in the surrounding air



The Company can take these leftovers and put it into an oxygen-free incineration process until it is transformed into bio-charcoal or biocarbon

Each agricultural waste material will give a quality of bio-charcoal that is not the same as the ones pictured



Environmental Care and Social Responsibility

The Company values the community and surrounding society with the realization that we are like a part of society that will step towards social and environmental development for sustainability. In 2021, the Company continued to carry out activities for the community and society in parallel with business operations under the responsibility to the community and society as a whole. This takes into account the safety, occupational health, working environment of personnel in the organization, as well as the factory's environmental surrounding and to continually develop and improve operational efficiency to reduce various risks that may occur in the operations as follows:

- Have a policy to operate the business with regard to the environment as a priority, and to strictly comply with applicable environmental laws and regulations
- There is a corporate social responsibility policy that is clear and adheres to the practice, to create sustainable operations both internally and externally
- Encourage employees of the Company to have awareness and responsibility to the environment, society, and operations.

- Respect for customs, traditions, and cultures of each locality where the Company operates
- Conduct activities to contribute to the creation of society, communities, and the environment regularly for the communities in which the Company is located in to have a better quality of life, which is both operated by independently and in cooperation with government agencies, the private sector, and communities
- Cooperate in various activities with the surrounding communities in the areas where the Company operates to create sustainability, starting from the community around the factory
- Respond quickly and efficiently to events affecting the environment, community, life, and property, due to the Company's operations by fully cooperating with government officials and related agencies

3.2 **Managing the Impact on Stakeholders in the Value Chain**

3.2.1 **Business Value Chain**

The Company recognizes the importance of stakeholders throughout the supply chain. Therefore, roles, communication guidelines, and stakeholder expectations were analyzed to lay down the Company's operating guidelines, ensuring they are in line with the expectations of such stakeholders. The Company recognizes that all stakeholders are the key to the success of the Company.

Happy Stakeholder

The Company has set up the Board of Directors to take care of executives and employees with honesty, are responsible, and work with fairness. This is to build confidence amongst stakeholders and take into account the best interests of the major and minor shareholders. Additionally, shareholders can exercise their rights to protect their interests whether by expressing their opinions, give feedback, and participate in the referendum to decide on important changes. These also include the election of the Board of Directors and determination of directors' remuneration, profit allocation, and dividend payment

Safe Raw Material

Quality of raw material are crucial to make food products of good quality and is safe for the consumer. The Company has procured raw material with care and know its source, type, quantity, and its deterioration. There are experts in food manufacturing and processing to take care of the stocking process to ensure that the raw material for production has good quality and quantity, satisfactory to the needs of the Company and is safe for consumer. Additionally, the Company wants to ensure that the production is safe for farmers, is the most efficient use of resources, with sustainable agriculture, and safe for environment and community.

Happy Partner

The Company places importance on creating good relationships with business alliances. This is to create negotiation power and business advantages over other competitors. The purchase of goods and services from suppliers are carried out under the trading conditions and suppliers are treated in accordance with the agreement and under the law under the Good Governance Code of Conduct. Additionally, the Company also clarifies rules for working together to prevent problems and any problems or questions can be communicated between one another. If the suppliers are strong, it will benefit the joint venture as well.

High Quality Food Manufacturing Facility

The Company gives great importance and responsibility to produce quality food by using technology, modern production machinery, as well as monthly inspections on the Company's quality and standard. This builds confidence in the production process of being correct and in accordance with the set

conditions. In addition, the company has also improved the factory's electrical system by installing solar panels on the roof of the factory and generating electricity with clean and sustainable energy. This ensures that the production process of the Company will be of high quality along with environmental protection.

High Quality Products

The Company is aware and gives importance to every step of the production process, which are the selection, inspection, and quality control steps. Every part of the production process is carried out by specialists, with standards established for receiving, selecting, and procuring raw materials, quality inspection of raw materials before acceptance, storage, product processing, packaging, and transportation. There is a focus on meeting the needs of customers and giving satisfaction to the customers, creating business opportunities, competitive advantage, and sustainable development of the organization. This also shows responsibility to customers or consumers who use products to get good quality products, is safe to consume, and socially responsible for avoiding pollution emissions.

Happy Employee

The Company is always aware that every employee is the most valuable resource of the Company and is a key factor of success. The Company therefore adheres to fair business governance and have a policy of respecting human rights to make employees happy and ready to perform their duties with full efficiency. The Company provides opportunities and encourages employees to show their abilities and develop their potential to the fullest. The operations are controlled to ensure that all employees receive the highest level of safety during their work.

3.2.2 Stakeholder Analysis in the Business Value Chain

Identification of key stakeholder groups both within and outside the organization

In 2021, the Company considered various operations along the value chain that may affect stakeholders, and analyzed and understand the stakeholder's expectations of the Company, through participation and communication, to respond to their needs. This covers all dimensions of the Company, namely the economy, society, and environment. Establishing guidelines for communicating and responding to stakeholders will build good relationships, and drive efficient and sustainable operations. The operating results in 2021 are divided into 6 groups: employees, raw material producers, customers and consumers, communities, shareholders, and partners and joint ventures.

Stakeholder	Communication	Stakeholder Expectations	Company's Response
Stakeholders Within the Organization			
Shareholders	<ul style="list-style-type: none"> - 56-1 One Report - Annual General Meeting of Shareholders 	<ul style="list-style-type: none"> - Return on Investment - Risk Management - Social and Environmental Responsibility 	<ul style="list-style-type: none"> - Build trust with shareholders by disclosing truthful information - Sustainable business practices
Employees	<ul style="list-style-type: none"> - Electronic mail notifications - Meetings - Surveys and complaints 	<ul style="list-style-type: none"> - Receive appropriate compensation and resources appropriate for duties performed - The Company gives equal importance to all employees 	<ul style="list-style-type: none"> - Comprehensive compensation and welfare - 360-degree assessment for corporate justice
External Stakeholders			
Producers and Farmers	<ul style="list-style-type: none"> - Field visits to farmers' farms - Online communication - Educational activities 	<ul style="list-style-type: none"> - Fair businesses - Agricultural knowledge exchange - Being a funding source 	<ul style="list-style-type: none"> - The Company organized a team of specialists specifically to provide consultation to farmers to ensure they work together effectively - Agricultural promotion activities
Customers and Consumers	<ul style="list-style-type: none"> - Call Center - Website - Surveys and Complaints 	<ul style="list-style-type: none"> - Product quality - Product variety 	<ul style="list-style-type: none"> - Open area for comments, suggestions, and complaints
Communities	<ul style="list-style-type: none"> - Social Activities 	<ul style="list-style-type: none"> - Environmental impact prevention - Management of resources related to the community - Helping and creating benefits for the community 	<ul style="list-style-type: none"> - Implementing measures to reduce community impact - Organizing activities to help the community

Partners Ventures	and	Joint	<ul style="list-style-type: none"> - Customer meetings and signing of cooperation agreements - Various factory quality assurances - Standardized operations - Operations that are transparent and enhances future business 	<ul style="list-style-type: none"> - Maintain the quality of products and services, including developing new projects that respond to future partners
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The Company's cooperation with national and international environmental and social organizations

The Company is committed to the sustainable development spirit and goals to create global and international growth and recognizes the importance of building cooperation between organizations that support environmental and social development. Since 2018, the Company has cooperated with many world-class organizations such as the United Nations Global Compact (UNGC), UN Global Compact Network Thailand (GCNT), Science-based target (SBT): 1.5-degree pledge, Race to Zero, and World Economic Forum (WEF), amongst many other. Over the years, the Company took part in building a sustainable society and environment, and in 2021, the Company carried out sustainable development activities that are internationally recognized and further expanded the sustainability network, as follows:



UN Global Compact Network Thailand (GCNT)

The Company joined the announcement of intention of the private business network to drive Thailand into a Net Zero Emission Country in 2050 at GCNT Forum 2021, the largest annual event of the Global Compact Network Association of Thailand. This is a gathering of the country's leading business organizations, whereby the Company, as a leader in food production of the future that adheres to sustainable operations, has participated in discussions regarding climate change issues that would affect business operations and laid out solutions for Thailand's agricultural and food businesses.



Forum for the Future



The Company joined as a supporter for the Forum for the Future to research and develop alternative proteins to build food security for society, focusing on the development of the plant-based protein food industry. The goal is to make Thailand a leader in Southeast Asia, which, according to the annual report, is experiencing food insecurity, especially the lack of quality and safe protein. This shortage is due to the rapid population growth and the use of many chemicals in production. All of these are opportunities for the Company, private, and government sectors of Thailand to accelerate the development of food production innovations from alternative proteins to respond to demand, leading to Thailand's New S-Curve.

Climate Neutral Now Initiative



Climate Neutral Now Initiative is a project under the framework of the United Nations Convention on Climate Change (UNFCCC) that builds a network of communities

and tools to help member organizations achieve true greenhouse gas emissions reductions. The levels of achieving carbon balance goals, which are Bronze, Silver and Gold, are assessed through an annual report. The Company sees this as an opportunity be a sustainable carbon-balanced organization as well as the chance to be certified as an internationally carbon-balanced organization.

Thailand Carbon Neutral Network Committee: TCNN



It is an association promoting cooperation of all sectors, namely the public, private, and local sectors, to share responsibility for achieving net zero carbon dioxide emissions in Thailand by 2030. This is also in line with the movement of global organizations under the Paris Agreement. The Company joined as a pioneer and Mr. Dan Pathomvanich, Chief Executive Officer of the Company, was elected as the Agro-Industry and Food Industry Committee, and as a member of the Technology and Innovation Subcommittee. The aims are to exchange knowledge on greenhouse gas reduction and learn with network members in the future, which will help promote business opportunities and achieve the organization's and Thailand's Net Zero Emission goals.

RE100 Thailand Club

As the Company has started using electricity from solar cells since 2020, and to become a Net Zero Emission Organization by 2030, it joined the Thai Renewable Energy Association. This association is a network of organizations that strive to create a network to exchange knowledge, transform the use of fossil electricity to 100% renewable energy, and to create opportunities and address international carbon taxation.



1 NO POVERTY 	123,713 ราย ช่วยเหลือเด็ก เยาวชน และผู้ที่ยากจน อาหาร	10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> • 551 คน จ้างแรงงานชาวต่างชาติ (เมียนมาร์, ฟิลิปปินส์, อินโดนีเซีย) และผู้ดูแลคุณภาพ • ไม่เลือกปฏิบัติ อายุ เพศ ความบกพร่องทางร่างกาย เชื้อชาติ ชาติพันธุ์ แหล่งกำเนิดศาสนา หรือสถานะทางเศรษฐกิจหรืออื่นๆ
2 ZERO HUNGER 	<ul style="list-style-type: none"> • 113,713 มื้อ สนับสนุนให้ผู้ยากไร้เข้าถึงอาหารอย่างเท่าเทียม • ส่งเสริมให้ผู้ด้อยโอกาสสามารถมีชีวิตที่ดีขึ้น ยั่งยืน ผ่านการสนับสนุนเมล็ดพันธุ์ผักสวนครัว 	11 SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> • จัดเตรียมและดูแลความสะดวกสบายของรถรับส่งพนักงานโรงงาน เพื่ออำนวยความสะดวกในการเดินทางของพนักงานและลดโอกาสในการแพร่ระบาดของ COVID-19 จากการเดินทางผ่านรถสาธารณะ • ลดการทิ้งขยะไปสู่หลุมฝังกลบ • พบปะชุมชนโดยรอบโรงงาน เพื่อรับฟังปัญหาและสนับสนุนอุปกรณ์ทางการแพทย์อย่างสม่ำเสมอ
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> • 50,000 ราย ช่วยเหลือบุคลากรทางการแพทย์และคนในชุมชนใกล้เคียง • จัดสรรการจัดวัคซีน COVID-19 และตรวจ ATK พนักงานทุกคนก่อนเข้าทำงาน • จัดสรรการตรวจสุขภาพพนักงานประจำปี 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> • 4,000 กิโลกรัม นำขยะจากกระบวนการผลิตไปใช้ประโยชน์ • มีการบริหารจัดการของเสียอันตรายไปกำจัดอย่างถูกวิธี • ปรับปรุงกระบวนการผลิตเพื่อลดของเสียและการสูญเสียอาหาร รอพักกัก
5 GENDER EQUALITY 	องค์กรเคารพสิทธิในการแสดงออกตามเพศสภาพของพนักงานให้ทุกคนได้แสดงศักยภาพและความสามารถในการทำงานร่วมกับภายในองค์กรอย่างเท่าเทียม	13 CLIMATE ACTION 	<ul style="list-style-type: none"> • คุณแดน ปฐมาภิชย์ได้รับการยอมรับในฐานะ Climate Actor เช่น ได้รับเชิญเข้าร่วมงาน COP26, UN Leader Summit และได้รับแต่งตั้งเป็นคณะกรรมการกลุ่มอุตสาหกรรมเกษตรและอาหาร และสมาชิกคณะอนุกรรมการด้านนวัตกรรมและเทคโนโลยีของ TCNN และ คณะอนุกรรมการด้านสิ่งแวดล้อมของ GCNT และได้ลงนามสาร TIME ฉบับ Earth Day • ได้รับการรับรองเป็นองค์กรที่เป็นกลางทางคาร์บอน (Carbon Neutral Organization) ปีที่ 3 ติดต่อกัน • อยู่ในรายชื่อหุ้นยั่งยืน ESG Emerging และ ESG100 • จัดทำโครงการใช้ประโยชน์จากของเหลือทิ้งจากกระบวนการผลิต เพื่อลดขยะที่ส่งสู่หลุมฝังกลบ • เข้าร่วม Race to Zero campaign • ลงนามใน Climate Neutral Now • ลงนามใน G20 Call to Action Letter • จัดตั้งฝ่าย Decarbonization เพื่อดำเนินธุรกิจในการแก้ปัญหาสิ่งแวดล้อมและสังคม ในการเปลี่ยนจากองค์กรที่เป็นกลางทางคาร์บอน สู่ องค์กรที่ปล่อยคาร์บอนติดลบ (Carbon Negative Organization) • จัดทำกิจกรรม Earth day 2021 ทำความสะอาดภายในเขตและรอบเขตของสถานประกอบการประจำปี เพื่อฟื้นฟูสภาพน้ำและระบบนิเวศให้สะอาดและปลอดภัย
6 CLEAN WATER AND SANITATION 	<ul style="list-style-type: none"> • จัดตั้งจุดน้ำดื่มสะอาดให้กับพนักงาน • มีระบบบำบัดน้ำเสียก่อนปล่อยสู่แหล่งน้ำธรรมชาติ 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<ul style="list-style-type: none"> • มีนโยบายความมั่นคงปลอดภัยสำหรับระบบสารสนเทศและนโยบายคุ้มครองข้อมูลส่วนตัว (PDPA) • มีนโยบายและแนวปฏิบัติด้านการต่อต้านคอร์รัปชัน (Anti-Corruption Policy) • มีกลไกในการรับเรื่องร้องเรียน และการดำเนินการกรณีการขู่เบาะแสทุจริตคอร์รัปชัน (Whistle Blowing Policy) • มีนโยบายที่ส่งเสริมการไม่เลือกปฏิบัติและสนับสนุนความรุนแรง
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> • 100% การใช้พลังงานไฟฟ้าจากแผงโซลาร์เซลล์เรือนกระจก • 100 % ในการปรับเปลี่ยนองค์กรใช้พลังงานทดแทนจากการเข้าร่วมสมาคมพลังงานหมุนเวียนไทย (RE100 Thailand Club) 		
8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> • จัดตั้งฝ่าย Decarbonization และ Corporate compliance เพื่อรองรับการขยายธุรกิจ • ปกป้องสิทธิแรงงานทั้งชาวและต่างด้าว ดูแลและให้ความสำคัญกับสภาพแวดล้อมในการทำงานให้ปลอดภัยสูงสุด • การจัดสรรงานและการจ่ายค่าแรงที่เหมาะสมให้กับแรงงานทั้งหญิงและชาย รวมถึงผู้มีความพิการพลภาพ โดยคำนึงถึงคุณค่าของงานที่เท่าเทียมกัน • จัดทำโครงการสนับสนุนเกษตรกรด้วยเทคโนโลยีสมัยใหม่ ลดมลพิษ ลดสารเคมี เพิ่มรายได้ยั่งยืน 		
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> • จัดตั้งฝ่าย Decarbonization เพื่อพัฒนาและยกระดับโครงสร้างพื้นฐานของธุรกิจ เพิ่มประสิทธิภาพการใช้ทรัพยากร ให้ใช้ประโยชน์จากของเหลือทิ้งจากกระบวนการผลิตสูงสุด รวมถึงการหาโอกาสทางธุรกิจ เพื่อพัฒนาอุตสาหกรรมสีเขียวจากการลดคาร์บอน • ศึกษาเทคโนโลยีและนวัตกรรมด้านธุรกิจ • E-Commerce และ Blockchain • ตั้งโรงงานผลิตอาหารโปรตีนทางเลือกจากพืชในประเทศไทย ในนามบริษัทร่วมทุน NRPT • ลงทุนใน Joint Venture เพื่อขยายฐานการผลิตในทุกทวีปทั่วโลก และลดข้อจำกัดทางด้านโลจิสติกส์ • ขยายกำลังการผลิตโรงงานหลักของบริษัท • ดำเนินการวิจัยและพัฒนาอาหารโปรตีนทางเลือกจากพืช 		

3.3 Environmental Sustainability Management

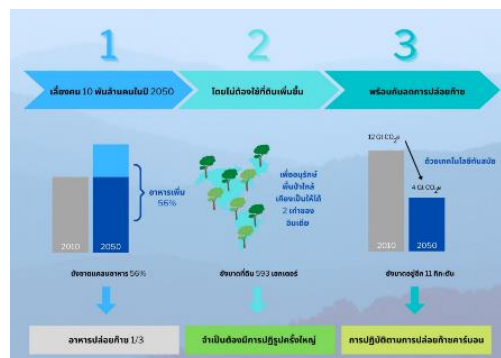
3.3.1 Environmental Policies and Practices

Policies and practices consistent with the law environmental regulations related to the Company's business operations

With the impact of climate change, environmental pollution, the problem of waste and loss of biodiversity that is becoming more serious every day, and limited resources that are about to run out, the quality of life of people in society, food security, and continuity of many business operations are both affected directly and indirectly. As a result, in 2021, the Company has committed to the continual preservation of the global environment by changing the concept of business operations to deliver products and services that are friendly to consumers and the environment in a sustainable manner. The Company has important policies to guide the practices of the executives, directors, and employees as follows:

- Commit to business operations that are environmentally friendly and sustainable
- Manage the organization to use resources that are cost-effective and efficient, reducing the impact on the environment and surrounding communities
- Operate with care for the safety of employees, surrounding communities, and consumers

In addition, the Company also aims to become a Net Zero Carbon Emission Company in 2050 or a Carbon Negative Emissions Food Company based on its mission to reduce carbon emissions in the food system. The Company is committed to using clean technology in the production of goods and services by planning supply chain operations that help the environment and promote biodiversity, use advanced technologies to reduce carbon emissions, continue to expand its plant-based manufacturing capacity with lower carbon emissions than animal feed production. Apart from this, the use of blockchain technology in packaging and marketing is also being studied, and expansion of sales channels through e-commerce platforms for customers, which will help reduce carbon in the transportation and distribution process.



In the past 2021, the Company analyzed and planned actions to reduce carbon throughout the value chain, with emphasis on upstream processes, namely agriculture. The Company focuses on reducing agricultural waste and converting them into value-added products that do not emit carbon emissions.

The Company's policy has expanded the scope of the environmental direction whereby there is a desire to expand the framework for reducing greenhouse gas emissions from the product to the production process upstream (Scope 2&3). These processes are the main causes of greenhouse gas emissions from the agricultural sector. The Company will expand upon the business by using agricultural waste, which is the source of PM2.5 dust caused by incineration, by converting it into bio-fertilizer, bio-carbon, and electric power for use in other business operations.



There is a plan to establish and incorporate businesses that reduce their carbon emissions through the decarbonization department into Nove Foods Co., Ltd. or Nove Foods that have a plant-based protein business. Thus, the overall image of Nove Foods can be regarded as a business that fights global warming continuously not only by presenting zero-carbon food products, such as plant-based protein foods, but also manufacturing products such as bio-carbon fertilizer that makes upstream agriculture emit negative carbon as well as creating various markets from bio-oil and bio-carbon. This is to reduce greenhouse gas emissions, such as the green asphalt market from bio-oil, green freight shipping market from bio-oil, green cement market from biocarbon, green steel market from biocarbon, including creating a mining market for cryptocurrency derived from green energy. In the meantime, the Company is discussing with business partners to develop this project together. The Pilot Project's initial goal is to be able to prove that those businesses reduce greenhouse gas emissions through international scientific verification. Experience and knowledge from actual operations will also be collected to extend upon the efficiency of the bio-based carbon storage business in the context of Thailand regarding the economy, society, and environment. This is to enable sustainable profitable business operations and will use future products manufactured in Nove Foods' business chain to be fully integrated by collecting data in a central system. The data includes both sources of raw materials for agricultural products and generated carbon credits that will be imported and stored through the Blockchain system, creating transparency in terms of environmental law, accuracy of carbon reduction, and storage and use of carbon credits that are verifiable and cannot be altered in the case that it not approved by the auditor and other stakeholders. The knowledge from the operation, experimentation, use of production technology, and storage of data through Blockchain can be effectively used for long-term business expansion. This will be a large-scale industrial operation that will combine efficiency in terms of Economy of Scale to be more efficient.

The main reason for the organization's re-orientation is caused by the fact that in the past year, the Company contacted technological engineering companies and attended seminars at COP26 with companies and organizations from government and private sectors. It seems appropriate that these markets have gone through a leap in innovation and received support from international organizations that helps provides commercial solutions. In addition, the Company realizes that environmental problems, such as PM2.5, have intensified. Although there is no solution that can solve the economic-social-environmental structure in a comprehensive way, the Company recognize a significant business opportunity, whereby agricultural waste such as cobs, bark, corn, and rice stubble that at present are mostly burned in open spaces, can be processed into bio-fertilizer and bio-carbon that creates added value instead. Furthermore, Thailand has set a goal of reducing carbon emissions to zero by 2050, making this a good opportunity for the Company to initiate the concept of green agriculture and carbon credit, taking advantage of the opportunity to be the First Mover in the macro-industrial structure that is currently adapting.

3.3.2 Environmental Performance

Apart from clear environmental policies, Mr. Dan Pathomvanich, Chief Executive Officer, is also recognized as a Climate Actor, both nationally and internationally. In 2021, the Company participated in international environmental events, including:

UN Leader Summit



The Global Compact Network Thailand (GCNT), the Local Network of the United Nations' world-class programme, hosted the "Virtual Leaders Summit 2021" to mobilize top leaders from around the world to cope with the challenges of the COVID-19 crisis and rapid climate change. This included policy makers, government sector, business sector, academia, and the civil society. Mr. Dan Pathomvanich, Chief Executive Officer, was invited as a speaker to share experiences on the topic "A New Era of Action, Accelerate Climate Action: Raising Business Pathway to Decarbonization" to combat climate change and increase business solutions to reduce greenhouse gas emissions. The Company aims to make the world carbon-free through transformation of the food system. It is committed to being the world's largest producer of plant-based protein foods. The Company is building the largest production network in the world, from foreign brands and networks connected to startups supermarkets, to transition into sustainable low-carbon food production. The Company's priority is supply chain management by conveying clear policies from the CEO to the middle management and to employees at all levels. This will ensure that the quality of the products meets the Company's standards. Apart from this, it also highlights the main challenges in the food business: the shift from chemical-based agricultural production to non-chemical products, and organic farming. Doing so will reduce greenhouse gas emissions in itself. The COVID-19 pandemic has changed the supply chain as everyone now wants to be in good health, eat clean food, and wants products "now." To meet the needs of the people, the Company will scale up its business plan towards sustainability.

The 26th UN Climate Change Conference of the Parties (COP26)

The 26th UN Climate Change Conference of the Parties (COP26) is an annual global climate change conference where leaders from all over the world meet to find solutions to the climate emergency under the United Nations Framework Convention on Climate Change (UNFCCC). Established in 1992, all countries have joined the cause and are bound by the treaty, which is to prevent the dangers of climate change and find a way to reduce greenhouse gas emissions in an equitable way. In 2021, Mr. Dan Pathomvanich, Chief Executive Officer, was invited to participate in COP26 and was a speaker at 3 stages:

1. Business Leaders to Share Vision and Experiences on Net-zero Transformation, Thai Pavilion
2. Thailand Carbon Neutral Network: Climate Action Partnership towards Carbon Neutrality, Thai Pavilion
3. Toward Strengthening Transparency activities by the private sectors from the experience of the Partnership to Strengthen Transparency for co-Innovation (PaSTI) in Asia, Japanese Pavilion

Mr. Dan participated in expressing his visions, goals, and business perspectives on the path towards Net-Zero Emission. Net-Zero Emission is not only just a practice to follow the modern world trends, reduce global warming, or preserve the environment to last until the next generation – it is about improving the organization's value chain to be more efficient, reduce losses, and create maximum benefits, as well as creating new business opportunities to generate value and operate truly sustainable business. In the near future, the world's population will increase rapidly. Food businesses must be able to respond to growing demands without affecting the environment and without leaving anyone behind. Plant-based food is one of the answers that will be the driver towards a sustainable world.

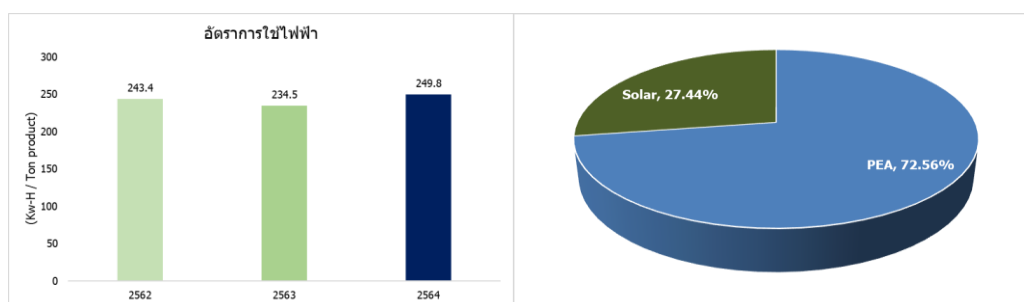
Performances related to environmental management in specific issues that are critical to business processes

The Company realizes the importance of development and improvement of various tools in the production process that will help the factory with limited, cost-effective, and effective power use to reduce the impact on the environment and surrounding communities. Examples include energy-saving measures or performance monitoring and maintenance of equipment in the factory, such as a mincer, boiler system, and steam capture and cooling system, and installing solar panels on the factory's roof, amongst many others. The Company is committed to reducing energy consumption, reducing impact on the environment and community around the factory, and develop efficient and sustainable operations. Furthermore, it also aims to raise employee's awareness on the environment, energy, and environmental response to climate change, ensuring that all employees are involved in dealing with and reducing impacts that occur both directly and indirectly. All of this is to strive towards a factory with zero carbon emissions. In 2021, the Company took steps to manage the environment in terms of resources and energy used as follows:

➤ **Electric Power Management**

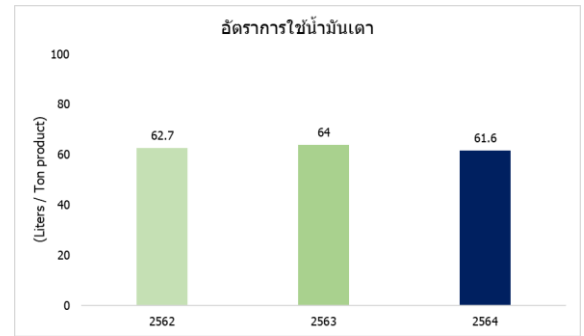
In 2021, the Company focused on raising employees' and personnel's awareness of energy saving, for example by improving the machinery to reduce the rate of electricity use and had a campaign to turn off unused lights, which encouraged employees to turn off lights and air conditioners during lunch breaks for one hour every working day. The average electricity consumption rate for the organization in 2021 was 249.8 Kw-H/Ton product, increasing from the set target of 227.47 Kw-H/Ton product, or 6.52%. This increase is due to the government's measures to control and monitor the Covid-19 pandemic situation, which asks establishments to cooperate in enforcing these measures. Such measures include setting a curfew and social distancing measures that affect the amount of electricity required to operate the machines.

In addition, in 2021, the Company fully utilized electricity from the solar cell system installed on the factory's roof. It was found that the Company's solar system had a guaranteed efficiency in generating electricity is 900,133.96 Kw-H per year. It was also discovered that 27.44% of the factory could operate by using clean energy sources from its own solar panels.



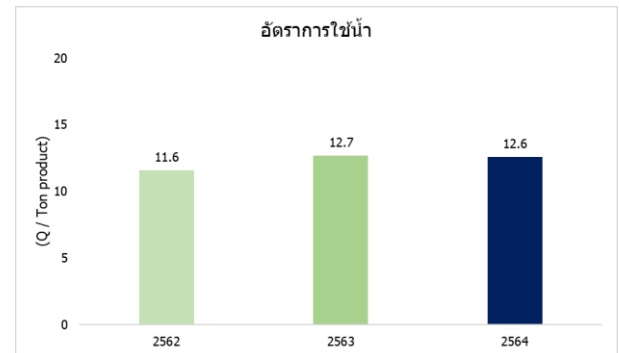
➤ **Fuel Consumption**

The Company gives great importance to machinery maintenance to maintain the efficiency of the machine's fuel combustion system in the production process. It hopes to be able to use energy from fuel oil efficiently and cost effectively. In 2021, the Company's crude oil usage rate averaged 61.6 liters/Ton product, which decreased from the base year (2019) by 1.79%.



➤ Water Management

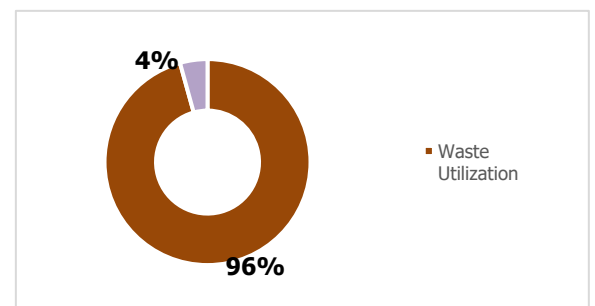
All the factory's raw water is sourced tap water. It is used in all parts of the factory, including office buildings and production buildings. The equipment is regularly monitored and inspected to make sure that water use is cost-effective and efficient. In addition, the Company also carried out improvements to the water supply system in the factory, such as campaigning for the factory's employees to use water more economically, installing a smart water supply sensor at the handwashing sink to reduce the problem of taps being left on, and optimization of water quality control to reduce the amount of soft water from cleaning filters. In 2021 the Company had an average water consumption rate of 12.6 cubic meters/Ton product, which is 8.62% higher than in the base year (2019), due to government's measures to control and monitor the Covid-19 pandemic situation. Furthermore, the Company sedimentation system of the wastewater treatment system has been improved to increase the efficiency of sedimentation, resulting in the sub-standard cost of effluent before discharge from the factory. The Company has an average wastewater influent flow rate of 162.7 cubic meters per day and is determined to reduce wastewater from the factory to no more than 160 cubic meters per day.



➤ Waste Management

The Company is committed to keeping the factory environment clean, hygienic, and sanitary, conducive to the performance of the staff's normal duties. This is done by effectively managing and controlling the amount of rubbish and waste within the Company, ensuring that it is in accordance with the Company's accredited standards. These include BRC Global Standard, International Food Standard, as well as other relevant laws and regulations that can be audited, improved, and corrected to manage problems and causes that can arise. The Company has hired a sub-contractor to transport all the factory waste to for disposal and sorting. The waste is separated into 5 groups, namely raw material waste, packaging waste, engineering waste, hazardous waste, and general waste. These are placed in a clearly defined area that is cleaned at least once a week.

The Company aims to reduce the amount of waste generated in the organization by planning to optimize the use of resources, such as procurement of raw materials in quantities that are suitable for the proportions required for production, resulting in the least amount of agricultural raw materials left behind. The Company also foresees that the utilization of factory waste is one way to reduce indirect greenhouse gas emissions from waste generation during operations, particularly from landfills. Therefore, various projects were carried out to utilize the waste produced from production processes and offices, in accordance with the circular economy concept. Examples include using waste to make animal feed, fertilizer, soil quality improvement agent, and fuel mix. In 2021, the Company's waste volume was 17.85 tons. From the implementation of the waste utilization project, it was found that the waste could be used, reducing the transmission of waste to landfill by up to 17.08 tons, or 95.69% of the total waste.



The Company is committed to preserving the world' environment by transforming the concept of business operations to create sustainable products that are environmentally friendly, maintains the ecosystem, and consumer friendly. This also includes the management of the installation site, both internally and externally, to ensure that it is environmentally friendly. The environmental management activities for employees outside the organization are as follows:

Earth Day Project



The Company foresees that waste sorting will help reduce energy consumption in the waste disposal process. Additionally, waste recycling is another way that we can help reduce the amount of global waste and carbon. The Company therefore organized an Earth Day project inviting employees to come together to clean and collect garbage around the factory for proper sorting and

disposal.

Waste Utilization

The waste problem is an increasingly serious problem at present. The Company recognizes the importance of such problems. Therefore, a substantial solution was devised, namely reducing the amount of waste that goes into the disposal system by emphasizing on reducing, reusing, and recycling waste, under the circular economy concept. **In 2021, the Company has utilized as much as 17.06 tons of waste from production processes and offices, which reduced greenhouse gas emissions from waste disposal by landfill by 39.63 tons CO2 equivalent/year, or equivalent to planting 3,855 perennial trees (1 perennial plant can absorb 9.5 kg of CO2/tree/year).**

➤ Greenhouse Gas Emission (GHG) Reduction Management

The Company aims to become a Net Zero Emission company by 2050. Thus, we have been conducting our corporate Carbon Footprint assessment for the third year in a row, following our Corporate Carbon Footprint Assessment Guidelines by the Greenhouse Gas Management Organization (Public Organization). The goal is to carry out continuous, effective management and reduction of greenhouse gas emissions in the organization. In addition, in 2021, the Company also expanded the scope of the corporate carbon footprint assessment to include companies within the corporate group, namely the City Food Co., Ltd. (Nakhon Pathom Plant).



Corporate Carbon Footprint NR Instant Produce PCL

In 2021, the Company directly disclosed the amount of greenhouse gas emissions, which was 2,966 tons CO₂ equivalent, and the amount of indirect greenhouse gas emissions from energy use, which was 1,190 tons CO₂ equivalent. The total emissions of the factory's greenhouse gases were 4,156 tons CO₂ equivalent and has compensated for the total amount of greenhouse gases generated (Carbon Offset). Subsequently, the Company received a certificate from the Greenhouse Gas Management Organization (Public Organization) certifying the Company as a Carbon Neutral Organization for the 3rd year in a row. There is an announcement of the registration of carbon labels from the meeting of the subcommittee No. 3/2022 dated 22nd March 2022 and published on the website on 23rd March 2022. The Greenhouse Gas Management Organization (Public Organization) will deliver the certificate to the company in the next step.



คาร์บอนฟุตพริ้นท์ขององค์กร
บริษัท เนินอาร์ อินสแตนท์ โปรดิวซ์ จำกัด (มหาชน)



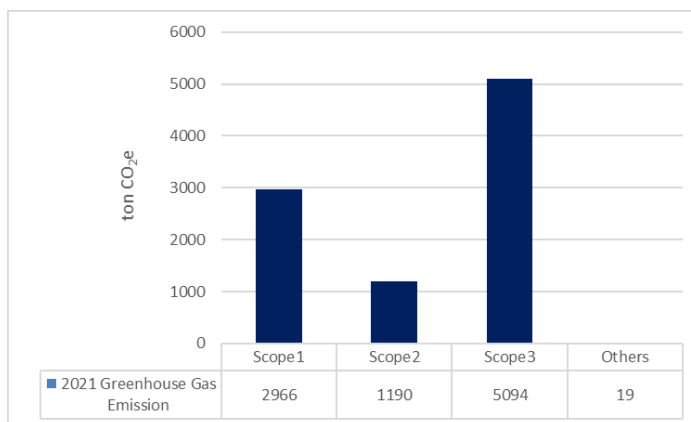
The results of the organization's carbon footprint assessment found that the organization's greenhouse gas emissions have decreased. In the year 2021, the Company has fully utilized the electricity from solar cells, resulting in a 450 tons of carbon dioxide equivalent reduction of greenhouse gas emission values from to electricity consumption.

Additionally, the Company's management also received personal certificates. Three people, namely Mr. Dan Pathomvanich, Chief Executive Officer; Mr. Teerapong Lorratchawee, Director of Operations; and Mr. Chutinthorn Ananpiyapha, General Manager Sustainability & Public Relations and Farm Service Department

Scope	Greenhouse Gas Emission Source
Type 1	Combustion of Grade C fuel oil/Combustion of diesel (Fire pump/Generator)/Combustion of gasoline, fire drills, and lawn mowers/Forklift diesel combustion/Corporate vehicle diesel and gasoline combustion/ CO ₂ refrigerant leak/R-410A refrigerant leak, R- 32 and R-134A/Methane leakage from septic tanks and wastewater treatment systems
Type 2	Electricity consumption
Type 3	Raw material acquisition/Tap water use/Paper use/Fuel acquisition/Waste management by landfill
Others	R22 refrigerant leakage

Scope	Corporate Greenhouse Gas Emissions	Proportion Compared to Scope 1 and 2	Proportion Compared to Scope 1, 2, and 3
Type 1	2,966.00	71.37	32.06
Type 2	1,190.00	28.63	12.86
Type 3	5,094.00		55.07
Others	19.00		
Scope 1&2 Total	4,156	100.00	

Scope	1&2&3	9,250		100.00
Total				
Carbon intensity (Scope 1+2)			0.298 tonCO ₂ e/ton product	
Carbon intensity (Scope 1+2+3)			0.664 tonCO ₂ e/ton product	



Corporate Carbon Footprint of City Food Co., Ltd. (Nakhon Pathom Plant)

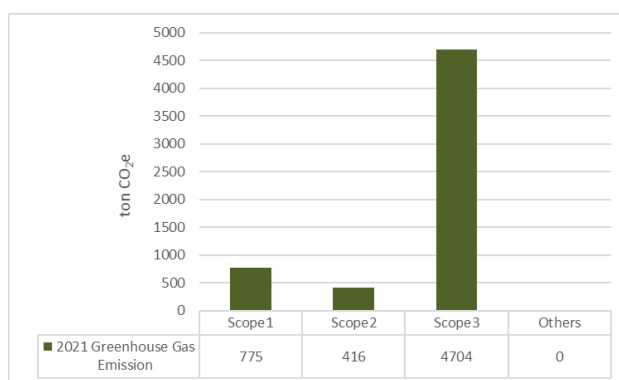
In 2021, City Food Co., Ltd. started assessing greenhouse gas emission sources, calculating, receiving verification, and applying for registration of the organization's carbon footprint in the assessment scope of City Food Co., Ltd. (Nakhon Pathom Plant). From the calculation results, it was found that the amount of direct greenhouse gas emissions was at 775 tons CO₂ equivalent, whilst the amount of indirect greenhouse gas emissions from energy use was 416 tons CO₂ equivalent. The total emissions of the factory's greenhouse gases are 1,191 tons CO₂ equivalent, which has compensated for the total amount of greenhouse gases generated (Carbon Offset). As a result, the company received a certificate from the Greenhouse Gas Management Organization (Public Organization) to certify that it is a Carbon Neutral Organization. There is an announcement of the registration of carbon labels from the meeting of the subcommittee No. 3/2022 dated 22nd March 2022 and published on the website on 23rd March 2022. The Greenhouse Gas Management Organization (Public Organization) will deliver the certificate to the company in the next step.



Scope	Greenhouse Gas Emission Source
Type 1	Combustion of Grade C fuel oil/Combustion of diesel (Fire pump/Generator)/Combustion of gasoline, fire drills, and lawn mowers/Forklift diesel combustion/Corporate vehicle diesel and gasoline combustion/ CO ₂ refrigerant leak/R-410A refrigerant leak, R-32 and R-134A/Methane leakage from septic tanks and wastewater treatment systems
Type 2	Electricity consumption

Scope	Greenhouse Gas Emission Source
Type 3	Raw material acquisition/Tap water use/Paper use/Fuel acquisition/Waste management by landfill
Others	R22 refrigerant leakage

Scope	Corporate Greenhouse Gas Emissions	Proportion Compared to Scope 1 and 2	Proportion Compared to Scope 1, 2, and 3
Type 1	775.00	65.07	13.15
Type 2	416.00	34.93	7.06
Type 3	4,704.00		79.80
Others	19.00		
Scope 1&2 Total	1,191	100.00	
Scope 1&2&3 Total	5,895		100.00
Carbon intensity (Scope 1+2)		0.256 tonCO ₂ e/ton product	
Carbon intensity (Scope 1+2+3)		1.267 tonCO ₂ e/ton product	



3.4 Environmental Sustainability Management

3.4.1 Environmental Policies and Practices

Policies and practices that align with the law, social regulations relating to the Company's business operations, as well as respect for human rights. The Company emphasizes the importance of operating its business with commitment to stakeholders, both within and external to the organization, to be the center of promoting potential development in performing duties, as well as supporting new activities that help develop communities around the organization create a sustainable, good quality of life.

- Fair corporate governance to make employees happy and ready to perform their duties with full efficiency
- Respect the human rights of all stakeholders involved
- Conduct and supervise the officers involved in business operations in accordance with the Code of conduct
- Provide opportunities and encourage employees to show their abilities and develop their potential to the fullest
- To ensure that all employees have the highest level of safety during work
- Promote and take care of producers and farmers for sustainable income and better living

- Support activities that develop the community giving new knowledge that can be built upon and create a good driver in living life

Respect for Human Rights

The Company is committed to establishing Thai labour standards and social responsibility of Thai businesses. The Company has a policy of respecting human rights by promoting and protecting rights and freedoms; treating each other with equality and equally, both within and outside the organization; and does not discriminate against race, sex, age, skin color, religion, and physical condition. The Company will not do anything that violates the rights and freedoms directly or indirectly, and will not be involved in human rights violations, such as not supporting forced labor and child labor. The Company always recognizes that every employee is the Company's most valuable resource and is a factor of success in achieving the goals their goals. Therefore, the policy has been established to ensure fair treatment in terms of opportunities, rewards, appointments, transfers, and development of potential. The following practices have been adhered to:

- Treat employees with respect for honour, dignity and individual rights.
- Maintain the working environment to ensure it is safe for employees' lives and properties at all times.
- Appointments and transfers, including rewarding and punishing employees, are done in good faith and based on employees' knowledge, abilities, and suitability.
- Give importance to employees' knowledge development and competence, whereby improvements on this aspect are done on a regular basis. Examples include organizing seminars, training, and providing thorough opportunities for all.
- Set fair compensation for employees, as according to industry conditions, business competition, nature of work, performance, and the ability of the Company to pay such remunerations.
- Avoid any unfair action. This may have an impact on the work stability of employees.
- Provide opportunities for employees to make suggestions or complaints about their work, and determine the corrective methods for the benefit of all parties to build a good relationship in working together.

Remedial measures for People Affected by Human Rights Violation

The Company is aware of the importance of social responsibility and participation in community and social development. This is achieved by supporting social assistance activities, improving the quality of life of people in the community, promoting volunteer activities related to continual community and social development, and instilling awareness of community, social, and environmental responsibility for all levels of employees. Executives must be responsible for overseeing the organization, it is important to inform employees under their command lines, and must strictly follow the Company's Code of Conduct. If any executive director and employee violate the principles of corporate governance that were set, they will receive the Company's disciplinary, rules, and/or regulatory penalties. Additionally, if there is an action that is believed to be illegal, the Company will investigate and refer the matter to the authorities without neglect. If the employee sees an illegal act, they can report complaints or allegations to the Chairman of the Board, Chairman of the Audit Committee Chief Executive Officer, or executive director of the Company immediately. The Company will conduct an investigation without revealing disclosing the source to protect the potential impact on the whistleblower.

Communication with Employees

In 2021, the Company established an internal communication channel for all employees, informing them of news or important information, such as rules and regulations at work, or news that is beneficial to employees, including various policies announced to employees in general. A public relations board for department-specific meetings actions was set up. In addition, the Company has policies and procedures for receiving complaints, clues about wrongdoings and corruption, confidentiality guidelines, as well e-mail communication clarifying meetings. Furthermore, communications with employees also include the preparation of brochures that is accessible to all employees.

Employment

In 2021, the Company strictly and thoroughly adheres to the principles of human rights from employment to caring for the Company's employees and personnel. This is so that all employees and personnel create a bond with the organization and is ready to walk alongside them towards sustainable goals. In addition, the Company attaches great importance to human equality and operates its business fairly without discrimination, as well as providing opportunities for employees to develop their potential without restrictions in gender and age range. The Company openly states the employment specifications as follows:

Table showing the number of the Company's employees

Employment	Number of Employees (persons)						
	Between the Age of 18-35			Age 36 or Older			Total
	Male	Female	Total	Male	Female	Total	
Monthly Employees	40	97	137	51	79	130	267
Daily Employees	182	224	406	66	136	202	608
Total	222	321	543	117	215	332	875

The Company also takes into account the diversity and equality of people who play a role in driving the organization. This is not only regarding by gender, race, physical condition, and age, but also to honor and support a diverse group of people by giving them the opportunity to perform their full potential and with equality. The Company has played an important role in improving and developing operations under the diversity of the business workers to create norms, give equality to people in society, and be non-discriminating against workers in 2021. The Company presents the list of employment by nationality as follows:

Nationality	Number (person)
Thai	332
Myanmar	541
Philippines	1
Italy	1
Total	875

Employee Training

The Company provides training to develop skills, knowledge, and abilities. This is from the daily employee level to the supervisor level. In 2021, a total of 479 employees out of 875 employees participated in the training, representing a proportion of 55%. Of employees who

received training, details of the number of training hours and the average training of employees are as follows:

Table showing the number of hours of employee training

List	Employee Training		
	Number of Trainees (person)	Total Number of Trainings (hours/years)	Average Employee Training (hours/years)
Daily Employee Level and Above *Target training of at least 6 hours/person/year	391	2,526	6.46
Supervisor Level and Above * Target training of at least 12 hours/person/year	88	642	7.30
Total	479	3,168	6.61

Employee Engagement

The Company places full importance on employees and personnel in the organization. The focus is on enabling employees to show their potential with quality and pride in performing their duties and being in unity. Additionally, the Company rewards employees for their work to the best of their ability by continually awarding various rewards to employees on a regular basis, raising salary, hosting thank you banquets, and improving the working environment and atmosphere for employees to have quality and livable living spaces. The Company aims to build employee engagement and listen to their needs so that they can conduct accurate employee engagement using an employee satisfaction assessment form that has been created. The Company has collected the employee turnover rate in 2021 as well as the relevant statistics, and set a goal to control the turnover rate. The turnover rate is recorded as follows:

	Number (person)	Percentage
Monthly Employees *Target not more than 2% /year	76	4.4
Daily Employees * Target no more than 8 % /year	463	5.6
Total	539	5.0

Safety, Occupational Health, and Work Environmental Policy

The Company is aware of the importance of occupational safety, occupational health, and working environment, which may affect all employees. Therefore, the following policies have been formulated as guidelines for business operations:

- Safety at work is the first duty of every employee
- All employees must consider their own safety and their colleagues. Furthermore, the Company's assets are always important during the operation
- All employees must consider cleanliness and orderliness in the work area
- The Company will support and promote work safety activities to achieve the most practical results for all parties

- The Company is aware of the importance of measures to prevent accidents caused by work to employees
- The Company will support and promote the improvement of the environment and safe working practices, including the good health of all employees

For occupational health operations and safety in the Company's operations the data of employees' injuries caused by performing duties during work hours have been collected, and the indicators of employee injury rate until time of absence (Injury Frequency Rate (IFR) have been identified. This includes fatalities from work in 2021, as follows:

Item	Units	Year 2021
Number of employees injured from work	Person	5
The rate of injuries from work to the extent of taking work off	Cases per 1,000,000 hours of work	0.58
Occupational death	Person	0

Guidelines for Managing and Dealing with the Coronavirus (COVID-19) Outbreak for Employees in the Organization as a Whole

The Company has assessed the risks that may occur and damage the business operations, and specified guidelines for coping with such impacts. at large. The Company has measures to control and prevent systemic coronavirus infections that are in accordance with the government's strict measures. The Company has set strict surveillance measures to prevent the Coronary Disease 2019 (COVID-19) where there will be a daily communication team who creates awareness amongst all personnel and give advice on conduct and self-care guidelines to employees. This is to build confidence in personnel in the organization and the surrounding society. Regarding the Company's business operations, the Company announced the following measures and guidelines for communicating to personnel, and those related, that must be followed:

- The Company has a policy for all employees to be 100% vaccinated, reducing the risk of infection and prevent severe symptoms. If the employee is unable to get vaccinated, they must have a medical certificate confirming that the vaccination affects their health.
- Change the method of communication between departments, with emphasis placed on using online communication methods instead of manual coordination. If manual coordination is necessary, the supervisor must be notified and permission must be requested first.
- Create a database of employees and personnel managing the spread of the pandemic, and have guidelines for prevention and operation if there is a risk of the virus spreading.
- Encourage employees to protect themselves from COVID-19 at the highest level (Universal Prevention), provide screening measures before entering the area by measuring temperature, sanitize hands with alcohol, and set up disinfection tunnels at the entrance of the Company's areas.
- Regularly clean the premises and equipment with disinfectant



- Establish and enforce rigorous screening measures for employees related to production processes
- Modify the employee's lunch break to reduce the density of food hall users

3.4.1 Social Operation

The Company prioritizes responsibility towards the community's and society's environment by promoting the reduction of environmental impacts and avoidance of operations that directly and indirectly affects the quality of the community. Additionally, this also includes the improvement of ecosystems and sustainable farming methods. Currently, issues on climate change, environmental pollution, waste problems and loss of biodiversity are becoming more severe every day, limited resources that are running out, and the epidemic situation of the coronavirus (COVID-19) that has both direct and indirect effects on people's quality of life in society and food security. Therefore, in 2021, the Company hosted various activities to support the society on appropriate terms and occasions, according to social assistance projects that the Company has always operated. The Company will not be involved in human rights violations and not infringe on intellectual property, including setting up policies supporting activities that enhance quality occupational health and environment. Furthermore, the Company will maintain the working environment to ensure that it is always safe for the employee's life and property. Throughout the year 2021, the Company has organized various activities, as follows:

Decarbonization Project for The Better Living of Farmers

The Decarbonization Department was established by considering the health problems of people in the Northern region, caused by the burning of agricultural residues. This is a result of socio-economic factors, both from inequality, as well as from the limited choices in the lifestyle of farmers. The Company saw an opportunity to improve the livelihood of farmers in terms of fertilizer and their health problems from dust and smoke caused by burning. The aim of the biomass carbon sequestration business is to generate income for farmers by selling agricultural residues, such as corn plants, and to prevent burning in open ground. The Company also hopes to improve the quality of life of farmers so that they do not fall into poverty by turning towards the use of bio-fertilizer to improve the soil, reducing the cost of using chemical fertilizers affecting the soil in the long run.

The company hopes the pilot's early goals will show the potential revenue streams if the market is supported by agricultural processing technology, so that farmers do not have to burn the leftovers outdoors, by turning waste into income. The Company plans to build cooperations with villagers, local municipality, and community enterprises to help them understand the objectives of the pilot program to gain community acceptance from the benefits of the project, whether it is the income of farmers, improved cultivable soil conditions, and clean air.



Happy Employee Project

The Company places great importance to all stakeholders, especially the staff. The Company believes that if employees are happy, they will be able to work efficiently and effectively, and will pass on that happiness through good quality products to the consumers. The Company has helped farmers from Chiang Rai province who were affected by economic problems in pineapple exports, by purchasing 1,000 pineapples from those farmers to distribute to the Company's employees to eat. This received a very good response from all employees.



Donations for the Coronavirus (COVID-19) Pandemic

As presently the coronavirus (COVID-19) outbreak is still ongoing, the health and mental health of Thai people remain affected. The Company thus gives great importance to the matter with all parties, including employees, partners, and consumers. Accordingly, many activities have been organized to deliver good health to people in various communities and medical personnel, to be a part of those supporting the healthcare workers who are working hard to control and prevent the spread of coronavirus. The Company provided medical supplies (such as SDB alcohol, PPE suits, headgear, N95 masks, body bags, vaccine freezers, pressure gauges, oxygen generators, etc.), and food (such as rice and curry sauce), amounting to 10,500 sets of goods, to hospitals in Samut Sakhon Province and government agencies such as Krathum Baen Hospital, Samut Sakhon Hospital, Ban Phaeo Hospital, Don Kai Dee Subdistrict, Ban Phaeo District, and Mueang Samut Sakhon District Mirror Foundation. In addition, the Company also donated 50 mattresses and 50 mosquito nets to the field hospital in Khae Rai Subdistrict Municipality, Samut Sakhon Province, to support the construction of 100 field beds as well. From activities throughout 2021, the Company expects to be able to help more than 50,000 medical personnel and people in nearby communities and share more than 10,500 meals.



Food For Future Generation

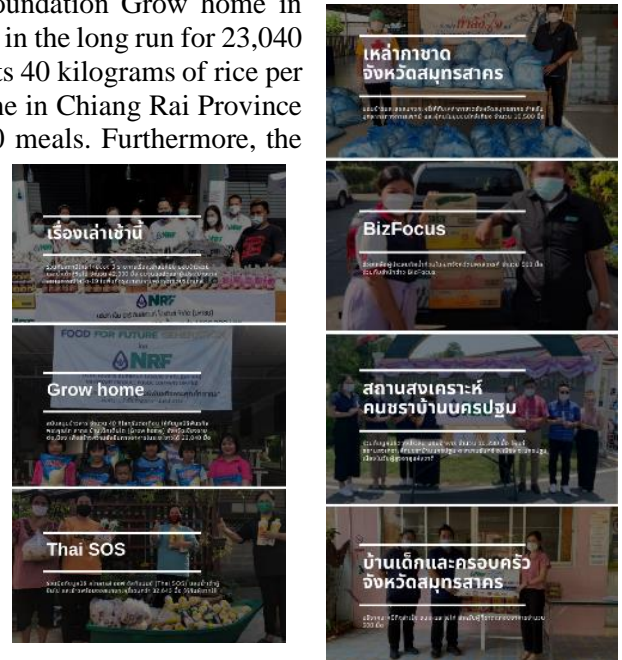
Global food security is now under increasing pressure. This is due to a number of factors, such as the rapidly growing population, which changes dietary habits, the Covid-19 pandemic situation, and climate change. All of these are important problems that needs to be solved. The Company gives great importance to food, and therefore created the “Food For Future Generation” project, a project with the intention of helping make people feel full, delicious, and happy as the coronavirus (COVID-19) outbreak situation has greatly affected the way we live, our occupation, how we earning money to support ourselves and the families of the extremely vulnerable. The Company joined forces with Channel 3 TV to provide 42,000 meals with steamed rice and Shinpo soybeans. Additionally, the Company also collaborated with the Scholars of Sustainability Foundation (Thai SOS) to aid the underprivileged and those experiencing food shortages in various areas. The Company supported and visited slum communities throughout Bangkok and its vicinities, donating a total of 22,143 meals containing Shinpo tofu and curry sauce, handing out rice and curry sauce to cheer up medical personnel from the Red Cross, Samut Sakhon Province in the fight against COVID-19, and distributed 10,500 meals to people in nearby communities. In addition, 40 kilograms of rice per month are also supported. to the Thai Universal Grace Mission Foundation Grow home in Chiang Rai province continues to create food sustainability in the long run for 23,040 meals. In addition, the Company also continuously supports 40 kilograms of rice per month to the Thai Universal Grace Foundation Grow Home in Chiang Rai Province to create food sustainability in the long term with 23,040 meals. Furthermore, the Company also supports the use of products under the brands Por Kwan and Sabzu for cooking delicious food for the Baan Khao Bo Kaeo Home for the Elderly, Nakhon Sawan Province, and to help flood victims in Nakhon Sawan Province, amounting to 500 meals. Together with the Duang Prateep Foundation, Khlong Toei Community, the Company also handed out over 10,230 meals to the Baan Nakhon Pathom Home for the Elderly, Sanam Chan Subdistrict, Mueang District, Nakhon Pathom Province, on National Elderly Day, and delivered 300 meals of instant noodles, snacks and eggs to the Samut Sakhon Shelter for Children and Families.

The results of this project have supported the sharing of a total of 108,713 meals over the course of the project that not only fills your stomach and provides adequate nutrition, but also gives encouragement to medical personnel, the elderly, and the vulnerable groups of society. The Company intends to improve the quality of life and to fully move forward in society.

Happy Elderly



The elderly are often the group at the highest risk of developing various diseases, especially chronic diseases such as diabetes, high blood pressure, osteoporosis, osteoarthritis, heart disease, stroke and dementia, amongst many others. Most of the time, it is found that the elderly



have more than one chronic disease, thus, requiring special care. Accordingly, the Company has donated 320 pieces of adult diapers to the Ban Bang Khae Social Welfare Development Center for Older Persons, Bangkok.

Supranational Thailand x Nove Foods x Bangkok Community Help Foundation

Nove Foods Co., Ltd., a subsidiary of NR Instant Produce PCL, together with the Bangkok Community Help Foundation and the organizer of the contest “Miss & Mr. Supranational Thailand”, presented a plant-based protein dim sum set, including 15,000 sets of steamed buns, dumplings, and gyozas through the “FROM THE GROUND UP” project. The Company hopes that these people have access to nutritious food, rich in plant fibers, and happiness is passed on through healthy plant-based food to the villagers in Khlong Toei Community and the School Children at Mercy Center, helping communities fill their stomachs through healthy food of the future. This is another channel that will help promote Thai society towards a healthy society.



4. Management Discussion and Analysis

4.1 Analysis of Operations and Financial Position

Overview of Past Performance

The Company was registered as a limited company on 30th December 1991 and later converted to a public company on 16th December 2019. The Company operates as a manufacturer, supplier, and distributor of food seasoning products, ready-made meals, condiments, plant-based protein food, and instant beverages in the form of powder and liquid. The Company's main businesses can be divided into 4 categories: (1) Ethnic/Specialty Food, which consists of contract manufacturing and product businesses under the Company's brand; (2) Plant-Based Food, which are plant-based protein food products; (3) Functional Product; and (4) E-commerce. The Company distributes such products to many continents including Americas, Europe, Asia, Australia, and Africa. Subsequently, approximately 73% of the Company's revenue is in foreign currency and has been affected by the appreciation of the Thai baht since 2017 onwards. The baht exchange rate per US dollar from 1st January 2016 to 31st December 2021, including the forecasted exchange rate trend is shown in the graph below

Unit : Baht per foreign currency



Source: 2016 – 2021 Exchange rate from the Bank of Thailand

For the year 2021, from the COVID-19 outbreak, expanding customer base for new markets, international trade fairs in different countries, revenue recognition from subsidiaries and joint ventures, and the depreciation of the baht, the Company saw an increase in revenue from both the volume of products sold and sales, compared to the year 2020. The Company's sales revenue grew from 2020 in US Dollars, Euros, Singapore Dollars, and Thai Baht, representing a growth rate of 30.5%, 125.0%, 0.0%, and 127.4%, respectively.

Sales Revenue	2019 (M)	2020 (M)	Growth Rate (%)	2021 (M)	Growth Rate (%)
1) US Dollars	25.3	32.8	+29.6%	42.8	+30.5%
2) Euros	0.5	0.4	-20.0%	0.9	+125.0%
3) Singapore Dollars	-	-	-	0.04	n/a
4) Thai Baht	292.2	312.3	+6.9%	710.1	+127.4%
Total Baht	1,111.0	1,408.3	+26.8%	2,100.0	+49.1%
Average Book Exchange Rate (USD)	30.82	31.74	+3.0%	31.82	+3.0%
Average Book Exchange Rate (EUR)	35.65	36.04	+1.1%	37.38	+3.7%
Average Book Exchange Rate (SGD)	-	-	-	23.42	n/a

Product Type	Year 2019		Year 2020		Year 2021	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Sales Revenue	1,111.0	99.2%	1,408.3	97.5%	2,100.0	90.6%
1) Overseas	921.7	82.3%	1,189.5	82.4%	1,759.3	75.9%
1.1 North America	350.4	31.3%	468.5	32.4%	986.7	42.6 %
1.2 Europe	372.8	33.3%	432.5	29.9%	489.7	21.1%
1.3 Asia	101.6	9.1%	180.1	12.5%	160.9	6.9%
1.4 Others	96.9	8.7%	108.4	7.5%	122.0	5.3%
2) Domestic¹	189.3	16.9%	218.8	15.2%	340.7	14.7%

	2019	2020	Growth Rate	2021	Growth Rate	
Sales Revenue	(M)	(M)	(%)	(M)	(%)	
Foreign Exchange Profit	0.0	0.0%	0.4	0.0%	9.8	0.4%
Other Income ²	8.6	0.8%	35.5	2.5%	208.4	9.0%
Total Income	1,119.6	100%	1,444.2	100%	2,318.2	100%

Remarks ¹ Almost all the Company's domestic customers are exporter

² Other incomes are: Other service income, compensation tax card income from exports, revenue from Plant and Bean Ltd ("P&B") for legal expenses paid by the subsidiary in the previous year as stipulated by the Company in the contract, profit from the disposal of investment, and gains from changes in the fair value of financial assets, etc.

For the year ending 31 December 2020, the Company's total revenue was 1,444.2 million baht, an increase of 324.7 million baht or 29.0% compared to the same period last year. This was due to increases in export income in every zone, including America, Europe, Oceania, and Asia, and domestic distribution channels for companies to export products from Thailand (Trader). The COVID-19 situation had a positive effect on the Company as the social distancing and lock down in various countries caused an increase in the sales of the Company's products in all categories. Additionally, the Company had sales from non-food consumer products for the first time, which was 29.5 million baht from alcohol gel products in V-shape packaging and the consolidation of sales revenue from City Food Co., Ltd., a group within Ethnic Food, amounting to 32.9 million baht (the company invested in 100% of City Food Co., Ltd. on 30th November 2020).

For the year ending 31 December 2021, the Company's total revenue was 2,318.2 million baht, an increase of 873.9 million baht or 60.5% compared to the same period last year. This increase was due to the increase in revenue under Thai and local food business from increased customer orders in all product categories and in all regions except Asia. This also includes the revenue recognition from City Food Co., Ltd. and E-commerce business group, which amounted to 384.1 million baht or 18% of the operating income.

For the year ending 31st December 2018, the Company's gross profit was 327.1 million baht, representing a gross profit margin of 29.4%. The main reason for the decrease in gross margin is still the effect of the appreciation of the baht currency. As a result, the revenue received by the Company in foreign currency is depreciated when converted back to Thai baht, whilst most of the production costs are in Thai baht, causing the company to have a lower gross profit margin.

For the end of 31st December 2019, the Company's gross profit was 434.1 million baht, representing a gross profit margin of 30.8%. This increased from the gross profit margin at the end of 2019 as the Company improved productivity, sales from products had increased gross profit, and the baht depreciated. Most of the Company's revenues are in foreign currency, whilst most of the production costs are in Thai baht.

For the end of 31st December 2021, the Company's gross profit was 816.5 million baht or equivalent to an 38.9% increase from the gross profit margin at the end of 2020. This is mainly due to the increase in sales volume, a weaker baht currency, and increased operating income from the recognition of revenue from the e-commerce business that continuously

grows. In 2021, the Company acquired all 3 product groups, namely Prime Labs, SOL Trading, and WellPath, as well as the domestic expansion of the e-commerce business through investments in Indeem Group Co., Ltd.

For the fiscal years ending on 31st December 2019, 2020, and 2021, the Company had selling and administrative expenses, equal to 217.9 million baht, 256.6 million baht, and 632.2 million baht, respectively. However, selling and administrative expenses increased in 2021, mainly due to the increase in selling expenses that increased with the sales increase, from the expenses related to sales staff that increase according to future expansion plans, expenses from City Food Co., Ltd. (the Company invested 100% in City Food Co., Ltd. on 30th November 2020), selling and administrative expenses from E-commerce business group, an increase in salary expenses from expanding the number of personnel, and expenses related to investment. Regarding the selling and administrative expenses to total revenue, there was an increase from 17.8% in 2020 to 27.3% in 2021.

For the fiscal years ending on 31st December 2019, 2020, and 2021, the Company had a net profit of 40.8 million baht, 124.4 million baht, and 221.4 million baht, respectively, which accounted for a net profit margin of 3.6%, 8.8%, and 9.6, respectively. In 2020, the Company had a net profit of 124.4 million baht, which was an increase of 84.3 million baht from 2019, a very high increase due to revenue from increased exports in all zones, and better management of production, costs and operations of the Company as mentioned above, as well as lower interest from lower borrowings. For the year 2021, the Company's net profit was 221.4 million baht, an increase of 97.1 million baht from 2020 due to the recognition of the increased performance of the e-commerce business, which is a business segments with high gross margins, awareness of profit from disposal of investment, and a weaker Thai baht. The Company has expenses that are not related to normal business operations arising from acquisitions and/or expenses related to listing on the stock exchange, amortization resulting from acquisitions, and interest on loans from acquisitions. In 2019, 2020, and 2021, the total was 142.5 million baht, 127.6 million baht, and 137.3 million baht, respectively. Therefore, the normalized net profit for the year 2018, 2019 and 2020 is equal to 183.2 million baht, 251.9 million baht, and 358.8 million baht, respectively.

However, if considering earnings before interest, taxes, depreciation, and amortization (EBITDA) for the fiscal years ending on 31st December 2019, 2020, and 2021, the Company's earnings were 191.0 million baht, 287.1 million baht, and 513.6 million baht, respectively. As mentioned above, the Company had expenses that were not related to normal business operations incurred from acquisitions and/or expenses related to the listing in the year 2019, 2020, and 2021, which are equal to 29.6 million baht, 35.0 million baht, and 32.3 million baht, respectively. Therefore, earnings before interest, taxes, depreciation, and amortization from operations (Normalized EBITDA) in 2019, 2020, and 2021 are equal to 220.6 million baht, 322.1 million baht, and 545.9 million baht, respectively.

Performance and Profitability

Income from the Sale of Goods

Revenue from product sales can be divided into 4 categories as follows: 1) Ethnic/Specialty Food, 2) Revenue from plant-based protein products, 3) Products in consumer- and environmentally friendly packaging, and 4) Revenue from the e-commerce business group. The details are shown in the table below:

Product Type	Year 2019		Year 2020		Year 2021	
	Amount (MB)	Proporti on (%)	Amount (MB)	Proporti on (%)	Amount (MB)	Proporti on (%)
Sales Revenue	1,111.1	99.2%	1,408.3	97.5%	2,100.0	90.6%
1) Ethnic/Specialty Food	1,033.7	92.3%	1,251.5	86.7%	1,623.4	70.0%
2) Plant-Based Food	77.4	6.9%	109.3	7.6%	63.5	2.7%
3) Functional Product	-	0.0%	47.5	3.3%	29.0	1.2%
4) E-commerce	-	0.0%	-	0.0%	384.1	16.6%
Foreign Exchange Profit	-	0.0%	0.4	0.0%	9.8	0.4%
Other Income ^{/1}	8.6	0.8%	35.5	2.5%	208.4	9.0%
Total Income After Profit (Loss) from the Exchange Rate	1,119.7	100%	1,444.2	100.0%	2,318.2	100.0%
Exchange Rate						
(Baht per US Dollar)	30.82		31.74		31.82	

Remarks ^{/1} Other incomes are: Other service income, compensation tax card income from exports, revenue from Plant and Bean Ltd (“P&B”) for legal expenses paid by the subsidiary in the previous year as stipulated by the Company in the contract, profit from the disposal of investment, and gains from changes in the fair value of financial assets, etc.

The Company's main income is from Ethnic/Specialty food, mainly from sales of contract manufacturing, which accounted for approximately 56.1% of operating income in 2021. This is followed by products under the Company's brand that accounts for approximately 20.5% of the operating income in 2021.

For the years ending on 31st December 2018 and 2019, although sales volume increased from 2018 at a rate of 4.2%, but revenue from contract manufacturing decreased slightly from 733.4 million baht to 729.9 million baht. At the same time, the revenue from products under the Company's brand decreased from 325.8 million baht to 303.8 million baht. Revenue from plant-based protein food products continued to grow well from 64.8 million baht to 77.4 million baht. The Company is still affected by the continuous appreciation of the baht. The Company has a policy to use financial instruments to hedge against foreign exchange risk as well as being affected by the strictness of the standards of goods imported from developed countries.

For the year ending on 31st December 2020, the overall revenue from sales of products increased compared to the same period of the previous year by 297.2 million baht, or an increase of 26.7%. This increase is due to a large increase in orders since March 2020, combined with the weakening of the baht and the COVID-19 situation, improving export income. For income from sales of Ethnic Food products, which also includes revenue from sales of City Food Co., Ltd. after the Company acquired the business on 30th November 2020, the revenue from

contract manufacturing increased to 888.2 million baht, which is an increase of 21.7% from the year 2019, whilst the revenue from products under the Company's brand increased to 363.3 million baht, which is an increase of 19.6% from 2019. These increases are due to the popularity of consumption of ethnic food due to the COVID-19 situation in both the ready-to-eat food and beverage product category and the food and seasoning products category. Meanwhile, revenue from plant-based protein food products increased to 109.3 million baht, which is an increase of 41.2% from 2019. The Company started earning income from products in consumer and environmentally friendly packaging (V-shape), namely the sales of alcohol gel of 28.1 million baht and sales of V-shape machines of 19.4 million baht.

For the year ending on 31st December 2021, the overall operating income increased from the previous year by 691.7 million baht, or 49.1%. Revenue from sales of Ethnic/Specialty Food products increased due to increased customer orders in all product categories in all regions except for Asia. This includes revenue recognition from City Food Co., Ltd., revenue recognition from the pet food business (the Company invested in Botany Petcare Co., Ltd. in September 2021), and revenue recognized in the Functional Product category from selling V-shape spare parts. Additionally, the Company has recognized revenue from the e-commerce business in the amount of 384.1 million baht or equal to 18.3% of the operating income, consisting of revenue from BOOSTED NRF Corp., which is revenue under the brands Prime Labs, SOL Trading, and WellPath, and income from Indeem Group Co., Ltd. although the Company's earnings from plant-based protein food products declined in the ready-to-eat Konjac instant noodles products.

Other Income

For the year 2018 to 2019, the Company's other revenues consisted of other service revenues, revenue from export tax offset cards, interest income, etc. In 2020, in addition to the above-mentioned income, the Company's other income increased from 2020 due to P&B supporting legal expenses in transferring its protein business from Brecks to P&B to Nove Foods Co., Ltd. (the Company's subsidiary "Nove"), an expense that Nove had paid in 2019, and Nove negotiated with P&B to support the cost. Including the money backed by P&B and deducting legal expenses Nove paid for the year 2020, the net balance to be recorded as other income is approximately 9.1 million baht. With fees for consulting, analyzing, and preparing reports to present to investors in the fundraising of P&B at approximately 15 million baht. In 2021, other income of the Company increased from the profit from the foreign exchange rate, gain on changes in the fair value of financial assets gains from selling some of GTH's investments, and gains from selling soy sauce business.

Cost of Sales

In 2021, the Company had a 1,283.5 million baht cost of sales, which consisted of cost of sales of the Ethnic/Specialty Food category, which is 96% of cost of sales and E-commerce business category, which is 4% of cost of sales. Ethnic/Specialty Food comprises approximately 75% of raw material and packaging costs, approximately 14% of labor costs, and other costs are approximately 11% of total costs.

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

In 2018-2019, the ratio of the raw material cost to total cost tends to decrease slightly as the Company was able to negotiate and select raw material suppliers efficiently. However, the ratio of labor cost to total cost tends to be slightly higher due to the government's announcement of the minimum wage increase. The ratio of raw materials and packaging costs

to total cost slightly increased from approximately 75% in 2019 to approximately 76%, due to the change in product sales ratio because of an increase in the proportion of modern-styled packaging products with a higher proportion of the packaging cost value than the other costs of the product.

Selling Expenses

Most of the Company's selling expenses arise from expenses related to sales activities such as travel expenses, and accommodation expenses to contact customers abroad, etc., which tends to increase as sales revenue increases. For the years 2019, 2020 and 2021, the Company has sales expenses of 55.1 million baht, 66.1 million baht, and 261.2 million baht, respectively. In 2019, senior management was aware of building relationships with customers for the purpose of increasing sales, resulting in the ratio of selling expenses to sales revenues of 55.1 million baht due to expenses of Thaifex International Food and Beverage Exhibition, including sales personnel expenses from increased sales team adjustments. In 2020, the Company had sales expenses of 66.1 million baht, which is an increase of 10 million baht from 2019, mainly due to higher expenses related to sales staff according to future expansion plans, and marketing and promotional expenses. In 2021, the Company had sales expenses of 261.2 million baht, which is an increase of 195.1 million baht from the previous year. Most of the expenses are related to the e-commerce business and marketing and promotion expenses.

Administrative Expenses

Administrative expenses of the Company in 2019, 2020, and 2021 are 162.8 million baht, 190.5 million baht, and 371.0 million baht, respectively. In 2019, the Company had administrative expenses higher from 2018 due to work process improvements to comply with listed Company standards, such as external auditor fees, internal auditor fees, etc., This also includes fees and advisory fees for additional new investments such as joint ventures with Brekes, for the most part in 2019, increased from 2018. Employee salaries, computer system, corporate membership fees, and legal advisory fees on investments and IPO preparation costs in 2020 increased from 2019 due to legal costs on investments and other IPO-related expenses. However, the ratio of administrative expenses to total revenue decreased from 14.5% in 2019 to 13.2% in 2020. For the year 2021, the Company had administrative expenses that increased from an increase in salary expenses from expanding the number of personnel and investment-related expenses, such as fees, advisory fees for additional new investments, service fees related to the e-commerce businesses, amongst many others.

Financial Cost

The Company's financial expenses comes from a loan from a commercial bank that the group of the existing shareholders acquired by borrowing money. At the end of the fiscal years, ending at 31st December 2019, 2020, and 2021, the Company had financial expenses of 60.9 million baht, 45.7 million baht, and 63.8 million baht, respectively. It can be seen that the financial expenses decreased in 2020 mainly due to Company's repayment of the principal in a higher proportion. The lower interest rate is due to the lower policy rate of the Bank of Thailand and negotiating interest rates. In 2020, the Company made all loan payments with the proceeds received from the IPO capital increase on 6th October 2020. However, in 2021, the Company had higher financial costs because it issued debentures for future investment and is a working capital of the company.

Share of Loss from Investments in Associates

In 2021, the Company is aware of share of losses from investments in associates Plant & Bean Ltd. ("P&B"), which increased from 15.4 million baht in 2020 to 48.5 million baht in

2021. However, P&B's new plant has already been authorized by BRC in September 2021. In addition, in 2021, the Company has recognized its share of loss from its investment in Golden Triangle Health Co., Ltd. ("GTH") in the amount of 4.1 million baht.

Net Profit

For the year 2020, the Company had a net profit of 124.4 million baht, which is an increase of 83.6 million baht compared to 2019. This is due to the increase in export income in all zones, and better management of production, cost and operation of the Company. This also includes lower interest from lower borrowings. In 2021, the Company's net profit was 221.4 million baht, which is an increase of 97.1 million baht from the previous year, despite the Company's increased loss share recognition from Plant And Bean Ltd. and increased financing costs. Nevertheless, the Company recognized the increased performance of the e-commerce business, recognized the profit from the divestment of investment in associated companies, gains from changes in fair value of financial assets, and weaker baht.

Asset Overview

The Company's main assets are intangible assets (customer relationship trade name), property, buildings, and equipment, and goodwill. As of 31st December 2021, such major assets accounted for 40.3%, 12.6%, and 5.3 percent of total assets, respectively. The reason for the high value of intangible assets and goodwill is due to acquisitions from the existing shareholders.

As of 31st December 2019, 2020, and 2021, the Company had total assets of 2,595.8 million baht, 3,358.4 million baht, and 4,662.3 million baht, respectively. In 2019, the total assets of the Company increased by building a noodle factory, investing in a company that produces plant-based protein food products (investing in meatless farms), and start-up businesses overseas. The total value amounts to approximately 108.4 million baht, and the total assets of the Company increased in 2020 due to the consolidation of the assets of City Food Co., Ltd., which was 100% acquired on 30th November 2020. There was an investment in P&B of 198 million baht, investment in Boosted Ecommerce, Inc in the amount of 93.7 million baht, and start-up businesses in New Protein Fund I LP, Big Idea Ventures GP I, LLC, and Phuture Limited, totaling 29.5 million baht. In 2021, the Company had total assets of 4,662.3 million baht, which is an increase of 1,303.9 million baht compared to the year 2020 because the Company issued a loan to Plant And Bean Ltd. in the amount of 257.7 million baht for factory expansion and working capital, investment in the alternative plant-based protein business of Wicked Foods Inc. and Konsconscious Foods Inc., investments in Big Idea Ventures, New Protein Fund I and Unovis NCAP Fund II, and the acquisition of assets of BOOSTED NRF Corp. under the e-commerce business.

Trade and Other Receivables

The Company has trade accounts receivable and other receivables for the end of fiscal year 2018 and 2019 were 208.1 million baht and 194.5 million baht, respectively, being a decrease of 13.6 million baht from 2018. The proportion of debtors with long credit terms increased as a result of strategies for negotiating with good credit customers to increase sales. Allowance for doubtful accounts in 2019 increased to 3.1 million baht from 0.3 million baht in 2018, mainly due to an allowance for outstanding debtors. The debtor management is under the close control of the management. For the year 2020, the Company's trade accounts receivable and other receivables were 284.4 million baht, an increase of 46%, due to the consolidation of financial statements with City Food Co., Ltd. The Company also calculated the allowance for doubtful accounts using the Expected Credit Loss Model method. As a result, the allowance for doubtful accounts to increased according to the aforementioned calculation method. Compared

to the end of 2019 and in 2021, the Company had trade and other receivables equal to 498.3 million baht, which is an increase of 75% because the Company included trade accounts receivable and other receivables of subsidiaries invested in 2021.

(Unit: Thousand Baht)

	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Trade Accounts Receivable – Unrelated				
Outstanding Debt from the Date of Payment				
Not Yet Due	255,272	209,368	145,012	137,125
Overdue				
No More Than 3 Months	58,586	46,459	21,581	48,577
3 - 6 Months	2,367	1,885	13,724	1,284
6 - 12 Months	2,432	1,767	6,880	5,252
More Than 12 Months	1,006	1,826	3,668	8,867
Total Trade Accounts Receivable – Parties	319,663	261,305	190,865	201,105
Less: Allowance for Doubtful Accounts	(1,967)	(3,551)	(3,107)	(282)
Total Trade Accounts – Unrelated Parties	317,696	257,754	187,758	200,823

Inventories

The Company has inventories for the end of the fiscal year 2019, 2020, and 2021 equal to 85.1 million baht, 188.1 million baht, and 196.9 million baht, respectively. Details of inventories are as follows:

Items	31 December 2019		31 December 2020		31 December 2021	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Inventories						
1) Finished Goods	5.9	7%	52.7	29%	75.6	38%
2) Semi-Finished Goods	19.9	23%	28.8	15%	35.6	18%
3) Raw Materials	16.3	19%	27.9	15%	28.0	14%
4) Packaging and Factory Supplies	43.0	51%	59.1	31%	57.7	29%
5) Goods in Transit	-	-	19.5	10%	-	-

Items	31 December 2019		31 December 2020		31 December 2021	
	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)	Amount (MB)	Proportion (%)
Total Inventories	85.1	100%	188.1	100%	196.9	100%

The value of the Company's inventories in 2019 is mostly from packaging, which accounts for about 51%. However, in 2020, the total inventories had an increase of 102.9 million baht increase from the year 2019 because the company included inventories of City Food Co., Ltd., the postponement of exports to 2021, and increased inventories caused by the ship's cancellation due to the impact of the COVID-19 situation, causing the inability to export goods as of 31st December 2020. In 2021, the Company's inventories are mostly finished goods, accounting for 38% of the entire inventory.

Other Current Assets

The Company has other current assets for the end of fiscal year 2019, 2020 and 2021 equal to 10.3 million baht, 24.8 million baht and 19.2 million baht, respectively.

Other Non-current Financial assets.

In 2019, the Company had other long-term investments of 28.4 million baht by investing in Dusit Gourmet Co., Ltd. New Protein Fund I LP, Big Idea Ventures GP I, LLC and convertible debentures of The Meatless Farm Limited. In 2020 the account name was changed from "Other long-term investments" into "Other non-current financial assets" due to the change to Financial Reporting Standard No. 9 Financial Instruments. In 2020, the Company had other non-current financial assets of 104.0 million baht, an increase of 75.6 million baht from the end of 2019. This was a result of increased investment in start-ups in plant-based business by additional investment in New Protein Fund I LP and Big Idea Ventures GP I, LLC totaling USD 155,821 or 4.99 million baht, investment in Phuture Limited of USD 25,000 or 0.79 million baht, and investment in Boosted Ecommerce, Inc 3. USD million or 94 million baht. There was also transfer of 30 million baht investment in City Food Company Limited (holding 15% of paid-up capital) out of other non-current financial assets into an investment in a subsidiary because the Company holds 100% of the paid-up capital as of 30 November 2020 and the profit from exchange of currency in the financial statements of 5.8 million baht. For the year 2021, the Company had other non-current financial assets of 287.7. Million Baht by from its investment in plant-based alternative businesses in Wicked Foods Inc. and Konscious Foods Inc. and also invested in Big Idea Ventures, New Protein Fund I and Unovis NCAP Fund II. In addition, the Company has financial assets measured at fair value through gains or losses on disposal of some of its investments, such as GTH and equity instruments of Boosted Ecommerce, Inc., etc.

Investment in Associated Companies

As of June 30, 2020, the Company has investments in associates in the amount of 187.4 million baht from the subsidiary that has invested in ordinary shares of P&B in May 2020 to the amount of 5 million pounds or 198 million baht, of which the subsidiary has a 25% stake in P&B. The difference from the translation of the financial statements as of December 31, 2020 and the Share loss in 2020 amounting to 15.4 million baht, which was caused by P&B having just been transferred the plant-based food business from Brekes in May 2020, causing the revenue to not be able to support the fixed costs and legal expenses of the transfer from Brekes which is a one time cost only. In 2021, the Company had investments in associates companies

to the amount of 241.8 million baht, an increase of 54.4 million baht, due to the investment in P&B since 2020 and GTH in 2021.

Net Property, building and equipment

The company has land, plant and equipment with value upto the end of fiscal year 2019, 2020 and 2021 equal to 375.2 million baht, 626.1 million baht and 587.2 million baht, respectively, with details as follows:

Item	31 December 2019		31 December 2020		31 December 2021	
	Amount (million baht)	Ratio (%)	Amount (million baht)	Ratio (%)	Amount (million baht)	Ratio (%)
Land, building and equipment						
1) Land	119.7	31.9%	183.5	31.6%	183.5	31.3%
2) Building	173.7	46.3%	262.3	45.1%	250.0	42.6%
3) Machinery & Equipment	47.9	12.8%	165.2	12.7%	124.0	21.1%
4) Office Equipment	10.8	2.9%	12.8	1.6%	11.2	1.9%
5) Motor Vehicle	3.4	0.9%	1.4	0.4%	1.2	0.2%
6) Property being installed and constructed	19.7	5.3%	1.0	8.6%	17.3	2.9%
Total Net Property, Building and Equipment	375.2	100%	626.1	100%	587.2	100%

As of December 31, 2021, the value of land, buildings, machinery and equipment Factory and office equipment decreased by 38.9 million baht or 6.2% compared to the year 2020 due to the Company selling its soy milk production machinery at the Ratchaburi factory in 2021.

Goodwill

The Company had goodwill for the end of fiscal year 2019 and 2020 with the same value at 241.6 million baht, resulting from the acquisition of the business from the existing shareholder in 2017, during which the Company's goodwill during the said fiscal year did not change. For the year 2021, however the Company had goodwill equal to 245.0 million baht, an increase of 3.3 million baht from investment in City Food Co.

Intangible assets

The Company has intangible assets for the fiscal year ending 2019, 2020 and 2021 equal to 1,491.0 million baht, 1,433.1 million baht and 1,878.5 million baht, respectively mainly from relations with customers, trademarks and computer software. The intangible assets will be amortized over the useful life of approximately 56.5 million baht per year. The Company expects that the relationship with customers will be 25 years and the computer software has the useful life of 5 and 15 years.

Other non-current assets

As of 31 December 2021, the Company had other non-current assets to the value of 5.6 million baht, an increase of 1.6 million baht from the end of 2020, mainly from withholding taxes and advance expenses.

Overview of Liabilities

The Company has total liabilities for the end of fiscal year on 31 December 2019 and 2020 and 2021 equal to 1,423.0 million baht, 783.9 million baht and 1,809.1 million baht, respectively. For the year 2021, the company's main liabilities are long-term debentures. In 2020, the Company paid all long-term loans from this financial institution that has the purpose of borrowing for the acquisition of business in 2017 for working liquidity of 1,193.3 million baht and to invest in 25% of P&B shares of 180 million baht and tea Payment by using proceeds from IPO.

Short-term loans from financial institutions

The Company had short-term loans from financial institutions in 2019 to the amount of 90.0 million baht. There was no short-term loans from financial institutions in 2018 due to the company's cash management policy. For the year 2020, the Company had short-term loans from financial institutions equal to 143.5 million baht, an increase of 53.5 million baht from the end of 2019 due to including short-term loans from financial institutions of City Food Co., Ltd. as of 31 December 2020. In 2021, the Company had short-term loans from financial institutions equal to 140.0 million baht, a decrease from the end of 2020 by 3.5 million baht due to payment of short-term loans from financial institutions.

Trade and other payables

The Company had trade and other payables for the end of fiscal year 2019, 2020 and 2021 at 126.1 million baht, 202.1 million baht and 314.6 million baht respectively. Most of the trade payables include accounts payables, accrued interest, accrued expenses and advance income. For the year 2020, the Company had trade and other payables increased by 76.0 million baht compared to the year 2019 because the company included trade and other payables of City Food Company Limited as of 31 December 2020. In 2021, the Company's trade and other payables increased by 112.5 million baht due to the portion due within one year of the loan for Purchase of intangible assets from BOOSTED NRF Corp. and Indie Group Co., Ltd.

Income tax payable

In 2019, 2020 and 2021, the Company has income tax payable equal to 9.5 million baht, 29.0 million baht and 63.4 million baht, respectively. The accrued expenses in 2021 increased significantly from the end of the year 2020 due to the higher profit before tax and includes income tax payable of subsidiaries invested in 2021.

Other current liabilities

The Company has other current liabilities, for the end of fiscal year 2019, 2020 and 2021, it was 2.0 million baht, 7.6 million baht and 9.0 million baht, respectively. Most of the other current liabilities of the Company will consist of accrued expenses that must be remitted to government agencies, such as withholding taxes payable and accrued social security fees.

Long-term loans from financial institutions

As of December 31, 2019, the Company has long-term loans from financial institutions to the amount of 873.2 million baht. Due to repayment of principal according to the repayment period in the loan agreement for the year 2020, the Company paid all long-term loans on October 6, 2020 by money from IPO. For the year 2021, the Company has long-term loans from financial institutions at 222.3 million baht as the Company has agreed to enter into a long-term loan agreement for the investment of the company.

Long-term debentures

For the year 2021, the Company has issued debentures amounting to 700.0 million baht, intended to be used for future investments in the E-commerce business group and as working capital of the Company.

Deferred tax liabilities

The Company has deferred tax liabilities for the year-end of fiscal year 2019, 2020 and 2021 equal to 315.1 million baht, 311.5 million baht and 300.0, respectively. Deferred tax liabilities include customer relations, trade name and surplus from property appraisal.

Shareholders' equity

The Company has shareholders' equity for the end of fiscal year 31 December 2019 2020 and 2021 equal to 1,172.8 million baht, 2,574.5 million baht and 2,853.1, respectively. There is a continuous capital increase. As a result, the issued and paid-up capital in 2019, 2020 and 2021 are equal to 1,065.8 million baht, 1,355.8 million baht and 1,417.7 million baht, respectively, and share premium is 155.7 million baht as of 31 December 2019 and 1,165.2 million baht as of 31 December 2020 (IPO on October 9, 2020) and 1,224.8 million baht as of 31 December 2021. The Company has a share capital deficit from the merger of the Company with Panthera Company Limited amounting to Baht 290.8 million since the end of fiscal year 31. From December 2017 onwards, the Company had retained earnings for the end of fiscal year 31 December 2019, 2020 and 2021 equal to 242.1 million baht, 357.4 million baht and 548.2, respectively. In 2021, the Company has non-controlling interests of the subsidiary to the amount of 37.8 million baht.

Analysis of cash flows

Liquidity management and working capital in the company's business is important to support the management of normal business operations and to use as working capital for paying off the Company's loans and various expenses. In the past, the Company is able to manage liquidity with cash flow received from the Company's operations including loans from financial institutions. For the fiscal year ending 31 December 2019, 2020 and 2021, the Company's statement of cash flows can be summarized as follows:

Statement of Cash Flows (Unit: Million Baht)	(Audited Statement) for the year ended 31 December	(audited statement) For the year ending 31 December	(Audited statement) For the year ended 31 December
	2019	2020	2021
Net cash from (used in) operating activities	153.3	118.5	154.3
Net cash From (used in) investing activities	(141.3)	(468.8)	(975.1)
Net cash from (used in) financing activities	84.3	432.4	868.0
Increase in translation differences from financial statements	-	-	37.9
Profit (loss) from Unrealized exchange rate for cash and cash equivalents	0.4	0.0	(0.0)
Net increase (decrease) in	96.7	82.1	85.1

Cash and cash equivalents at beginning of period	45.6	142.3	224.4
Cash and cash equivalents at end of period	142.3	224.4	309.5

Cash flow from operating activities

For the fiscal years ending 31 December 2019, 2020 and 2021, the Company's net cash flow from (used in) operating activities was 153.3 million baht, 118.5 million baht and 154.3 million baht, respectively. For 2019, the Company gained revenue from operation before the change in operating assets and liabilities to the amount of 195.9 million baht, mainly from profit before tax, depreciation and amortization. However, the Company had cash from operating activities of 247.9 million baht, mainly due to an increase in trade and other payables of 24.5 million baht, a decrease of 9.6 million baht in trade and other receivables, and a decrease of 7.4 million baht in inventories with other current assets decreased by 11.2 million baht. When including other adjustments such as interest payment, income tax payment, the Company had net cash from operating activities of 153.3 million baht. For the year 2020, the company had cash from operating activities of 197.5 million baht, which came from operating profit before changes in operating assets and liabilities to the amount of 307.0 million baht and an increase in trade accounts receivable, inventories and trade accounts payable because the financial statements of City Food Company Limited are included in the consolidated financial statements. For the year 2021, the Company has cash from operating activities of 275.7 million baht, which comes from operating profit before changes in operating assets and liabilities to the amount of 432.8 million baht, mainly from the increase in profit before tax depreciation and amortization and interest expenses.

Cash flow from investing activities

For the fiscal years ending 31 December 2019, 2020 and 2021, the Company's cash flows used in investing activities were 141.3 million baht, 468.8 million baht and 975.1 million baht. In 2019, the company's main investment activities were cash paid for buying land, building and equipment to the amount of 115.4 million baht, which is an investment in a noodle factory. Additional investment in land and other long-term investments of 26.1 million baht comprise investments in meatless farms and start-up businesses abroad, resulting in the company's net cash used in investment activities of 141.3 million baht. For 2020, the Company mainly invested in associate companies, namely Plant and Bean Company, amounting to 198 million baht, invested in New Protein Fund I LP, Big Idea Ventures GP I, LLC, Phuture Limited, and Boosted Ecommerce, Inc. totaling 98.1 million baht (acquired non-current financial asset) to buy land, machinery and equipment 15.0 million baht, pay for purchase of City Food Co., Ltd. 181.8 million baht, cash received from dividends from City Food Co., Ltd., interest income and from the sale of V-shapes machines of 6.2 million baht. In 2021 The company has invested in the acquisition of intangible assets under the E-commerce business amounting to 450.6 million baht, including the acquisition of non-current financial assets such as the investment in the plant-based protein alternative business of Wicked Foods Inc., Konscious Foods Inc. and invested in Big Idea Ventures, New Protein Fund I and Unovis NCAP Fund II, totaling 181.8 million baht. In addition, there was a loan to a P&B associate of 243.8 million baht. However, the company received cash from the sale of other non-current financial assets from the sale of some investments of Boosted Ecommerce, Inc. to the amount of 47.2 million baht.

Cash from financing activities

For the fiscal years ending 31 December 2019, 2020 and 2021, the Company had cash flows from financing activities (used) equal to 84.3 million baht, 432.3 million baht and 868.0 million baht, respectively. The Company also had short-term borrowing from financial institutions comprises 90.0 million baht, repayment of long-term loans of 190.6 million baht,

long-term borrowing from financial institutions of 51.0 million baht and cash from capital increase 134.6 million baht, resulting in the company's net cash from financing activities of 84.3 million Baht. In 2020, the main financing activities are cash received from capital increase (IPO) 1,334 million baht, long-term borrowing from financial institutions 180 million baht, short-term borrowing from financial institutions 25.0 million baht, long-term loan repayment from financial institutions 1,083.4 million baht, payment of transaction costs arising from the issuance of shares of 39.0 million baht and repayment of principal liabilities under the lease agreement of 4.2 million baht, causing the company Net cash from financing activities to be 432.3 million baht. For the year 2021, the main financing activities were long-term borrowing from financial institutions amounting to 252.3 million baht, payment of long-term borrowing from financial institutions of 71.4 million baht and issuing long-term debentures of 700.0 million baht.

Analysis of Financial Ratio

Liquidity ratio

For the fiscal year ending 31 December 2019, 2020 and 2021, the Company's liquidity ratio is 0.9 times, 1.6 times and 2.3 times, respectively.

For the fiscal years ending 31 December 31, 2019, 2020 and 2021, the Company's cash cycle is 53.9 days, 66.0 days and 62.7 days, respectively. For the year 2020, the company has an increased cash cycle from the end of 2019 because the company average collection period decreased from 65.2 days to 57.9 days due to more 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 the shipping line in December due to the COVID-19 situation of both the Company and City Food Company Limited. Faster repayment from 52.1 days in 2019 to 43.2 days in 2020 due to more fresh ingredients and faster production cycles, therefore, the need to pay for raw materials faster. In 2021, the company has a shorter cash cycle from the end of 2020 because the company average collection period decreased from 57.9 days to 50.2 days due to more systematic debt collection management. The average trade settlement period decreased from 43.2 days to 42.2 days due to more fresh raw materials and faster production cycles mean faster payment for raw materials. However, the company has a longer turnaround time from 51.3 days in 2020 to 54.7 days in 2021 due to global logistics problems causing the company to be affected by shortages of containers and cargo ships leading to postponement of shipping. As a result, inventories have increased at the end of 2021.

Profitability Ratio

The Company's Gross Profit Margin for the fiscal years ending 31 December 2019, 2020 and 2021 is 29.4%, 30.8% and 38.9 percent, respectively. For the year 2020, the gross profit margin ratio improved due to the company's economies of scale production, increased sales, more efficient productivity and depreciation of the baht as most Company income is in foreign currency while most production costs are in Thai baht. For the year ending 31 December 2021, the gross profitability ratio has improved due to increased sales volume, the weaker baht and high gross profit margin from e-commerce business both in Thailand (through investment in Indy Group Company Limited) and abroad (by acquiring a total of 3 brands of products, namely Prime Labs, SOL Trading, and WellPath).

The Company has an EBITDA margin for the fiscal year ending 31 December 2019, 2020 and 2021, equals to 17.2%, 19.9% and 22.2%, respectively. For the year ending 31 December 2020, the Company had increased profit before interest, tax, depreciation and net amortization rate on sales revenue (EBITDA Margin) of 3.8% from the end of 2019 due to higher export revenues in all zones and better management of production, cost and operation of the Company. For the year ending 31 December 2021, the Company's earnings before

interest, tax, depreciation and amortization on net sales (EBITDA Margin) increased by 2.3% from the end of 2020 due to the recognition of profit from dispose of investments in associated companies, gain on the change in the value of a given financial asset measured at fair value through profit or loss, and better performance, eventhough there is an increase in loss share recognition from Plant And Bean Ltd.

The Company has net profit margin (Net Profit Margin) for the fiscal years ending 31 December 2019, 2020 and 2021 equals to 3.6%, 8.6 and 9.6 percent, respectively. For the year 2020, the company's net profit margin improved by 5.0% from the end of 2019 due to the company's economy of scale, increased sales and better management of production, cost and operation of the company and the depreciation of the Thai baht as most Company income is in foreign currency and most production costs are in Thai baht as well as lower interest rates from lower borrowings. In 2021, the company's net profit margin improved by 1.0% from the end of 2020, mainly due to the weak baht, better performance and recognized profit from disposal of investment in associated company, includeing gains on changes in the value of a given financial asset to be measured at fair value through profit or loss despite the increased loss share recognition from Plant And Bean Ltd. and higher finance costs.

Financial ratio according to loan terms

Financial ratio according to loan terms		Ended 31 December 2019	Ended 31 December 2020	Ended 31 December 2021
Net Debt/EBITDA	Times	4.3	na	1.5
Net Debt/Equity	Times	na	na	0.3
Debt to Equity Ratio	Times	1.2	0.3	0.6
DSCR	Times	0.5	1.2	2.4
Financial ratio required to maintain the loan terms				
Net Debt/EBITDA	times	≤ 2.5x	≤ 2.5x	≤ 2.5x
Net Debt/Equity	times	na	na	≤ 2.0x
Debt to equity ratio	times	≤ 2.0x	≤ 1.5x	≤ 1.5x
DSCR	times	≥ 1.2x	≥ 1.2x	≥ 1.2x

According to the loan agreements of all banks, the Company has no risk from being unable to maintain financial ratios in accordance with the terms of the loan agreements that have already been repaid.

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

There are 7 main factors or events that may affect the financial position or operations of the Company, as follows:

1. Currency exchange rate changes

The Company's products sold in US Dollars, Euros and Singapore Dollar accounted for approximately 65%, 2% and 0.05% of sales revenue in the consolidated financial statements for the year 2021. If the baht becomes stronger compared to these currency, it will make the company's income when converted to Thai baht of less value. Also, when sales revenue in baht currency compares to cost of sales or expenses that are mostly incurred in baht currency, then the cost to income ratio increases or the profitability ratio decreases.

However, the company has a policy to sell more products in Thai baht in the future for the Ethnic/Specialty Food business group by starting from new customers and new products. The Company plans to use financial instruments such as futures contracts to hedge against foreign exchange fluctuations that will help the company's income become less affected by exchange rate fluctuations.

The Group is exposed to significant foreign currency risk in connection with the purchase or sale of goods, use of services, and borrowing or lending in foreign currencies. The Group manages most of the risks by entering into contracts for FX forward and foreign exchange contracts, most of which last 1 - 5 years.

2. Regulations for Food and Drugs

The Food and Drug Administration (FDA) of countries such as the United States is a federal agency that inspects, controls and supervises the safety of drugs, food, medical devices and various cosmetics. In the last 1-2 years, the United States has strictly controlled the quality of food and drug imports. However, the company has improved the quality of production throughout the supply chain to ensure that the products that the company sold to each country including the United States surpass the specified standards.

3. Shortages of Containers and Ships

In 2021, the Company continued to suffer from shortages of containers and vessels and has closely monitored and supported customers by issuing measures to manage the situation both in the short, medium and long term in order to stabilize or improve that situation. The Company was affected by shipping delays, affecting approximately 20% of all shipments in the past Q2. In Q4, the situation was significantly improved as the impact of shipments delay is only 5%. Though the shipping costs are higher, the company will not be affected by such expenses and views that the impact from transportation problems is just a postponement of the company's revenue recognition. The company expects that the transportation problem will still exist, but the situation will move towards a better direction in the future.

4. The impact of the COVID-19 outbreak and countermeasures

The highly infectious delta and omicron variant of COVID19 was more severe than expected by all parties, affecting the Company both in Thailand and the UK and resulting in the inability to operate at full capacity the production factories in Thailand and the United Kingdom in the short term. There was a delay in the food safety audit process in the UK factory as well. The company has taken care and prepared strict measures to prevent the spread and see that the current situation will continue to improve because most employees have now been fully vaccinated.

5. IPO by using Warrants

On April 22, 2021, the 2021 Annual General Meeting of Shareholders of the Company resolved to approve the allocation of warrants (NRF-W1) to purchase the Company's ordinary shares not exceeding 67,789,015 units by issuing warrants to existing ordinary shareholders who subscribe for newly issued ordinary shares. The shares are allocated at the rate of 20 existing ordinary shares per unit of warrant. The warrants are in the name specified and transferable. The term of the warrants does not exceed 2 years and there is no offering price. The ratio is 1 warrant per 1 new ordinary share. The specified exercise price is valued at 10 baht per share and is scheduled to be exercised every 6 months. The first exercise date is December 15, 2021 and the last exercise date is the date the warrants mature at 2 years which is on May 26, 2023

If the share price of the Company rises higher than 10.0 baht per share on the date the warrants are exercised, the money received from this capital increase will increase the liquidity of the Company.

6. The effect of the Company's liquidity

As most of the Group's liabilities are due within one year in terms of bank overdrafts and short-term borrowings and long-term loans, the Group has assessed that it has ability to repay debts. The Company's exposure to such risks is low as the Group has sufficient access to a variety of funding sources. However, in 2023, the Company is due to pay back the 700.0 million baht debenture, which may affect the liquidity of the company in the short term. The company has several sources of funds for the payment of the debentures, namely 1) working capital in the company 2) cash flow from operations and 3) Exercise of warrants.

7. Impact of Investment and Joint Venture

7.1 Investing in Plant and Bean Ltd.

Based on 2021 performance, Plant and Bean Ltd. has increased losses. Therefore, the company's increase in loss share was recognized from Plant and Bean Ltd. in 2021. However, Plant and Bean Ltd., a new plant, was just granted permission from the BRC in September 2021. It is expected that the operating results will improve from 2022 onwards.

7.2 Investment in Botany Petcare Co., Ltd.

The Company acquired Botany Petcare Co., Ltd. totaling 66.7% of the paid-up shares in September 2021. The company was able to recognize an increase in revenue from sales products of Botany Petcare Co., Ltd., whose objective was transform the factory in Ratchaburi from the formerly producing soybeans under the Shinpo brand to food and petfood which will focus on plant-based petfood in the future. Botany Petcare will market its products under its own brand and will also offer contract manufacturing (Original Equipment Manufacturer or OEM) for export to countries in Southeast Asia (ASEAN) and other countries, which the company expects to produce at the Ratchaburi plant in the 3rd quarter of 2022 to meet growing demand for pet food distribution.

7.3 Investment in Ecommerce Business

The Company has invested in the E-commerce business that has a high gross margin but has a lower net profit margin than the Ethnic/Specialty Food business group due to high selling expenses in the country. The Company has invested in Indeem Group Company Limited, a subsidiary of the Company and market skin care products, food supplement product, and consumer products in the form of a network (Multi-level Marketing or "MLM") or Network Marketing. In 2022, the Company will recognize income from Indeem for a full year and expects that

such business is likely to grow and likely to become distribution channel for products of the company and affiliates. In addition, for foreign investment, the Company has established Boosted NRF Corp., a joint venture company between NRF Consumer Company Limited (a subsidiary of the Company) and Boosted Ecommerce, Inc. (a US company) for the purpose of investing in branded e-commerce businesses on Amazon.com that have products in the category of Ethnic Food, Plant-Based Food, Functional Product that the company has the ability to compete already. These products must have good sales in Amazon's E-Commerce system and generate continuous returns and the Company focuses on the acquisition of intellectual property trademark, know-how and expertise in the business of specialized commodities as well as other intangible assets related to business operations that are sold on the Amazon.com platform. In 2021, the company invested in assets under the brands - Prime Labs, SOL Trading and WellPath. In 2022, the company will have a full year of revenue recognition. It is expected to invest in additional acquisitions on the Amazon.com platform under Boosted NRF Corp.

4.3 Key Financial Information

Summary table of financial statements/consolidated financial statements

Statement of financial position	31 December 2019		31 December 2020		31 December 2021	
	Million baht	%	Million baht	%	Million baht	%
Assets						
Current assets						
Cash and cash equivalents	142.3	5.5	224.3	6.7	309.5	6.6
Trade and other receivables	194.5	7.5	284.4	8.5	498.3	10.7
Short-term loans to associates	-	-	-	-	257.7	5.5
Inventories	85.1	3.3	188.1	5.6	196.9	4.2
Other current assets	10.3	0.4	24.8	0.7	19.2	0.4
Total current assets	432.1	16.6	721.6	21.5	1,281.6	27.5
Non-current assets						

Deposits at financial institutions with collateral	18.9	0.7	7.9	0.2	34.6	0.7
Current financial assets	-	-	104.0	3.1	287.7	6.2
Investments in associates	-	-	187.4	5.6	241.8	5.2
Investments in joint ventures	-	-	-	-	36.7	0.8
Other long-term investments	28.4	1.1	-	-	-	-
Property, buildings and equipment	375.3	14.5	626.1	18.6	587.2	12.6
Right-of-use assets	-	-	11.1	0.3	11.4	0.2
Unallocated acquisition costs	-	-	5.0	0.1	4.7	0.1
Goodwill	241.6	9.3	245.0	7.2	1,491.0	5.3
Intangible assets	1,433.1	57.4	1,878.5	42.8	Deferred	40.3
Tax assets	7.7	0.3	16.7	0.5	47.4	1.0
Other non-current assets	0.8	0.0	3.9	0.1	5.6	0.1
Total non-current assets	2,163.7	83.4	2,636.8	78.5	3,380.6	72.5
Total assets	2,595.8	100.0	3,358.4	100.0	4,662.3	100.0
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	90.0	3.5	143.5	4.3	140.0	3.0
Trade and other payables	126.1	4.9	202.1	6.0	314.6	6.7

Long-term borrowings due within one year	255.1	9.8	62.9	1.9	36.3	0.8
Liabilities under finance lease agreements due within one year	0.6	0.0	4.0	0.1	3.7	0.1
Income tax payable	9.5	0.4	29.0	0.8	63.4	1.4
Other current liabilities	2.0	0.1	7.6	0.2	9.0	0.2
Total current liabilities	483.2	18.6	449.1	13.3	567.0	12.2
Non-current liabilities						
Long-term borrowings - net of portion due within one year	618.1	23.8	-	-	222.3	4.8
Liabilities under finance lease agreements - net of portion due within one year	0.9	0.0	5.4	0.2	6.7	0.1
Term debentures	-	-	-	-	691.3	14.8
Reserve for long-term employee benefits	5.7	0.2	15.3	0.4	19.3	0.4
Deferred tax liabilities	315.1	12.1	311.5	9.3	300.0	6.4
Other non-current liabilities	-	-	2.6	0.1	2.6	0.1
Total non-current liabilities	939.8	36.2	334.8	10.0	1,242.2	26.6
Total liabilities	1,423.0	54.8	783.9	23.3	1,809.2	38.8
Shareholders' equity						
Share capital						
Registered capital	1,421.0	54.7	1,421.0	42.3	1,485.4	31.9
Issued and paid-up capital	1,065.8	41.1	1,355.8	40.4	1,417.7	30.4

Share premium	155.7	6.0	1,165.2	34.7	1,224.8	26.3
Deficit from merger & acquisition	(290.8)	(11.2)	(290.8)	(8.6)	(290.8)	(6.2)
Retained earnings						
Appropriated - legal reserve	23.1	0.9	30.4	0.9	41.4	0.9
Unappropriated	219.0	8.4	327.0	9.7	506.8	10.9
Other components of shareholders' equity	-	-	(13.1)	(0.4)	(84.6)	(1.8)
The Company's shareholders' equity	1,172.8	45.2	2,574.5	76.7	2,815.3	60.4
Non-controlling interests of subsidiaries	-	-	-	-	37.8	0.8
Total shareholders' equity	1,172.8	45.2	2,574.5	76.7	2,853.1	61.2
Total liabilities and shareholders' equity	2,595.8	100.0	3,358.4	100.0	4,662.3	100.0

Statement of Comprehensive Income	1 January - 31 December 2019		1 January - 31 December 2020		1 January - 31 December 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue						
Revenue from sales	1,111.1	99.2	1,408.3	97.5	2,100.0	90.6
Dividend income	-	-	5.8	0.4	-	-
Other income	8.6	0.8	29.6	2.1	208.4	9.0
Foreign exchange gain	-	-	0.4	0.0	9.8	0.4

Total revenue	1,119.7	100.0	1,444.1	100.0	2,318.2	100.0
Expenses						
Cost of sales	783.9	70.0	974.2	67.4	1,283.5	55.4
Selling and distribution expenses	55.1	4.9	66.1	4.6	261.2	11.3
Administrative expenses	162.8	14.5	190.5	13.2	371.0	16.0
Loss on exchange rate	6.1	0.5	-	-	-	-
Total expenses	1,007.9	90.0	1,230.8	85.2	1,915.7	82.6
Profit before finance cost and corporate income tax expense	111.8	10.0	213.6	14.8	402.5	17.4
Loss from change of investment status	-	-	(0.9)	(0.1)	-	-
Share of loss from investment in joint venture trade	-	-	-	-	(0.8)	(0.0)
Share of loss from investments in associates	-	-	(15.4)	(1.1)	(52.6)	(2.3)
Financial income	-	-	0.2	-	7.9	0.3
Finance expenses	(60.9)	(5.4)	(45.7)	(3.1)	(63.8)	(2.8)
Profit before income tax expense	50.9	4.5	151.6	10.5	293.3	12.6
Income tax expense	(10.1)	(0.9)	(27.2)	(1.9)	(71.8)	(3.1)
Net profit for the period/year	40.8	3.6	124.4	8.6	221.4	9.6

Other comprehensive income:						
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<i>Items that will later be recorded in profit or loss.</i>						
Share of other comprehensive income from investments in associates	-	-	4.7	0.3	14.1	0.6
Exchange differences on translation of foreign-rate financial statements	-	-	-	-	36.8	1.6
<i>Items that will not be recorded in profit or loss later</i>						
Gain on investment in equity securities determined at fair value through other comprehensive income	-	-	-	-	-	-
Actuarial loss	(0.8)	(0.1)	(8.3)	(0.6)	-	-
Income tax impact	0.2	0.0	1.6	0.1	-	-
Loss on investments in equity securities determined at fair value through other comprehensive income	-	-	(19.4)	(1.3)	(94.3)	(4.1)
Income tax impact	-	-	3.9	0.3	18.9	0.8
Other comprehensive income for the year	(0.7)	(0.1)	(17.5)	(1.2)	(24.6)	(1.1)
Total comprehensive income for the year	40.1	3.6	106.9	7.4	196.8	8.5

Statement of Cash Flows	January 1 - December 31, 2019	January 1 - December 31, 2020	January 1 - December 30, 2021
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	Million Baht	Million Baht	Million Baht
Cash flows from operating activities			
Profit before tax	50.9	151.6	293.3
Reconciliation of profit before tax to cash received (paid)	-	-	(1.6)
Allowance for doubtful accounts (Reversal of allowance for doubtful accounts)	2.8	-	-
Reversal of impairment loss on financial assets	-	(0.7)	-
Depreciation and amortization	79.8	89.7	156.5
(Gain) Loss on disposal of assets	(0.0)	(0.0)	(0.1)
Loss on write-off of intangible assets	-	-	1.2
Amortization of trade accounts receivable	-	-	-
Write-off of inventories	2.3	-	-
Adjustment of cost of inventories to net realizable value (reversal)	(2.3)	4.0	3.8
Share of loss from investment in joint venture	-	-	0.8
Share of loss from investment in associate	-	15.3	52.6 Provision
Reserve for long-term employee benefits	1.6	1.1	3.9
Unrealized (Profit) losses on exchange	0.4	1.3	(0.2)
(Gain) Loss on fair value measurement of derivatives	-	(0.3)	-
Loss on fair value adjustment of financial assets	-	0.0	(33.6)

Dividend income	-	(5.8)	-
Interest Received	(0.6)	(0.2)	(7.9)
Gain on disposal of investment in associate	-	-	(99.6)
Loss on change of investment status	-	0.9	-
Transaction costs arising from the issuance of shares	-	4.4	-
Expenses Interest paid	60.9	45.7	63.8
Operating profit before changes in assets and liabilities	195.9	307.0	432.8
Changes in operating assets and liabilities			
Operating assets (increase) decrease			
Trade and other receivables	9.6	(26.8)	(145.8)
Inventories	7.4	(66.2)	(6.8)
Other current assets	11.2	(11.7)	5.8
Other non-current assets	(0.4)	(2.6)	(0.9)
Operating liabilities (increase) reduce			
Trade and other payables	24.5	(6.5)	(8.7)
Other current liabilities	(0.3)	1.7	(0.8)
Other non-current liabilities	-	2.6	0.1
Employee benefit payments	(0.1)	-	-

Cash received from operating activities	247.9	197.5	275.7
Payments of interest	(60.8)	(50.0)	(59.5)
Income tax payment	(33.7)	(29.0)	(61.9)
Net cash from (used in) operating activities	153.3	118.5	154.3
Cash flow from investing activities			
Increased bank deposits with pledged guarantees	(0.1)	17.5	(26.7)
Increase in other non-current financial assets	-	(98.0)	(181.8)
Proceeds from disposal of other non-current financial assets	-	-	47.2
Loans to the Company Increase in joint venture	-	-	(243.8)
Cash paid for investment in associates	-	(198.0)	(60.0)
Cash paid for investment in joint ventures	-	-	(37.5)
Cash paid for investment in subsidiaries	-	(181.6)	3.5
Cash paid for other long-term investments	(26.1)	-	-
Cash paid for acquisition of property, plant and equipment	(15.4)	(15.0)	(32.9)
Cash received from sale of equipment and vehicles	1.1	0.1	1.0
Cash paid for purchase Intangible assets	(1.5)	-	(450.6)
Interest received	0.6	0.4	6.6
Dividend received	-	5.8	-

Net cash used in investing activities	(141.3)	(468.8)	(975.0)
Cash flows from financing activities			
Increase (decrease) short-term loan from financial institutions	90.0	24.9	(3.5)
Cash received from long-term loan	51.0	180.0	252.3
Repayment of long-term loans from financial institutions	(190.6)	(1,063.4)	(71.4)
Cash received from Issue long-term debentures	-	-	700.0
Payment of liabilities under finance lease agreements	(0.7)	(4.2)	(4.5)
Cash received from non-controlling interests of subsidiary	-	-	1.1
Cash received from capital increase	134.6	1,334.0	-
Cost paid in Transactions arising from issuance of shares	-	(39.0)	-
	-	-	(6.0)
Dividend payment			
Net cash from (used in) financing activities	84.3	432.3	868.0 Increase
Translation of financial statements	-	-	37.9
Unrealized gains (Loss) on exchange rates for cash and cash equivalents	0.4	0.0	(0.0)
Increase (decrease) in cash and cash equivalents - net	96.7	82.0	85.1
Cash and cash equivalents at the beginning of the period	45.6	142.3	224.4
Cash and Cash equivalents at the end of the period	142.3	224.3	309.5

Financial Ratios	Unit	1 January - 31 December 2019	1 January - 31 December 2020	1 January - 31 December 2021
Liquidity Ratio				
Liquidity Ratio	Times	0.9	1.6	2.3
Quick Liquidity Ratio	Times	0.7	1.2	1.9
Cash Flow liquidity ratio	Times	0.2	0.3	0.3
Trade account receivable and general customer turnover ratio	Times	5.5	6.3	7.3
Average debt collection period	Days	65.2	57.9	50.2
Inventories turnover ratio	Times	8.8	7.1	6.7
Average product sales period	Days	40.8	51.3	54.7
General trade creditor turnover ratio	Payable	6.9	8.5	8.7
Repayment Period	Days	52.1	43.2	42.2
Cash Cycle	Days	53.9	66.0	62.7
Profitability Ratio				
Gross profit ratio	%	29.4%	30.8%	38.9%
Operating profit ratio	%	9.8%	14.7%	17.4%

Profit before tax, interest, depreciation and amortization ^[1]	%	17.2%	19.9%	22.2%
Cash to profit ratio	%	140.3%	55.6%	38.3%
Gross profit ratio	%	3.6%	8.6%	9.6%
Return on equity ratio	%	3.8%	6.6%	8.2%
Operating Efficiency Ratio				
Return on assets ratio	%	1.6%	5.1%	7.3%
Return on fixed assets ratio	%	36.8%	42.8%	62.3%
Asset turnover ratio	Turnover	0.4	0.5	0.6
Financial Policy Ratio				
Debt to equity ratio	times	1.2	0.3	0.6
Interest bearing debt to equity ratio	times	0.8	0.1	0.4
Interest	times	4.1	6.3	8.4
Debt service coverage ratio	times	0.6	0.1	0.4
Dividend payout ratio	%	-	-	2.7
Financial ratio according to the loan terms				
Net Debt/EBITDA ^[2]	times	4.3	na	1.5
Net Debt/Equity	times	na	na	0.3

Debt to equity ratio	times	1.2	0.3	0.6
DSCR ^[3]	times	0.5	1.2	2.4
Loan terms^[4]				
Debt/EBITDA ^{Net}	times	≤ 2.5x	≤ 2.5x	≤ 2.5x
Net Debt/Equity	times	na	na	≤ 2.0x
Debt to equity ratio	times	≤ 2.0x	≤ 1.5x	≤ 1.5x
DSCR	times	≥ 1.2 x	≥ 1.2x	≥ 1.2x

5. General Information and Other Important Information

5.1 General Information

- | | | |
|-------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Securities Registrar | : | Thailand Securities Depository Company Limited
No. 93, 14th Floor, Ratchadaphisek Road,
Din Daeng Sub-district, Din Daeng District,
Bangkok 10400 |
| 2. Auditor | : | Ms. Sirinart Chirachaikhueankhan, Certified
Public Accountant No. 6287

EY Office Company Limited

Floor 33, Lake Ratchada Office Complex,
193/136-137 Ratchadaphisek Road, Klongtoey
Sub-district, Klongtoey District, Bangkok 10110 |
| 3. Internal Auditor | : | Ms. Kwanjai Kiatkangwarinklai

ASV Advisory Company Limited

47 Soi 53, Rama 3 Road, Bangpongpan,
Yannawa, Bangkok 10120 |
| 4. Legal advisor | : | Mrs. Anchalee Limwiriyaalert

Allen & Overy (Thailand) Co., Ltd.

130-132 Sindhorn Tower 3, 23rd Floor,
Wireless Road, Lumpini, Pathumwan, Bangkok
10330, Thailand |

5.2 Other important information

5.2.1 Other information that may significantly affect the decision of investors

Events after the reporting period

In January 2021 and February 2021, the subsidiary has invested in preferred shares of Boosted NRF Corporation, registered in the United States, amounting to 55 shares, totaling USD 10 million or 301 million baht. The subsidiary has a stake of 55% in the Company.

The Board of Directors Meeting No. 3/21 dated March 1, 2021 and the Board of Directors Meeting No. 4/21 dated March 11, 2021 passed the following resolutions:

1. Approve the allocation of profit from operations in 2020 by paying dividends in the amount of not more than 54,231,212 ordinary shares, with a par value of 1 baht per share, to the shareholders of the Company at the rate of 25 existing shares per 1 stock dividend. The rate of dividend payment is 0.04 baht per share and paid in cash at a rate of 0.004444 baht per share, to the total amount 60,256,902.23 baht.

2. Approve 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 unsold ordinary shares with a par value of 1 baht per share.
 3. Approve the increase of Company's registered capital from 1,355,780,300 baht to 1,502,900,527 baht by issuing 147,120,227 new ordinary shares with a par value of 1 baht per share.
- Dividend 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) which is allocated to existing shareholders in the amount of not more than 67,789,015 shares.
 - The issuance and offering of warrants to purchase newly issued ordinary shares of the Company No. 2 (NRF-W2) which is allocated shares to private placement in the amount of not more than 6,000,000 shares.
 - Issuance and offering of warrants to purchase newly issued ordinary shares of the Company allocated to the Company's employees and/or Subsidiary No. 1 (NRF-ESOP W1), not exceeding 3,500,000 shares.
 - Investment in Golden Triangle Health Company Limited, not exceeding 7,643,892 shares, by which the Company's subsidiary is Super Plans Company Limited.
 - Issuance and offering of debentures up to 2,000 million baht and/or equivalent amount 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 actions necessary in connection with the issuance and offering of such debentures to the Board of Directors and/or persons assigned by the Board of Directors in order to comply with the relevant laws and regulations.

In this regards, the Company has already presented the resolutions for approval at the Annual General Meeting of Shareholders of the Company.

5.2.2 Restrictions on overseas shareholders

The Company will request a resolution of the shareholders' meeting for the offering of newly issued shares or issuing shares that can be transferred (Transferable Subscription Right (TSR)) to shareholders in proportion to their shareholding without issue and offer to shareholders that will cause the Company to have duties under foreign law, or the Company will offer to sell new shares or issuing a transferable share subscription right (Transferable Subscription Right or TSR) to shareholders in proportion to their shareholding and such issuance of debentures will be made in Thailand only.

5.3 Legal Disputes

None

5.4 Secondary market

None

5.5 Financial institutions that are in constant contact (Only in the case of debt instruments)

The Company has appointed Bank of Ayudhya Public Company Limited to represent the bondholders and the bond registrar, and the Company pays interest and repays the loan through the Bank of Ayudhya Public Company Limited.

^[1] excluding share of loss from the Associated Company Plant and Bean

^[2] EBITDA excludes share of loss from Plant and Bean associates

^[3] Before 2019, the DSCR formula is calculated from Adjusted EBITDA, which is EBITDA - Investments. Since 2019, DSCR calculation does not require deductions from investments, and EBITDA does not include share of losses from the associated company Plant and Bean.

^[4] The loan agreement specifies testing of financial ratios every 6 months. Therefore, the financial ratio maintenance is not required in Q1/2020 due to the COVID-19 situation. The Bank has taken measures to provide assistance to its customers. Therefore, the Company has benefitted from this break of non-payment of principal debt of bank loans until April 2021 and has also been approved for a waiver of the maintenance of financial ratios for the six-month period ending June 2020.



NR Instant Produce Public Company Limited

Section 2 Corporate Governance

Corporate Governance Policy

Policies and Guidelines Relating to Board of Directors

6.1.1 Policies and Guidelines Relating to Board and 6.1.2 Policies and Guidelines Relating to Shareholders and Stakeholders

The Company operates its business in accordance with the guidelines of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) as well as the criteria on ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) in accordance with good corporate governance principles for efficiency, transparency, and effectiveness in management and to ensure fair treatment of shareholders, investors, creditors, employees, government sectors, customers, as well as the general public and all related parties. In 2017, to ensure that listed companies can sustain long-term growth, the Securities and Exchange Commission issued the Corporate Governance Code (CG Code) for applications by listed companies in order to supervise the business for valuable and sustainable long-term performance.

The Company, therefore, adopted the aforementioned principle as a practice for the Board of Directors whose management of the company have clearly divided duties. The Board of Directors is responsible for formulating policies and supervising the management of the executives in accordance with the objectives and policies of the Company and the executives are responsible for managing the business in order to generate profits. By performing such duties, both the Board of Directors and Executives will jointly share responsibility for all parties equally including employees, creditors, government sectors, customers and society. To comply with the Corporate Governance Code (CG Code) principles, the Board of Directors has established additional guidelines to ensure better operating results and long-term growth and create sustainable value for the business.

The Company has established a good corporate governance policy and a written business Code of Conduct to guide all business segments of business operation to be in compliance with the law, which is an international standard. The policy has been announced for all directors and employees of the Company for acknowledgement and implementation. The Company also arranges for annual review and update of the Good Corporate Governance Policy as well as Code of Conduct for full alignment of the Company's operations. In consideration of the the CG Code of 2017, the following are designated:

- Principle 1: Recognize the roles and responsibilities of the Board of Directors as organization leaders who create sustainable values for the business.
- Principle 2: Define main objectives and goals of sustainable business
- Principle 3: Strengthen Board effectiveness
- Principle 4: Ensure Effective CEP and People Management
- Principle 5: Promote innovation and responsible business operation
- Principle 6: Strengthen risk management and internal control system

Principle 7: Maintain financial credibility and disclosure of information

Principle 8: Support engagement and communication with shareholders

Principle 1 Recognize the roles and responsibilities of the Board of Directors as an organization leader that creates sustainable value for the business

The Board of Directors has responsibility to perform their duties independently from the management for the highest benefit of the company and shareholders. Duties and responsibilities of the Board of Directors and the Management shall be clearly separated. The Board of Directors shall determine the policy and supervise the various systems of the Company to operate in accordance with legal and ethical policy.

The Board of Directors is responsible for reviewing Good Corporate Governance Policy and Code of Conduct and approving them before bringing them into force. The Company shall disclose the names, profile and duties of the Board of Directors and the 6 sub-committees, namely the Executive Committee; Audit Committee; Risk Management Committee; Nomination and Remuneration Committee; Corporate Governance and Sustainable Development Committee and Investment Committee.

The Board of Directors shall be responsible for the transparency and correctness in the preparation of an accurate and complete Company Financial Statement. They shall also ensure adequate disclosure of important information in the notes to the financial statements and financial information in the annual report. The financial statements must be prepared in accordance with generally accepted accounting standards and checked by an auditor certified by the SEC. The Board of Directors has appointed an Audit Committee consisting of 3 members who are independent and non-executive directors to review the quarterly financial reports and the annual financial statements. So that they are accurate and complete and in accordance with generally accepted accounting principles before presenting them to the Board of Directors for further consideration.

The Company's Accounting Department is responsible for presenting information on connected transactions and transactions with conflicts of interests pursuant to the Securities and Securities and Exchange Act (No. 4) B.E. 2551 (2008), Section 89/12 and the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551 and the announcement of the SEC Re: Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions, B.E. 2546 (2003) and its amendments to the Audit Committee for consideration and opinion.

1.1 Term of office

The directors' term of office shall be in accordance with the Public Company Act B.E. 2535 (1982). Each independent director has a term of 3 consecutive years, but shall not be more than 3 terms, unless unanimously approved by the Nomination and Remuneration Committee and under the consideration that the said director has made great contribution to the Company and such extension according to the term will not cause a lack of independence decision. The decision to reappoint shall be approved by the Board of Directors and shareholders as well.

1.2 Directors' remuneration

The Nomination and Remuneration Committee is responsible for suggesting guidelines and methods for determining meeting allowances, expenses, fees, rewards and gratuities, including any other benefits that are in the form of remuneration to the Company's directors by submitting to the Board of Directors' meeting for approval at the Annual General Meeting of shareholders, except for entitlement under company regulations.

1.3 The Sub-Committees

The Board of Directors shall appoint the sub-committee members from appropriate and qualified persons. Each committee member shall perform duties as assigned by the Board of Directors, with the power to notify the management to attend the meeting to clarify a concern or prepare a report for submission. The Board of Directors will approve the charter of each sub-committee.

At present, the Board of Directors has appointed 6 sub-committees.

1. The Executive Committee comprising the Executive Directors and senior management of the Company.
2. The Audit Committee comprising 3 Independent Directors, at least one of whom must have accounting knowledge with sufficient experience to review the credibility of the financial statements. The Audit Committee holds office for a term of 3 years, and upon retirement may be re-appointed as a director.
3. The Nomination and Remuneration Committee comprising 3 Independent Directors. The Nomination and Remuneration Committee has a term of 3 years, and upon retirement, may be reappointed as a director.
4. The Risk Management Committee comprising at least 4 directors, each holding office for a term of 3 years, and upon retirement, may be reappointed as a director.
5. The Corporate Governance and Sustainability comprising at least 4 directors, each holding office for a term of 3 years, and upon retirement, may be reappointed as a director.
6. The Investment Committee comprising at least 4 directors, each holding office for a term of 3 years, and upon retirement, may be reappointed as a director.

1.4 Meeting of the Board of Directors

The Board of Directors shall hold meetings to perform their duties and acknowledge operating results on a regular basis, at least every 3 months. At the meeting, the directors shall be able to express their opinions and exercise their judgment independently. The quorums for voting at the Board of Directors Meeting is not less than half of the total number of directors attending the meeting. The directors will attend every meeting unless there is a force majeure necessity and must notify the secretary in advance.

The Company shall report the number of meeting attendance of each director in the annual report and the Secretary of the Board of Directors is responsible for scheduling the meeting throughout the year so that all directors know the schedule in advance. The Secretary of the Board of Directors will send meeting invitations to all directors to confirm the date, time, venue and agenda of the meeting at least 5 days in advance and the Secretary of the Board of Directors shall collect all meeting documents from the management to deliver to the Board of Directors in advance. Such documents will be comprise sufficient information for independent decision-making and the discretion of the board. The secretary of the Board of Directors will record details of discussions to prepare a complete and accurate minutes of the meeting within 14 days of the date of the meeting for submission to the chairman of the board for signing and shall provide a systematic, easy-to-search confidential file storage.

1.5 Evaluation of Performance the Board of Directors and Company's Sub-Committees (as a team and individually)

The Company shall evaluate the performance of the Board of Directors and the Sub-Committees at least once a year, both individual director assessment and as a whole committee so that the Board can jointly consider and improve their own performance. At every end of the year, the Company secretary and the Sub-committees secretaries, that is, of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Sustainability Committee, the Risk Management Committee, the Investment Committee and the Executive Committee shall send the performance assessment form as well as self-assessment to the Board of Directors and Sub-Committees and self-assessment for annual evaluation. The assessment form will be returned to the secretary of each committee in order to summarize the results of the assessment and report to each committee for further acknowledgment.

Topics for evaluating the performance of the Board of Directors and sub-committees are as follows:

1. Structure and Qualifications of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. Meeting attended
4. Duties of Directors (at a board/sub-committee meeting)
5. Relationship with the Management
6. Board self-improvement and executive development

Criteria for evaluating the performance of the Board of Directors (both as a team and individually) and Sub-committees of the Company

points earned

less than 50 percent points

50-65 percent

66-75 percent

76-85 percent

86-100 percent

1.6 Meeting of non-executive directors

The Board of Directors requires non-executive directors to hold meetings among themselves to allow free discussion on various matters. The meetings are held at least once a year in order to comply with good corporate governance principles.

1.7 Reporting Information

1. The Board of Directors is responsible for reporting financial information and general information to shareholders and general investors correctly in a transparent, correct manner with logical explanation with supporting figures, both in terms of operating results policy, future trends as well as the success and obstacles of the business.

2. The Board of Directors understands and supports the auditors' professional practice standards.

3. The Board of Directors is to prepare a report indicating the Board's responsibility for the preparation and disclosure of the Company's financial reports for presentation in the annual report, together with the financial statements and the auditor's report. This includes:

3.1 Legal requirements that the Board of Directors of the Company prepares financial statements that reflect true and reasonable financial position and results.

3.2 Responsibilities of the Board of Directors in preparing an accurate, complete and sufficient accounting information for maintaining the assets of the Company and to pinpoint weaknesses in order to prevent corruption or irregular operation.

3.3 Confirmation that the company has complied with generally accepted accounting standards, appropriate accounting policies and has consistently these practices and in addition, that reasonable consideration has been given to the preparation of the Company's financial statements.

1.8 Succession plans

The Board of Directors has established a succession plan for executives. The plan will prepare personnel in the organization to ensure that the Company has executives with knowledge and abilities capable of holding important positions in the future and that systematic criteria has been determined in the plan.

1.9 Directors and Senior Executives Development

The Company encourages the Board of Directors and senior executives to attend seminars that are beneficial to the performance of their duties as well as to meet and regularly exchange opinions with the Board of Directors, executives of various organizations. Directors of the Company should attend at least the courses offered by the Thai Institute of Directors Association (IOD), which are Directors Certification Program (DCP), Directors Accreditation Program (DAP), Advance Audit Committee Program (AACCP), and Executive Development Program (EDP) so the knowledge and experience acquired can be used for company development.

The Board of Directors encourages Company senior executives to attend both Executive Committee meetings and Board of Directors' meeting to directly present information and opinions about work under their scope of responsibility specified in the agenda at the Board of Directors' meeting. At the same time, executives have the opportunity to learn and understand the views of the Board of Directors including the opportunity to express opinions and offer beneficial guidelines to the Board of Directors as well.

The Board of Directors also encourages meetings and discussions between directors and senior management on occasions other than the Board of Directors meeting so that directors have the opportunity to get acquainted with the company's top executives to exchange ideas on company operation and ask for or accept suggestions from each director with specific expertise to apply to company operation as well.

Principle 2 Define main objectives and goals of sustainable business

The Vision

NR Instant Produce Public Company Limited has a vision to create food products that provide satisfying and sustainable experiences for consumers and improve the quality of life for everyone.

Mission

The Company is dedicated to raising the standard of food production for a more sustainable world and for a better life of all people, manufacturers and consumers alike.

Strategy

The company's objective is to sustainably produce specialty food with good taste in order to create happiness and promote good quality of life for consumers. NRF will continually innovate food that will not only have superior taste but also but contribute to a better consumer life and a better world. The Company has set goals for the years 2022-2023 as follows:

1. Sales volume increase to approximately 5,000 million baht by 2023
2. To be a Clean Food Tech Company
3. To build 2 negative-emission plants in the United States of America and Thailand

The Company attaches great importance to professional management by quality teams with visions. The Company's executives are knowledgeable, capable and have extensive experience in food business as well. They regularly introduce new concepts to be used in the development of the organization and the company's products, making the internal working system of the Company clear-cut and transparent.

In addition, the company gives importance to all employees by providing employees with knowledge and strong foundation in food business as well as training in various fields. Most of the Company's employees are young people who are very committed and creative. The Company wants employees to participate in the company's business and strive to create products and new services that can meet the needs of target customers well because the company believes that this approach will be able to drive business growth sustainably and allow the Company to retain quality employees for a long term.

4. Research and Development Strategies

The Company is committed to continually developing new products to meet the needs and create the highest satisfaction for the customers.

5. Market overview analysis

Although there are objectives or goals in business operations established in the short term, medium term and long term, the Company has always focused on analysis of the whole market as important data in the preparation of strategies or plans so as to make sure that they are up to date with market events and appropriate to the economic and business environment of the Company. The Data Analysis Department has been tasked with analyze this information to ensure that the Company's strategy remains consistent and effective with annual operational goals.

Principle 3 Strengthen Board effectiveness

The Company recognizes that shareholders, investors and regulatory organizations place importance on the roles and responsibilities of the Board of Directors who act as a representative of the shareholders. Therefore, it is important to select and appoint qualified directors and sub-committees members who can help strengthen the Company in the long run.

The Company has established criteria and guidelines for recruitment and selection of directors, taking into account good recruiting guidelines by the Thai Institute of Directors Association. The Board of Directors has assigned the Nomination and Remuneration Committee to determine the qualifications of various committees and highlight various qualifications in terms of

skills, experiences, and abilities that are beneficial to the Company and has also required that the nomination process be transparent to build confidence for shareholders and outsiders.

The Nomination and Remuneration Committee determines the specific skill sets required in the Board of Directors and its sub-committees to allow each committee to establish policies and strategies to achieve the company's objectives with quality and efficiency. The skill sets for each committee are compiled in the Board Skill Matrix.

Principle 4 **Ensure Effective CEP and People Management**

Apart from recruitment of the Board of directors, the Company also attaches importance to the recruitment and development of chief executives and personnel management who serves as important cog in driving the organization in accordance with the policies and strategies set by the Board.

In recruiting executives and other personnel, the Board of Directors has determined the skills, experience, and attributes required by managers or personnel in each field specifically in order to efficiently recruit the most appropriate personnel that meet the Company's requirements in the recruiting plan.

The Nomination and Remuneration Committee has been appointed by the Board of Directors to decide on criteria for recruitment of high-level executives of the Company, including the position of Assistant Managing Director, the Chief Officers and the Chief Executive Officer.

The criteria for recruiting high-ranking executives of the company consist of two parts: strategic management skills, project management skills, risk management skills and business administration skills. The second part is the functional competence, which refers to the knowledge, skills and attributes required by managers to perform duties to achieve goals such as data analysis skills, design skills, planning and management skills, etc.

In addition, the Nomination and Remuneration Committee has also established a remuneration structure and the chief executives performance assessment. The remuneration includes both monetary payment such as salary, bonuses in the short run, and Employee Stock Ownership Plan (ESOP) in the long run as well as other non-monetary compensation such as medical benefits and personnel development program through internal and external training. At the end of the year, there will be an assessment of the performance of the chief executives, executives and employees under established criteria to ensure accurate assessment in line with the operating results and with the goals of the Company.

Principle 5 **Promote innovation and responsible business operations**

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 adheres 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 upholds 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 aspires 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 provides 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	2	33,855
February	-	-	-	-	-	1	1	-
March	-	-	-	-	-	1	1	681
April	-	-	-	-	-	-	-	-
May	-	-	-	-	-	1	1	686
June	-	-	-	-	-	-	-	0
July	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-
Total	0	0	0	1	-	4	5	35,222

3. **Customer:** The Company is mindful and extends full responsibility toward customers, providing services with sincerity and attention to deliver accurate information of the Company's products and treat customers like family. The service must be fast, correct, and credible. Confidential information must be well kept and shall not be inappropriately used for other purposes. The Company is well aware of consumer's rights, that is, good quality food and responsive after-service aiming to create customers' utmost satisfaction. The Company is currently 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:
 - Accuracy according to the specifications
 - International standard safety
 - Timely delivery of goods
5. **Competitor:** The Company adheres to ethical competition and refrain from using dishonest method to disrupt competitors. The Company upholds the policies to not divulge any confidential information or trade secret. The policies are as followed:
 - Adhere to ethical competition
 - Refrain from dishonestly and inappropriately seeking confidential information from competitors
 - Refrain from defaming competitors
 - Support free trade, without any monopoly or exclusive dealings
 - Promote cooperation with competitors in a manner that will benefit the customers instead of attempting to monopolize achieve profit transfer, reduce product quality, or 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 lenders 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 has never defaulted on any lender in the past.
7. **Society:** The Company places great importance on responsibilities toward the environment of the society and the community. It has provided support for many community activities according to appropriateness and in time of need through its continuous CSR projects. The Company shall not become involved with any violation of human rights or intellectual property. It shall be environmental friendly and supports activities that promotes hygiene and conservation of environment as well as maintaining good occupational health and safety for all employees.
8. **Intellectual Property:** The Company respects and complies with all Intellectual property law and has issued a policy forbidding employees from any activity that may be in violation of Intellectual Property law with the following guidelines:

- All employees shall protect and keep all Company's intellectual property confidential so there is no data leakage and must not use such property for their own personal goal or for others' benefit without permission.
- All employees shall respect intellectual property of the others and shall not partly or entirely use such property without the owner's permission.

Principle 6 Strengthen Effective Risk Management and Internal Control

The Company ensures 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 Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

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

1. Appointment of an independent Audit Committee

The Board of Directors has arranged an internal audit unit to periodically monitor every department to ensure accurate recording of information, compliance with work standards and Company's policy without violation of any law. 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 whose duties are to make sure that the financial report is accurate and timely, that the internal control and audit are appropriate and efficient as well as ensure compliance with the law. As a listed company, disclosure of information must also be accurate, clear, transparent and timely. In the event of related party transaction or potential conflict of interest, the Company shall refer the issue to the Audit Committee to consider the appropriateness and rationality 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 all units in the Company and includes factors regarding visions, goals, business strategy, finance, production and other operations. The Committee shall also determine potential risks and its possible impact, seek 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 assigned by the Audit Committee and the Board of Directors, in determining risks from rapid expansion of business as well as providing suggestions for measures that will allow the Company to understand the risks and prepare for countermeasures.

3. Prevention of Conflict of Interest

The Board of Directors monitors and manages 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 controlling 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 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 an information security policy and personal data protection policy to ensure that 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. Implementation of Anti-Corruption policies

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. Complaint Mechanism

The Board of Directors provides a complaint mechanism and procedures to deal with whistleblowing.

Principle 7 Ensure Disclosure and Financial Integrity

1. The Board of Directors is responsible for ensuring that financial report preparation and disclosure of important information are accurate, sufficient and timely, and in compliance with the related standard and guideline.

2. The Board monitors company 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 dissemination of information.

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 and emphasizes 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 policies 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 2022 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 11 October 2021 to 10 January 2022 via e-mail address NRF.comsec@nrinstant.com. No shareholder, however, has proposed any agenda for the AGM 2022 or nominated a director.

2. Annual Shareholders' Meeting

2.1 In arranging a general (AGM), and extraordinary shareholder meeting (EGM) 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 encourages the Board and all committees to attend the meeting with the Chairman of the Board presiding as the Chairman of the Meeting. Other attendants include chief executives, external audit or representatives of legal adviser to listen to comments from the 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 in person or by proxy, to confirm that the quorum is met. The spokesperson shall also inform shareholders of meeting procedures, voting process and vote counting in each agenda in order. No sudden change in material information or uninformed agenda is allowed. The shareholders equal rights to review Company 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 provides news related to shareholders on its website. Notice convening shareholders' meeting is also published in advance for shareholders to conveniently download the content of each agenda.

2.7 The Minute of meeting shall be recorded thoroughly, accurately, timely, transparently and shall include shareholders' questions and comments. The Company shall pose the report in the Company website so that shareholders can review the minutes and shall submit the

Minutes of Meeting 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. This 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, accurate, thorough and transparent information. As for the remuneration of directors, the Board shall propose the amount of remuneration to the shareholders for their approval annually and present the remuneration policy to the shareholders for their consideration.

4. Anti-corruption

The Company has declared anti-corruption policy every year since 2018. The Board has declared its intention to participate in Private Sector Collective Action against Corruption (CAC) Certification on March 1, 2021. At present, the Company is in the process of becoming party to the CAC.

6.2 Code of Conduct

1. Business Ethics

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

1. Operate business honestly, with good faith and responsibility toward the society both in terms of legal and ethical compliance and strive to support individuals, community, society and environment.
2. Treat customers fairly in terms of goods and services, without discrimination
3. Conduct business under a standardized system with good governance, applying skills to the utmost ability, using sufficient and evidence-based information and complying strictly with related laws and regulations.
4. Non-disclosure of customer's data which should be kept confidential by nature unless required by laws.
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 shareholders fairly in accordance with related laws and regulations, conduct shareholder meeting transparently and fairly, and 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 significant 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

Shareholders' Meeting

1. Date, time and venue of shareholder meeting

The Board shall determine 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 document that provide the shareholder with sufficient information for decision-making in each agenda before the meeting date in compliance with related laws and regulations.

3. Proposal of Additional Agenda

Shareholders may propose additional agenda in advance of the meeting by sending a written notice of the recommended 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 and provides resources for shareholders to facilitate their registration.

5. Questioning, Commenting, Voting and Minute Recording

The Board guarantees equal shareholder's rights in reviewing the Company's performance. In every AGM, 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 the minutes of meeting including all questions, suggestions, resolution and number of votes (approved, not approved or abstain) in writing to allow review by the shareholders and related parties. The minutes will also be published on the website of the Company after the meeting.

6. Attendance of the Board of Directors

The Board considers the shareholder meetings as extremely 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 accept comments, suggestions and answer questions posed by the shareholders.

3. Ethics and Recommended Practice 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, due diligence and superior vision. They must not seeking benefit for themselves and related party from the information undisclosed to the general public as well as refrain from disclosing the confidential organization data to outsiders or conducting any activities which might lead to conflicts of interest.

Employee Treatment

Executives and employees shall treat each other fairly, work without bias, encourage capacity building and career advancement, enhance efficiency of employees, encourage understanding of ethics, provide appropriate benefits for employees and treat personnel under supervision and colleagues with honesty, while 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 partners and promptly inform the partner if any conditions are not met.

Competitor Treatment

Executives and employees shall treat competitors fairly under the framework of good competition and refrain from seeking out the competitor's confidential information.

Society and Environment Treatment

Executives and employees shall ensure compliance with related laws and regulations, and practice social responsibility by assisting, supporting and volunteering to do activities that are beneficial to the community and society.

NR Instant Produce Public Company Limited has established a guideline of best practices for the executives and employees as follows:

A. Guideline for Executives

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

1. Support policy and comply strictly with regulations, rules, order, announcement or circular sent to all employees.
2. Conduct their work honestly and justly and promptly report potential impact to the reputation and property of the Company.
3. Be polite, respectful and treat colleagues with manner.
4. Work with determination, perseverance and attention to regulations and the governance of the Company in order to be a good model for other employees and to lead the Company towards progress and righteousness.
5. Strictly protect all Company interests and confidential information and those of the customer or that which is related to activities that the Company does not wish to disclose. Disclosure of any news regarding the Company's financial status and personnel requires permission and any such disclosure must be done efficiently and carefully. Employees shall maintain such confidentiality during and after the termination of their employment. Disclosure or transfer of information for purposes other 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 in all levels of the Company as well as monitoring and resolving conflicts of interest.
8. Supervise subordinates closely, fairly and without bias.
9. Be ready to work as a team and able to listen to the opinion of others.
10. Strictly comply with, support and supervise their subordinates to strictly comply with rules and regulations of the Company regarding computer system, computer data, the Company's traffic data so that the Company's computer use conform 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 a way that defiles the Company and themselves, namely:

1. Spend work time on other matters or for personal benefits.

2. Operate the same type of enterprise in competition with the Company either for personal gain or for other parties or hold controlling shares over such enterprise, leading to direct or indirect damage to the Company.
3. Behave in a manner that defiles the Company and themselves.
4. Report or use false statement the Company or withhold information that the Company should have been informed.
5. Act with negligence in the performance of duty or behave in a manner unfitting for a good executive that has integrity.
6. Conceal or distort the truth for personal gain or other parties, leading to direct or indirect damage to the Company.
7. Obstruct or behave in a manner that impedes lawful action of the Company's authority or order 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 asset or benefits from customers, partners, competitors, or other parties that conduct business with the Company, or host a reception that has proven to be unnecessary. Customary gifts or regular business reception or any other expense to promote business or for business courtesy exchanges are exempted. If, however, such gifts exceed Baht 3,000 in value, then the supervisors should be informed immediately.
11. Bribery either directly or through a third party or undue influence to a state representative, customer or trading partner is in direct violation of the Company's policy.
12. Any addition, removal or revision of any record or information to change, distort Company performance or attempt to fix accounting statement for any purposes is deemed unacceptable.
13. Intentionally making payment or business arrangement to mislead that a part of the payment or arrangement is for other purposes not expressed in the documents of such payment or arrangement.
14. Become insolvent or with any legal grounds to be deemed insolvent
15. Does not protect the Company's intellectual property or one earned by the Company because of an employee.
16. Copy other people's work, products or intellectual property.
17. Behave in any manner to unlawfully obtain benefits for self or other parties.
18. Allow non-procurement unit to request support from trading 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. Neglect to prevent other parties from or assisting other parties in exploiting or accessing or disrupting 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. Penalty 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 unresolved, it shall be presented to the Board for consideration and the Board's decision shall be final. In the event of a second violation or failure to amend the first violation according to the warning, the executive shall face severe disciplinary action which might result in termination of employment.
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 and without an advance written warning.

D. Guideline for Employees

To promote efficient operation, employees shall comply with the followings:

1. Carry out duties with honesty, determination, perseverance and strive to improve efficiency for the benefit of self and the Company.
2. Strictly comply with the Company's work rules and regulations.
3. Be respectful and obedient of supervisor's justifiable command according to the policy and regulations of the Company.
4. Act kindly and harmoniously with other employees, assist each other, and refrain from causing conflict that may cause damage to other parties or the Company.
5. Respect other each other's rights. Be courteous toward each other and refrain from disclosing other employee's information both work or personal life and avoid criticizing them in the manner that will damage both the employee and the Company.
6. Refrain from accepting gifts that can cause awkwardness in carrying out future duty and inform the supervisor if such acceptance cannot be avoided.
7. Refrain from misuse of authority in seeking benefits for self, related parties or taking up business competition with the Company.
8. Treat customer, partner with honesty and equality.
9. Strictly maintain confidentiality of the customer, partner and Company data.
10. Promptly report to supervisors upon learning of possible impacts on the Company's operation or reputation.

11. Safeguard the Company's benefits and property to allow maximum utilization. Economize and prevent such property from being wasted, lost, damaged, or deteriorating before reasonable time.
12. Attend training at least once per year or when material changes occur.

E. Penalty 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.

Penalty

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 Material Changes and Development in the review of policies, guidelines, and corporate governance in the Past Year

The Company has reviewed the content of the Charter, policies, guidelines as follows:

- The Board of Directors Charter and the Sub-Committees' Charters namely, the Audit Committee Charter, the Nomination and Remuneration Committee Charter, the Risk Management Committee Charter, Investment Committee Charter and the Corporate Governance and Sustainability Committee Charter.
- Corporate Governance policy of the Subsidiaries and Associated Companies
- Privacy policy
- Fraud and Corruption Risk Management policy and manual
- Authorization of the subsidiaries and associated companies
- Investment policy

The Company reviews the charters as well as reviews and amends other corporate governance policies annually to increase efficiency and improve the standard of good corporate governance as required by the listed company 2017 (CG Code).

6.3.2 Other Practice in accordance with Good Corporate Governance Principles

The Company is determined to operate its business under the principles of good corporate governance. and has established a policy for all executives and employees to use as a guideline for

operation. As a result, the company received the 2021 Corporate Governance Report of Thai Listed Companies (2021 CGR) from the Thai Institute of Directors Association (IOD) to be a listed company that received a score in the criteria. Very Good” (Very Good CG Scoring) with an average score of 86% (4 stars) and the average scores for each category are as follows:

CGR 2021 Scores	
Categories	Score (percentage)
1 Rights of shareholders	98
2 Equal treatment of Shareholders	88
3 Stakeholder Role consideration	82
4 Disclosure and Transparency	88
5 Responsibility of Directors	83
Average Score	86

In the past year, the Company has received the score for the quality of Annual General Shareholders’ Meeting of Excellence 100 score (5 stars) from the Investors Association of Thailand as well as the Business Excellence Award – Deal of the Year: Capital Market Fund Raising from SET Awards 2021 as well. In 2021, the Company was selected and ranked as shares in groups and indexes as follows:

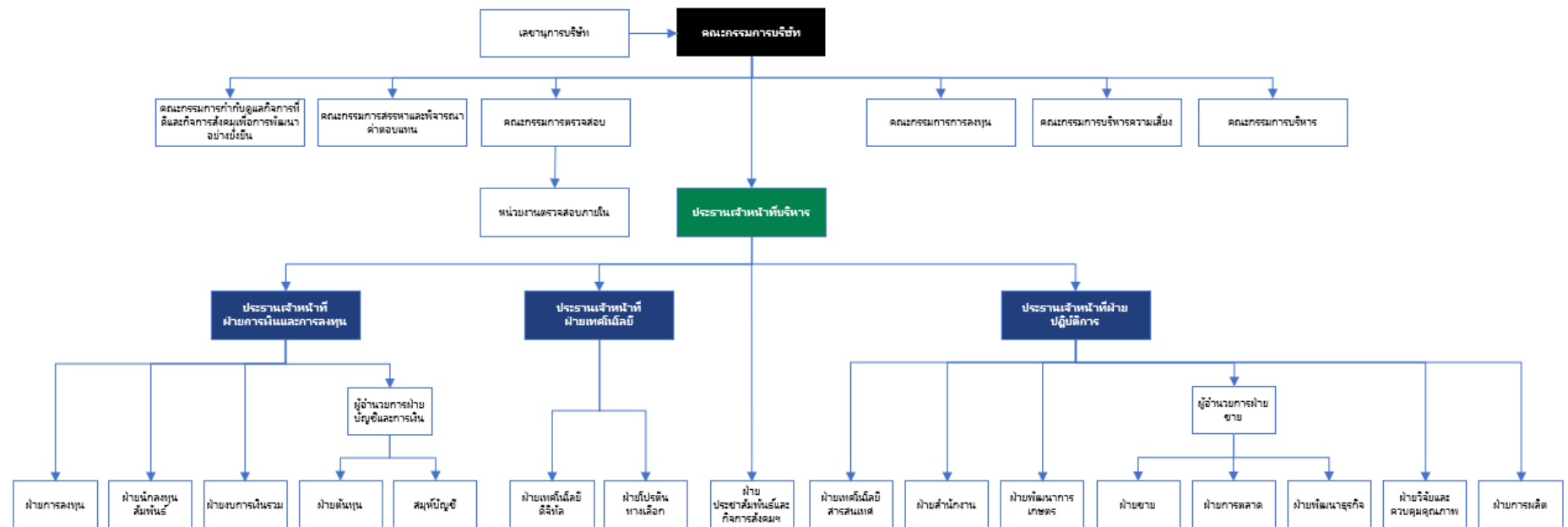
- Announced as one of the Thailand Sustainable Investment (THSI) listed companies in 2021 for the first year by the SET.
- Selected to be one of the constituents of SET100 Index, with market capitalization and ranked in the 100th highest trading on the SET.
- Included in the ESG Emerging Sustainable Stock and was assessed top 100 companies by Thaipat Institute.
- Listed in the FTSE Micro Cap Index

To promote transparency, correctness and fairness in business operations and to prevent and reduce the impact of misconduct and corruption, the Company jointly signed the Declaration of Intent of the Private Sector Collective Action Against Corruption (CAC) on March 1, 2021. The Company has also declared policies and prepared an Anti-corruption Risk Management manual to be used as guidelines for all executives and employees as another step towards a corruption-free organization in the future.

NRF food production plant has also been certified as the first Carbon Neutral Factory in Thailand by the Thailand Greenhouse Gas Organization (TGO) for the third consecutive year.

7. Corporate Governance Structure and Information related to the Board, the Committee, Executive, Employee and others

7.1 Corporate Governance Structure



7.2 Board and Subcommittees Details

7.2.1 Component of the Board of Directors

- 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 residency in the Kingdom of Thailand. The directors must have the qualifications 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 should 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 the Thai Institute of Directors.
 4. The 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 that will lead the Company to success.
 5. In reassigning a director who has completed their term, the Board shall consider his/her performance during the term and assessment results.
 6. The 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's term has been completed.
- New Director Orientation

The Board requires that newly appointed directors shall be orientated to enhance understanding in the business and the direction of Company and to be ready to serve as a director. At the same time, the Company has the policy to inform and provide new point of views for all directors in terms of corporate governance, industry situation, and innovations to

assist the directors in efficiently carrying out his work, with the company secretary serving as the coordinator for different matters, as follow:

- A. Structure of the business and directors 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 continually develop their insight through training in any program relevant to business operation in order to induce change in the Company to actively tackle future competition.

- Director Diversity Policy

The Board is aware of the importance of ensuring diversity among directors and deem 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:

Mrs. Kesara Manhusree		Independent Director, Chairman of the Board of Directors, Chairman of the Corporate Governance and Sustainability	
Date of office		13 July 2018	
Proportion of Shareholding		None	
Highest educational background		Master of Science in Finance, Golden Gate University, San Francisco, USA	
IOD Program		Director Certification Program (DCP) 2006 Role of Chairman Program (RCP) (2010)	
Experiences	2018-present	Chairman/ Chairman of the Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited/Food manufacture
	2020-present	Independent Director, Chairman of Audit Committee and	- Ngern Tidlor Public Company Limited

	Member of the Nomination and Remuneration Committee	- TSFC Securities Public Company Limited/Securities Business
2018- present	Chairman of the Board of Directors	- KTBST Holding
2018 – present	Independent Director/Chairman of the Audit Committee	- KTB Securities (Thailand) PLC/Securities
2019 – present	Independent Director/Chairman of the Audit Committee	
	Independent Director/ Chairman of the Audit Committee	- Interlink Telecom Public Company Limited
2018 – present		
	Director/Chairman of Board of Director/ Chairman of the Audit Committee	- We Asset management Company Limited /Securities Business
2018 – present		
2018 – present	Advisory Director	- Social Enterprise Thailand Association /Social Enterprise
2018 – present	Advisory Director	- Thammasat Council
		- Thammasat Economics Association/Alumni Association
2016 – present	President	
		- Khonkaen University Council
2021 – present	Director and President	
		- Faculty of Economics, Thammasat Univ.
	Advisory Director	

2021 – present	Independent Director/Chairman of the Audit Committee	- A Commerce Group Public Company Limited
2021 – present	Director	- Private Sector Coalition Against Corruption , IOD
2021 – present		- The Stock Exchange of Thailand
2014 -2018		

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
Diploma Director Certification Program (Exam) 47/2559
Anti-Corruption, the Practical Guide (ACPG) 26/2559
Ethical Leadership Program (ELP) 28/2563

Experiences	Present	Director/Chief Executive Officer/ Risk Management Committee/ Investment Committee/ Corporate Governance and Sustainability Committee	- NR Instant Produce Public Company limited / Food manufacture
	2021-present	Director	- Nutra Regenerative Protein Company Limited/Holding Company
	2021-Present	Director	- Superplant Company Limited /Holding Company

2021-present	Director	- Regeneration Capital Company Limited/Consultant & Investment
2018-present	Director	- Nove Food Company Ltd./Food Manufacture
2020-present	Director	- Root the Future Ltd./Marketing
2020-present	Director	- City Food Ltd./Food Manufacturer
2017-Present	Director	- DLN 2017 Company Limited /Holding Company
2017-present	Director	- Pattanasuk 2015 Company Limited/Holding Company
2017-present	Director	- Asian Food Corporation Company Limited/Holding Company
2017-present	Director	- NFR Consumer Company Limited/Holding Company
2014-present	Director	- Hatton Capitol (Thailand) Company Limited/Financial Advisory
2013-2014		- Bangkok Ranch Company Limited/Food Manufacturer

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	<ul style="list-style-type: none"> - Director Certification Program (DCP) 248/2017 - Strategic CFO in Capital Markets Program 6/2018 by the Stock Exchange of Thailand

Experiences	Present	<p>Director/Chief Financial Officer/ Risk Management Committee/ Investment Committee/Nomination and Remuneration Committee/ Investment Committee</p> <p>Director</p>	<ul style="list-style-type: none"> - NR Instant Produce Public Company limited / Food manufacture - Superplant Company Limited /Holding Company - Regeneration Capital Company Limited/Consultant & Investment - Nove Foods Company Limited/Food Manufacture - MMK (Alpha) Company Limited /Holding Company - MMK (Beta) Company Limited /Holding Company - NRF Consumer Company Limited/Holding Company - Asian Food Corporation Company
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		Limited/Holding Company
		- DLN 2017 Company Limited /Holding Company
		- Pattanasuk 2015 Company Limited/Holding Company
		- Hatton Equity Partners (Thailand) Company Limited/Financial Advisory
		- Allan and Associates Company Limited/Restaurant
		- 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 Manufacturer
2006-2008	Accounting Director	- Advance Agro Public Company Limited/Wood pulp and paper manufacturer

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 manufacturer
	2006 – 2017	CFO	- Bangkok Ranch Public Company Limited/Food Manufacturer

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 Directors Accreditation Program (DAP) 183/2020

Experiences	Present	Director/ Chairman of Investment Committee	- NR Instant Produce Public Company limited/Food manufacturer
		Managing Director	- Proterra Investment Partners/Private Equity
	2004-2007	Associate	- Credit Suisse/Investment Banking
	2002-2004	Analyst	

- 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
Director Certification Program (DCP) 248/2017

Experiences	Present	Independent Director/ Chairman of Audit Committee /Nomination and Remuneration Committee	- NR Instant Produce Public Company limited/Food manufacturer
	2022- present	Director	- Origgini Ventures Pte. Ltd.
	2021- present	Director	- Archisen Pte Ltd.
	2017- 2020	Director	- Bangkok Ranch Public Company Limited/Food Manufacturer
	2017- 2020	Director	- Golden Maple/Food Manufacturer
	2014- 2021	Director	- 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
Corporate Governance for Capital Market Intermediaries (CGI) 2/2015

Experiences	Present	Independent Director/ Chairman of Audit Committee /Nomination and Remuneration Committee	- NR Instant Produce Public Company limited/Food manufacturer
	2018-present	Director/Managing Director	- TSFC Public Company Ltd./Securities Business
	2014-2021	Director	- Krungsri Securities Public Company Limited/Securities

8. Mr. Dhas Udomdhammahakdi

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
- Role of the Chairman Program (RCP) 46/2020
- Strategic Board Master Class (SBM) 7/2019
- Advanced Audit Committee Program (AACP) 33/2019
- 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
	2014- present	Independent Director/ Audit Committee/Risk Management and Sustainability Committee/Nomination and Remuneration Committee	- Grand Prix International Public Company Limited/Automotive Exhibition
	2020- present	CEO/Independent Director	- True Energy Limited/Electrical Plant from RDF waste (VSPP)
	1994- present	Managing Director	- Thannon Company Limited/Advertising Activities

- 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. The 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 Advisory 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

- Mr. Dhas Udomdhamabhakdi participated in the Role of Chairman Program (RCP) 46/2020.
- Ms Phenhurai Chaichatchaval attended the CFO Refresher Course 2/2021

7.2.3 Roles, Duties and Responsibilities of the Board of Directors

- Authority, duties and responsibilities

The Directors of the Company has the following 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 other persons to carry out 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 case that such approval must be given at the shareholders' 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. Act responsibly with consistency 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. Seek professional assistance from third parties as necessary for appropriate decision-making.
16. Report the responsibility of the Board in the preparation of the Financial Statement along with the auditor's report in the annual report, covering important matters in accordance with guidelines for listed company directors.
17. Appoint and monitor committees to ensure compliance with their Charter.
18. The Board shall assess its own performance 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.
22. Promote training of the Company directors and regularly provide knowledge concerning operations of the various committee so as to develop the Directors efficiency and effectiveness.
23. Build awareness and promote a culture of anti-corruption in the company and provide models for executives and employees at all levels.

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.

- The Board's Authority

1. Appoint, relieve or assign authority to committees and the Chief Executive Officer.
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 that 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 of Directors as above regarding the Acquisition and Disposal of securities and related transactions shall comply with the regulations of the Securities Exchange Commission (SET), the Stock Exchange of Thailand (SET) and the SET Board of Governors.

- 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 seal.

7.3 Committees Details

7.3.1 Structure of the Committees

The Company's management structure comprises 6 committees: 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 responsible for internal audit.
- 1.3 Ensure that the Company complies 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:
 - 1.6.1 Opinion regarding the accuracy and credibility of the financial statement
 - 1.6.2 Opinion regarding adequacy of the internal control
 - 1.6.3 Opinion regarding compliance with securities and exchange law, the stock exchange regulation of laws related to the Company's business.
 - 1.6.4 Opinion regarding the eligibility of the auditor

- 1.6.5 Opinion regarding related party transactions
- 1.6.6 Number of Audit Committee members and each member's participation
- 1.6.7 Opinion or observations perceived as part of their duty under Charter
- 1.6.8 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 as 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 policies, criteria and 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 need 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 policy and 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

Corporate Governance

- 4.1 Determine policies, propose governance guidelines and provide suggestions in corporate governance, prevention and suppression of corruption as well as regulations on business ethics and Code of Conduct.
- 4.2 Oversee the executives' operations to ensure compliance with good governance principles.
- 4.3 Determine and review all policies that the Company is required to comply with the Corporate Governance Code for Listed Companies as determined by the Office of the SET, the Stock Exchange of Thailand (SET) and related agencies and proposes the policies to the Board.
- 4.4 Monitor and follow up on good corporate governance practices to ensure implementation and report to the Board
- 4.5 Compile information regarding the Board performance to make decision on appointment of director after end of terms.

Social Enterprise for Sustainable Development

- 4.6 Establish policies, guidelines, and budget for social enterprise with sustainable development to propose for the Board's yearly approval.
- 4.7 Monitor the Board's and the Corporate Governance and Sustainability Committee's compliance with the established policies and goals.
- 4.8 Report the progress and results of performance to the Board regularly after Corporate Governance and Sustainability Committee's meeting.
- 4.9 Assess the performance of Corporate Governance and Sustainability Committee and report to the Board.
- 4.10 Review and suggest on any amendment in the Corporate Governance and Sustainability Committee's Charter to ensure the appropriateness and the timeliness.
- 4.11 Other duties as the Board deems necessary.

To carry on its assignment under the scope, the Corporate Governance and Sustainability Committee has the authority to summon executives, head of department or employees to give opinion, attend meetings or submit documents that is deemed necessary. The 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 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. However, 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 that shall be presented Board of Directors for approval.
- 6.5 Consider the proposal to pay annual dividend that is shall 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 that the Executive Committee deems appropriate. The Executive

Committee may cancel, revoke, change or adjust the authorized person or such delegation as 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 Govern 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 and present such requirements 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 any investment in business expansion as well as joint ventures with other operators and present these transactions to the Board of Directors for approval at the next meeting.

- 7.12 Approve major expenditure for investment that are already specified in the expenditure of the annual budget or that 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 Exercise the authority to hire, appoint, and transfer personnel as well as determine the scope of authority and duties, appropriate remunerations and holds the power to terminate employment as appropriate for employees in different levels and as specified in the Handbook of Authorization.
- 7.18 Perform other duties as assigned by the Board of Directors on a case-by-case basis. However, the Chief Executive Officer has no power to approve related transactions that are not normal commercial transactions, 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. An exception is made for normal commercial conditions which have been pre-approved by the Board of Directors that are in accordance with the policies and criteria and 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 compliance. 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 Members of Sub-Committees

Sub-committees

(1) The 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 Miss Penhurai Chaichatchaval.

(2) Nomination and Remuneration Committee

The 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

At present, the secretary of the Nomination and Remuneration Committee is Mr. Chatchawarn Singsith who was appointed on 18 December 2021.

(3) The Risk Management Committee

The 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. Miss Penhurai Chaichatchaval	Risk Management Committee

The secretary of the Risk Management Committee is Miss Penhurai Chaichatchaval.

(4) The Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee consists of 4 directors as follows:

Name	Position
1. Mrs. Kesara Manthusree	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

The secretary of the Corporate Governance and Sustainability Committee is Ms. Chutintorn Ananpiyapha.

(5) The Investment Committee

The Investment Committee consists of 4 members as follows:

Name	Position
1. Mr. Udomkarn Udomsab	Chairman of Investment Committee

Name	Position
2. Mr. Tai-Chuan Lin	Investment Director
3. Mr. Dan Pathomvanich	Investment Director
4. Miss Penhurai Chaichatchaval	Investment Director

The secretary of the Investment Committee is Miss Penhurai Chaichatchaval

(6) Executive Committee

The Executive Committee consists of 3 members as follows:

Name	Position
1. Mr. Dan Pathomvanich	Chairman of Executive Committee
2. Mr. Teerapong Lorrachawee	Executive Committee
3. Miss Penhurai Chaichatchaval	Executive Committee

7.4 Management Information

7.4.1 Name and Position of the Manager

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 Lorrachawee	Chief Operating Officer
3. Miss Penhurai Chaichatchaval	Chief Financial and Investments Officer
4. Mr. Prasertsak Abhornwichanop	Sales and Marketing Manager
5. Mr. Varanyu Pinprapai	Manufacturing Manager
6. Mr. Sombat Dejsomboonsuk	Information Technology Manager
7. Ms. Kotchaphon Suntornpratu	Research and Development and Quality Control Manager

Note: Mr. Phuri Thatsuwana, the Accounting and Finance Manager resigned on 20 August 2021.

Mr. Chaikrit To-praisri, the Accounting and Finance Manager was appointed on 21 August 2021 and resigned on 30 November 2021.

7.4.2 Remuneration for Executive Directors and Executives

The Company does not have a policy to pay remuneration to 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 Lorrachawee and Miss Penhurai Chaichatchaval

7.4.3 Total Remuneration of Executive Directors and Executives

The total compensation for the executives for the year 2021 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, a subsidiary of the Company in 2020 amounting to 41,666.67 Pound sterling.

Type	2021	
	Amount (item)	Remuneration (Million baht)
Salary and bonus	9	31.99
Other remuneration includes social security fund, provident fund, and other employee benefits	9	1.12
Total	9	33.11

7.5 Information about employees

Table showing details of the number of employees in each line of work (excluding executive officers) on 31 December 2019 and 31 December 2020 and 31 December 2021.

Department	On 31 December 2019		On 31 December 2020		On 31 December 2021	
	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	37	11	40	17	38	22
Central planning and development						
6 Accounting and finance department	18	-	14	-	14	-

Department	On 31 December 2019		On 31 December 2020		On 31 December 2021	
	Regular	Temporary	Regular	Temporary	Regular	Temporary
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)	2019	2020	2021
Salary	28,749,538.38	38,361,726.89	50,709,397.84
Bonus	2,115,387.50	6,530,210.20	3,389,910.51
Other remuneration ^{/1}	7,801,104.16	9,286,637.17	12,664,037.84
Total	38,666,030.04	54,178,574.26	66,763,346.19

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	With/without PVD	Number of employees who joined the PVD (Person)	Percentage of employees who joined PVD/total employee (%)
NR Instant Produce Public Company Limited	Yes	188	68.1%
Nove Foods Company Limited	No		
NRF consumer Company Limited	No		
Root the Future Company Limited	No		
City Food Company Limited	No		

7.6 Other important information

7.6.1 Namelist of the responsible personnel:

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 holds the following qualifications, educational background and work experience:

Education / Training Background	<ul style="list-style-type: none"> - Master of Business Administration, Flinders University, Australia. - Bachelor of Accounting, Chiang Mai University
Training history	<ul style="list-style-type: none"> - 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 is responsible for the internal control of the Company.
- Allen & Overy (Thailand) Company Limited by Anchalee Limyiriyalers is responsible for the legal aspect of the Company.
- Incredible Resolute Company Limited by Ms. Boontharika Boonkhumhoverseeing 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 is responsible for the quality control system in the Company's production.

7.6.2 Namelist of Investor Relations Supervisors

Miss Penhurai Chaichatchaval is responsible for Investor Relations. She can be contacted through the following channels:

Website: <https://www.nrinstant.com/en/home>

E-mail: ir@nrinstant.com

Tel: 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 represented by Ms. Sineenart Jirachaikhuanthan, Certified Public Accountant No. 6287, who is the Company's auditor in 2021 and was appointed by the 2020 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	2020	2021
NR Instant Produce Public Company Limited	2,400,000.00	2,500,000.00
Nove Foods Company Limited	390,000.00	400,000.00
City Food Company Limited	180,000.00	700,000.00
NRF consumer Company Limited	100,000.00	100,000.00
Root the Future Company Limited	-	70,000
Nove East Company Limited	-	150,000
Superplant Company Limited	-	70,000
Regeneration Capital Company Limited	-	70,000
Total	3,070,000.00	4,060,000.00

In the past year, the auditors' remuneration did not include other fees of 19,344.98 baht.

8. Report on Corporate Governance Performances

8.1 Summary of work performed by the Board of Director during the previous year

The Board of Directors play an important role in setting policies and strategies to increase the Company's competitive ability, building organization culture and values as well as enhancing efficiency of internal control, risk management and providing input for the Company's development as follows:

1. Reviewed and approved business plan and annual budget as a guideline to operate sustainable business.
2. Provided advice and helped contact financial institution in procurement of fund.
3. Helped recruit management personnel to respond to business growth.
4. Considered, reviewed and provided advice to internal auditor in the oversight of company's operation.

In compliance with the Corporate Governance Code for listed company, the Board of Director shall implement the performance assessment for Board of Directors (as a whole and individually), sub-committees and Chief Executive Officer at least once a year using individual assessment and the whole team assessment, so that the Board of Director to jointly consider improving his/her own performance. Assessment results of the Board of Director, sub-committee and CEO is as follows:

Title	Total Results (Percent)	
	Group	Individual
Board of Directors	87.73	91.62
Audit Committee	89.03	91.67
Nomination and Remuneration Committee	87.25	91.29
Risk Management Committee	93.95	96.15
Investment Committee	90.00	92.50
Corporate Governance and Sustainability Committee	96.54	96.91
Chief Executive Officer	-	86.17

8.1.1 Recruitment, development, and assessment of Board of Directors

(1) Criteria for selection of 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 working or has never worked as 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, except for the case that it has been at least two years after the person has held the position. Such restriction shall not include independent director who was the government official, or advisor of the government agency that is the major shareholder or controlling party of the Company.
3. Is not related by blood or legally related as father, mother, spouse, siblings and children of 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 affiliation 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 has never been 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, except for the case that 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 has 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, except for the case that it has been at least two years after the person has held the position.
6. Not currently 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, except for the case that 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 operating similar business and is significant competition to the Company or its subsidiaries; 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 subsidiaries.
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 The Board of Director shall compose of directors who are non-executive, and Independent Directors, provided that 1/3 of the directors must be Independent Directors. 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 In the election of Directors, the voting can be done for each individual Director or for several Directors at the same time as deemed appropriate by the Quorum of shareholders. However, 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 Directors shall be elected through the voting process with the person receiving the highest votes becoming Director. Votes shall be cast until all positions of directors to be elected at the time have been selected. In the case that the highest number of votes between two person become tied, 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, Corporate Governance and Sustainability Committee 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 $\frac{3}{4}$ 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 $\frac{3}{4}$ of the remaining number of directors except the vacant position shall have a remaining term of less than 2 months.

The Audit Committee

1. Composition

- 1.1 The Audit Committee shall compose of at least 3 Independent Directors.
- 1.2 The Audit Committee must have sufficient knowledge and experience to perform duties 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. Qualifications

- 2.1 Appointed by the Company's Board of Directors.

- 2.2 Members of the committee must have qualifications as stipulated under the Public Company Act.
- 2.3 At least 1 Audit Committee member must have accounting and finance knowledge.
- 2.4 The Audit Committee must be Independent Directors and have qualifications 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 or has 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. Such restriction shall not include independent director who was the government official, or advisor of the government agency that is the major shareholder or controlling party of the Company
 3. Is not related by blood or legally registered as father, mother, spouse, siblings and children of 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 affiliation 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 has never been 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, except for the case that it has been at least two years after the person has held the position.
 5. Not currently being or has 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, except for the case that it has been at least two years after the person has held the position.
 6. Not currently 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, except for the case that 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 similar business and is significant competition to the Company or its subsidiaries; 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 subsidiaries.
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 give opinion or report the assignment's result independently without being controlled by management or major shareholder of the Company including related parties or close relative of the said person.
- 2.6 Being a trusted and well-accepted person.
- 2.7 Capable of contributing sufficient time to perform as Audit Committee
3. Term of office
 - 3.1 The term of office for each Audit Committee is 3 years, to be precise, 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 1 month in advance and clarify the reason for resignation. 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 Most members of the Committee shall be Independent Directors and the Chairman of the Nomination and Remuneration Committee should be Independent Director for transparency and independence in performing duties.

- 1.2 If it is necessary to have Executive Directors 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 remuneration of the Chief Executive Officer.
 - 1.3 The 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 its duties.
 - 1.4 The Nomination and Remuneration Committee member must be knowledgeable, with experience, and expertise in the business operated by the Company, law and others.
 - 1.5 The Nomination and Remuneration Committee member must be mature, secure, assertive enough to voice a different opinion and can devote adequate and efficient time to the Company.
2. Qualifications
 - 2.1 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, assertive enough to voice a different opinion and independent.
 - 2.4 Capable of devoting adequate and efficient time to the Company.

3. Term of office

The term of office for each Nomination and Remuneration Committee member is 3 years, to be precise, 1 year means the period between the Annual General Meeting for the year of appointment until the next AGM. The Nomination and Remuneration Committee member that has been retired by rotation can be nominated and reelected.

The Risk Management Committee

1. Composition

The Risk Management Committee shall compose of 4 directors of the Company, with at least 1 from Independent Director. The appointed Independent Director shall act as Chairman of Risk Management Committee.

2. Qualifications of the Risk Management Committee

- 2.1 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 opinions.
- 2.4 Can devote time to perform the duty.

3. Term of office

The term of office for each Risk Management Committee member must not exceed 3 years, to be precise, 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 qualifications

- 1.1 The Board of Director shall consider appointing the Corporate Governance and Sustainability Committee members and Chairman of Corporate Governance and Sustainability Committee. The Chairman of Corporate Governance and Sustainability Committee must be an Independent Director.
- 1.2 The Corporate Governance and Sustainability Committee composes of at least 4 directors of the Company, half of them must be Independent Directors.
- 1.3 The Corporate Governance and Sustainability Committee member must be knowledgeable and experienced with proper qualification.
- 1.4 The Corporate Governance and Sustainability Committee member can devote adequate and efficient time to the Company.
- 1.5 The 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 of office

The term of office of the Corporate Governance and Sustainability Committee member shall be 3 years, the same as the Board of Directors'. The retired Corporate Governance and Sustainability Committee member can be reelected as appropriate and necessary.

In the case that all Corporate Governance and Sustainability Committee members complete their term of office at the same time, an acting Corporate Governance and Sustainability Committee shall be appointed until a new committee can take up the position.

Beside retirement by rotation, a Corporate Governance and Sustainability Committee member is considered retired from position in the case of:

- a. Death
- b. Resignation
- c. Not being director or Independent Director of the Company
- d. Termination or removal by resolution of the Board of Directors

In the case that the Corporate Government and Sustainability Committee member resigns 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 for reasons other than 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 is replacing.

Investment Committee

1. Composition and qualification

Investment Committee composes of at least 4 persons who are directors or management or a knowledgeable person with skills and experiences in relation to investment, risk manage or securities analysis, who could be directors, managers or outside individuals. The Board of Directors shall consider the appointment of such persons as an Investment Committee member.

2. Term of office

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.

The Executive Committee

1. Composition and qualifications

The Executive Committee shall comprise not less than 3 members with members not required to be a director of the Company and have the following qualifications:

1.1 Appointed by the Board of Directors.

1.2 Having knowledge, capability, honesty, and high morale with skills in doing business and can provide adequate time and input to the benefit of the Company.

1.3 Meet the requirement and not having any characters prohibited by the Public Company Act and relevant law.

1.4 It is not allowed to conduct business or be a partner in business or being a director in other juristic person that have the same type of business and in competition with the Company either for his/her own benefit or other's except that the information is declared at the shareholders' meeting before the appointment is approved.

2. Term of office

The term of each Executive Director is not exceeding 3 year, to be precise, 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 places 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, skills, experience and character to achieve the recruitment plan to find the proper personnel that can fulfill 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 sets the remuneration structure and assessment of the executives. Remuneration comprises of monetary compensation such as salary, bonus, or in short term, including Employee Stock Ownership Plan (ESOP) issued to directors, management and employees, and in long term, non-monetary remuneration such as welfare for medical treatment, personnel development by internal and outside seminar. At the end of each year, there will be a 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

The 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, additional meetings 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 submit to the Board of Directors 7 days prior to the meeting.

Name - Surname		Committees' Attendance of Meetings 2021							
		Executive Committee	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	Investment Committee	Corporate Governance & Sustainability Committee	AGM 2021	Extraordinary AGM 1/2021
		16	7	7	5	15	4	1	1
1	Mrs. Kesra Munchusri	16/16					4/4	1/1	1/1
2	Mr. Yeo Kok Tong	16/16	7/7	7/7				1/1	1/1
3	Dr. Dhas Udomdhammabhakdi	16/16	7/7	7/7	5/5		4/4	1/1	1/1
4	Mr. Udomkarn Udomsub	16/16	7/7	7/7			14/15	1/1	1/1
5	Mr. Tai-Chuan Lin	12/16				15/15		1/1	0/1
6	Mr. Dan Pathomvanich	16/16			4/5	15/15	4/4	1/1	1/1
7	Ms. Penhurai Chaichatchaval	16/16			5/5	15/15		1/1	1/1
8	Mr. Teerapong Lorrattchawee	14/16			5/5		4/4	1/1	1/1

Meetings without Executive Committee and/or management

In 2020, there was 1 Independent Directors' meeting without any management present as follows:

1. Independent Directors' meeting 1/2021 on 27 December 2021, and attended by the following independent directors:
 1. Mrs. Kesara Manchusree Chairman of the Committee/
Independent Director
 2. Mr. Yeo Kok Tong Independent Director
 3. Dr. Dhas Udomdhammabhakdi Independent Director
 4. Mr Udomkarn Udomsub Independent Director

Director's remuneration 2021 (not including remuneration as executives)

The Annual General Shareholders' meeting 2021 held on 22 April 2022 approved the annual 2021 directors' remuneration to the total of 8,160,000 baht with a bonus for the directors to the amount of 700,000 baht – 8,860,000 baht.

Monthly Salary	Executive Committee	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	Investment Committee	Corporate Governance & Sustainability Committee
Chief Executive Officer	200,000	100,000	30,000	30,000	30,000	30,000
Directors	30,000	30,000	20,000	20,000	20,000	20,000
Executive Directors	-	-	-	-	-	-

Director's remuneration

The Company 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 was approved by the General Shareholders' meeting in 2020 on 20 March 2020 only on a monthly basis as follows:

Director's remuneration during the previous year: monthly (without allowance), meeting allowance, bonus, or compensation in kind

Name of the Director	Director	Audit Committee	Nomination and Remuneration Committee	Investment Committee	Corporate Governance and Sustainability Committee	Risk Management Committee	Total
1. Mrs. Kesara Manthusree	2,400,000				360,000		2,760,000
2. Mr. Dan Pathomvanich							-
3. Mr. Yeo Kok Tong	360,000	1,200,000	240,000				1,800,000.00
4. Mr. Udomkarn Udomsab	360,000	360,000	360,000	296,129.03			1,376,129.03
5. Mr. Dhas Udomdhamabhakd	360,000	360,000	240,000		240,000	360,000	1,560,000.00
6. Miss Penhurai Chaichatchaval							-
7. Mr. Teerapong Lorratchawee							-
8. Mr. Tai-Chuan LIN	360,000			303,870.97			663,870.97
Grand Total	3,840,000.00	1,920,000	840,000	600,000.00	600,000.00	360,000.00	8,160,000.00

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. Transaction that required prior approval from Board of Directors of NRF or Shareholders' meeting of NRF

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 completely and accurately 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. (where no conflict is found).

1.1 The following transactions to be done by subsidiary and/or associated company * requires approval from Board of Directors' meeting of NRF.

- (1) Appointment or nomination of 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.
- (2) 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.
- (3) Approval for annual or interim (if any) dividend distribution of such subsidiary and/or associated company *
- (4) Amendment to Articles of Association of subsidiary and/or associated company* except in significant matter as referred to in 1.2 (A)
- (5) Approval of annual budget of subsidiary and/or associated company*
- (6) 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 (7) to (15) 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:

- (7) 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*

- (8) 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 *
- (9) Selling or transferring business of subsidiary and/or associated company* in whole or in significant part to the third party
- (10) Buying or acquiring business from the third-party company by subsidiary and/or associated company*
- (11) 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
- (12) Leasing or hire purchase business or asset of the subsidiary in whole or in significant part
- (13) 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
- (14) Dissolution of the subsidiary and/or associated company*
- (15) 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* require approval from shareholders' meeting of NRF prior to entering the transaction:

- (1) 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 (2) to (6) 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:

- (2) 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*.
- (3) 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 *
- (4) Any act either directly or indirectly resulting in voting right of NRF in the shareholders' meeting of the subsidiary be to reduced by 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 to be reduced to less than 50% of total vote in entering into other transaction which is not normal course of business of the subsidiary.

(5) Dissolution of the subsidiary and/or associated company*

(6) 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 of director or nomination of a 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 related party transactions 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 The following acts that result in monetary benefit for the director or management of the subsidiary or related person other than that which is deserved 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 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 submit 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 the director, manager or related person of the subsidiary/associated company*

Transaction entered by director, manager 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 an arm's length basis without influence on negotiation power as a result of being director, manager 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 sets the policy for subsidiary and/or associated company * to follow concerning financial control as follow:

- A. The subsidiary and/or associated company * has duty to deliver monthly report and quarterly financial statement reviewed by the auditor (if any) 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. The 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. The 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

It is prohibited for the director and management and/or subsidiary, employee or representative of NRF and/or subsidiary's including spouse and underage child of such person to use insider information of NRF and/or subsidiary, obtained either by performing duties or otherwise, in a way 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 Sustainable Development Committee of NRF to consider improvements and revision prior to proposing to Board of Director respectively.

Previously, the nomination and voting to appoint directors in subsidiary and associated companies were done by its management. Since 2020, the Company requires that 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 requires 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 matter of the same important level as must be approved by Board of Directors. The number of directors representing the Company in such subsidiary and associated company must be in proportion to shareholding in that company.

In case of a subsidiary, the Company has determined that the person so appointed must ensure that the subsidiary to have its Articles of Association regulation controlling related transaction or assets acquisition and disposition or other significant transaction and use the same criteria as the Company's and must supervise so that records and information including the account of the subsidiary are systematically kept for inspection by the Company and gather such information to prepare consolidated financial statement in time.

The Company appoints 3 executives to be the director at City Food Ltd., the subsidiary, after approval at the Board of Directors' meeting. If such management is retired 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 determined significant policy concerning related transaction, assets acquisition and disposition and disclosure of information to be included in Corporate Governance Policy for Subsidiary and Associated Company. During the previous year, City Food Ltd., has not done entered into related transaction with the Company.

8.1.4 Monitoring the implementation of policy and guideline of corporate governance

The Company prioritizes good corporate governance by implementing policies and guidelines in the Corporate Governance Policy of the Company and promotes the actual implementation for integrity among stakeholders.

In the 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 conservation, occupational health and safety 4) security of information, and found that the Company has perform according to each issue completely.

The Company also monitors for implementation of 4 other good governance issues as follows:

1. Prevention of Conflict of Interest

The Company implements the policy that director, management, and employee shall perform the work for the highest benefit of the Company. In case a conflict of interest occurs to anyone or any transaction, such person must inform the Chief Operation Officer responsible for such matter and shall not become involved in considering such matter.

In the previous year, the Company has checked transactions that might have created conflicts of interest and are summarized as follows:

- Directors' 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 operates the same kind of business. The Board of Directors has acknowledge and agreed that holding such position in that company did not create conflict of interest.
- The auditor has audit the Company's transaction with suppliers, 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 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 implements the Anti-Corruption Policy with strict compliance. Directors, management and employees of the Company shall not become involved either directly or

indirectly with bribery or corruption either with government official or private sector. The Board of Directors has approved the participation in the Thai Private Sector Collective Action Against Corruption: “CAC” and has signed the declaration and submitted it to IOD on 1 March 2021. At present, the Company is preparing documents for submission to the CAC.

4. Whistle Blowing

The Company provides channels for stakeholders to report clues and file complaint as follows:

- Website: <https://www.nrinstant.com/en/corporate-governance/corporate-governance-policy> CG/cluereport
- E-mail: nrf.comsec@nrinstant.com

The Audit Committee is independent from management will consider the case together with Human Resource Division to screen the report 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 no whistleblower report in the previous year.

Guidelines concerning prevention and monitoring risk from corruption

The Company establishes guideline to supervise and control to prevent and monitor risk from corruption that can be summarized as follows:

- A. Provide 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. Establish channels to receive information, indications, complaints concerning violation of the law or Code of Conduct or Guideline concerning anti-corruption or suspicious financial transaction or internal control of auditing. Penalty or disciplinary measures under the Company’s regulation or law for such violations will also be determined. The Company shall report the investigation result and solution in writing in the case the Company can contact the whistleblower or the complainant.
- C. The head of the branch relevant to the case shall be responsible for follow up and correct mistakes (if any) and report the action to the supervisor.

Procedure for monitoring compliance of Guidelines to prevent involvement in corruption

The Company sets procedures to monitor compliance under the Guidelines 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 guidelines.
- B. Assign internal auditors to provide internal control, risk management, corporate governance by conducting the audit according to annual audit plan approved by the Audit Committee and report significant issues 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 complaint or data submitted is reasonable with supporting evidence to indicate acts that might affect Company financial status and operating result or might involve corruption including violation of law or Code of Conduct of the Company or guideline to prevent involvement in corruption or suspicious financial statement, internal control, the Audit Committee shall report to the Board of Director to correct the problem 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

Report of the Audit Committee

Dear Shareholders of NR Instant Produce Public Company Limited,

The Board of Directors has appointed the Audit Committee consisting of 3 independent directors with at least 1 audit committee member with knowledge, understanding or experience in accounting or finance as well as ongoing knowledge of current financial changes to act as the supervisory body responsible for the review of the separate financial statements and the consolidated financial statements of the Company and its subsidiaries quarterly and annually. The Audit Committee is also responsible for the company's internal control system, internal audit, review of related transactions, compliance with laws and regulations, promotion of good corporate governance and consideration of the proposed appointment as well as determination of the auditor's remunerations. The details of the meeting attendance of the Audit Committee are as follows:

Name-Surname	Position	Attendance
Mr. Yeo Kok Tong	Chairman of Audit Committee	7/7
Mr. Dhas Udomdhamabhakdi ¹⁾	Audit Committee	7/7
Mr. Udomkarn Udomsab	Audit Committee	7/7

¹⁾ Director with knowledge of accounting and finance

The Audit Committee has performed duties under Audit Committee's Charter and under scope of duties assigned by Board of Directors. During 2021, there were 7 meetings of Audit Committee to consider major matters according to the assignment from the Board of Directors as follows:

1. Review of the Company's financial statement and consolidated financial statement of the Company and subsidiary for each fiscal quarter and fiscal year of 2021 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 evaluation of Internal Control and Internal Audit by appointing ASV and Associate Limited to act as internal auditor, and it was found that the Company has internal control suitable to business operation as well sufficient internal control system under internal control standard in accordance with Evaluation Form for Sufficiency of Internal Control of SEC.
3. Consideration and approval of internal audit plan that was appropriate and sufficient as well as remuneration for internal auditor for 2021.
4. Review suitability and sufficiency of related transactions that could lead to conflict of interest for 2021 in compliance with Thai law and Notification of SEC and SET and proposed to the Board of Directors for approval.
5. Review the power of authority of the Company and its subsidiaries so that operations and duties could be more efficient and decentralized as appropriate according to the present organization structure.
6. Review and improve the Company's Personal Data Protection policy (PDPA), anti-corruption policies and subsidiaries and associated companies governance policies.
7. Propose to the Board of Directors that the Company should declare its intent to join the Private Sector Coalition against Corruption (CAC).
8. Consider transaction and investment conditions in various project to ensure that all are appropriate and comply with all laws and regulations to as to lead to the highest benefit for all stakeholders.
9. Consider the appointment of auditor and auditor's remuneration for 2022 to the Board for approval of the shareholders at the AGM, by considering qualifications, independence, understanding of the Company's business. It was agreed that one of the following auditors from EY Office Limited should be proposed as Auditor of the Company and its subsidiaries as follows:
 - Ms. Sineenart Jirachaikhuan Khan 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
10. Review the charter and annual performance assessment.

The Audit Committee has performed its duties as assigned with care, transparency, fairness, and independence according to Good Governance Policy to the best interest of all stakeholders.



(Yeo Kok Tong)
Chairman of the Audit Committee
25 February 2022

8.3 Summary of Performance of other Sub-Committee

8.3.1 Report of the Nomination and Remuneration Committee

Dear Shareholders of NR Instant Produce Public Company Limited,

The Board of Directors has appointed the Nomination and Remuneration Committee consisting of 3 independent directors to establish policies and criteria in the selection and nomination of qualified personnel and consider appropriate remuneration and benefits for Directors of the company. The Nomination and Remuneration Committee is also responsible for assessment of performance and determination of annual remuneration of the CEO in line with transparency and good governance guidelines. The details of the meeting attendance of the Nomination and Remuneration Committee are as follows:

Namelist	Position	Attendance
Mr. Udomkarn Udomsab	Chairman of the Nomination and Remuneration Committee	7/7
Mr. Yeo Kok Tong	Director	7/7
Mr. Dhas Udomdhamabhakdi	Director	7/7

Nomination and Remuneration Committee has performed its duties under the Nomination and Remuneration Committee Charter and under scope of duties assigned by Board of Directors. During 2021, there were 7 meetings of Audit Committee to consider major matters according to the assignment from the Board of Directors as follows:

1. Considering qualified persons to propose for election to the position of Company directors to replace those who retire by rotation by considering qualifications, experience, knowledge and abilities that will benefit the Company's business operations and are appropriate to perform their duties as a director. For the year 2021, there are 3 directors retiring by rotation who are well qualified and knowledgeable with appropriate ability to perform Company's director duties. The Committee therefore proposed to the Board of Directors' meeting to approve the nomination of 3 retired directors to be re-elected as the Company's directors for another term and to propose to the general meeting of shareholders for consideration.
2. Consider the performance assessment and criteria for remuneration of the Board of Directors and sub-committees and determine remuneration in accordance with the obligations and responsibility in view of Company performance as well as general practice of other companies in the industry.
3. Screen and select personnel suitable for proposal to appoint as Company directors and C-level executives of the subsidiary and associated companies.
4. Consider the performance appraisal of the Chief Executive Officer.
5. Examine the structure and the personnel ratio of the Chief Investment Officer office (CIO Office) to improve the structure and work processes for more efficiency.

6. Consider the selection of qualified persons to be appointed as the secretary of the Nomination and Remuneration Committee, Secretary of the Risk Management Committee, and Joint-Secretary of the Corporate Governance and Sustainability Committee and propose a namelist to the Board of Directors.
7. Screen personnel for important executive positions such as Finance Director Group HR and Head of Compliance.
8. Consider the annual bonus 2021 and annual salary 2022 for executives and employees of the company and present to the Board of Directors.
9. Review the Nomination and Remuneration Committee charter and present to the Board of Directors.

The Nomination and Remuneration Committee has performed its duties as assigned with care, transparency, fairness, and independence according to Good Governance Policy to the best interest of the Company and all stakeholders.

A handwritten signature in blue ink, appearing to read 'Udomkarn Udomsab'.

(Udomkarn Udomsab)

Chairman of the Nomination and Remuneration Committee
24 January 2022

8.3.2 Report of the Risk Management Committee

The Board of Directors has appointed the Risk Management Committee to establish risk management policy, supervise the implementation of policies as approved by the Board of Directors and continually develop a risk management framework so that risk management becomes an organization culture of every worker. In addition to helping the organization achieve the established objectives and goals, it also encourages the Company to create tangible added value for the organization and ensure that various departments in the company undertake risk management in the same direction. The details of the meeting attendance of the Risk Management Committee are as follows:

Namelist	Position in the Risk Management Committee	Attendance of Meeting (5)
Dr. Dhas Udomdhamabhakdi	Chairman of the Risk Management Committee	5/5
Mr. Dan Pathomvanich	Director	4/5
Mr. Teerapong Lorratchawee	Director	5/5
Ms Penhurai Chaichatchaval	Director	5/5

The Risk Management Committee has performed its duties under the Risk Management Committee Charter and under the scope of duties assigned by the Board of Directors. In 2021, there were 5 meetings of the Risk Management Committee to consider important matters of the Company in accordance with the duties and responsibilities assigned by the Board of Directors that can be summarized as follows:

1. Assess risks at the organizational level. Analyze causes and trends of risks affecting the company as well as define risk management guidelines to cover the entire organization and in accordance with the risk management guidelines of COSO Enterprise Risk Management 2017 (COSO ERM 2017)
2. Consider the risk measurement criteria and the acceptable risk level for the year 2021.
3. Supervise and monitor the implementation of risk management guidelines and risk management policies approved by the Board of Directors and ensure that risk is kept at an acceptable level.
4. Consider strategic risks, operational risks, financial risks, legal and regulations risks and compliance risk, etc.
5. Examine the policy and framework for managing corruption risks (Fraud risk).
6. Follow up on the progress of requesting an assessment from the Thai Private Sector Collective Action Coalition Against Corruption (CAC).
7. Review the progress of the sustainability risk policy (ESG risk) and follow up on performance.

8. Consider and follow up on the progress of operations under the Personal Data Protection Act
9. Review of the Risk Management Committee Charter by increasing corporate risk consideration to cover corruption risks

From the above, the Risk Management Committee has considered that The company has established and considered the risk issues that have occurred throughout the operations of the Company as well as having adequate, appropriate and continuous risk management.

ధాస ఉదంధమ్మభక్తి

(Dhas Udomdhammabhakdi)
Chairman of the Nomination and Remuneration Committee
27 January 2022

8.3.3. Report of the Corporate Governance and Social Affairs Committee for Sustainable Development

The Board of Directors has appointed the Corporate Governance and Social Affairs Committee for Sustainable Development comprising 2 independent directors and 2 executive directors to control Company operations as well as reviewing various policies that the company must comply with concerning the principles of good corporate governance for listed companies. The Committee also establishes policies, operating guidelines and budget for sustainable social activities, monitor and supervise the operations according to the plans approved by the Board of Directors and the Corporate Governance and Sustainability Committee and regularly report progress and performance to the Board of Directors. The details of the meeting attendance of the Corporate Governance and Sustainability Committee for Sustainable Development are as follows:

Namelist	Position in the Corporate Governance and Sustainability Committee	Attendance of Meeting (Times)
Ms. Kesra Munchusri	Chairman of the Corporate Governance and Sustainability Committee	4/4
Dr. Dhas Udomdhamabhakdi	Director (Independent Director)	4/4
Mr. Dan Pathomvanich	Director	4/4
Mr. Teerapong Lorrachawee	Director	4/4

The Corporate Governance and Sustainability Committee performs duties under the charter and scope of duties as assigned by the Board of Directors. In 2021, there were 4 meetings of the Corporate Governance and Sustainability Committee to consider the Company's important matters in accordance with the duties and responsibilities assigned by the Board of Directors that can be summarized as follows:

1. Promote and drive compliance with good corporate governance policies and business ethics as well as provide suggestions as guideline for the operation to be consistent and standardized according to the principles of good corporate governance.
2. Establish goals, policies and action plans for sustainable development as well as supervise the company to comply with such guidelines and submit progress reports including evaluation of the effectiveness of the operation
3. Present results to demonstrate the organization's commitment to support the Sustainable Development Goals (SDGs) in the international economic, social and environmental dimensions
4. Review and improve the performance assessment form of the Board of Directors, both as a team and individually in accordance with the best practice guidelines for the Board of Directors regarding performance evaluation and development of directors specified by the Thai Institute of Directors Association (IOD) as a measure to increase the efficiency of the Board of Directors.

5. Acknowledge the results of being selected as one of the sustainable stocks or Thailand Sustainability Investment (THIS) for the year 2021, which is an award given to listed companies with outstanding sustainability in business operations and create a positive impact on society.

The Corporate Governance and Sustainability Committee performed its duties as assigned with care, transparency, fairness and independence in accordance with the principles of good corporate governance to the best interests of the company and all stakeholders.

A handwritten signature in blue ink, appearing to read 'Kesara Manchusree'.

(Mrs. Kesara Manchusree)
Chairman of the Corporate Governance
And Sustainability Committee
23 February 2022

8.3.4. Investment Committee Report

The Board of Directors has appointed an investment committee to determine investment policies and to oversee the implementation of such policies as approved by the Board of Directors. The Committee also has duty to support the Company's investment operations to achieve the established objectives and targets. The details of the investment committee's meeting attendance are as follows:

Namelist	Position in the Investment Committee	Attendance of Meeting (15 Times)
Mr. Udomkarn Udomsab	Chairman of the Committee	14/15
Mr. Tai Chuan Lin	Director	15/15
Mr. Dan Pathomvanich	Director	15/15
Ms Penhurai Chaichatchaval	Director	15/15

The term of Mr. Tai-Chuan Lin as Chairman of the Investment Committee ended on 12 July 2021 and Mr. Udomkarn Udomsab took over the Chairmanship effective 13 July 2021.

The Investment Committee has performed its duties in accordance with the Investment Committee Charter and the scope of powers and duties as assigned by the Board of Directors. In 2021, there were 15 meetings of the Investment Committee to consider important matters of the Company in accordance with the duties and responsibilities assigned by the Board of Directors that can be summarized as follows:

- Consider, select and give investment advice on the Company's various projects and investment opportunities in accordance with the Company's goals and strategies while taking into account investments, cash flows, sources of funds and other risk factors for presentation to the Board of Directors as follows:
 - Investing in leading health food products sold on the Amazon.com platform
 - Business in the development of hemp products
 - Investment and joint ventures to expand business opportunities in comprehensive plant-based products both domestically and internationally
 - Distribution business for skin care products, food supplements, and consumer products in Multi-level Marketing or “MLM”)
 - Investment in pet food business
 - Explore venues to have Company subsidiaries registered as a listed company in Foreign Stock Exchange in form of Special Purpose Acquisition Companies (SPAC)
- Monitor and evaluate returns from investment projects that are approved and total portfolio of investment and report results to the Board of Directors.
- Consider, examine and select investment scoring criteria and methodology in order to improve the efficiency of the investment process. This covers 4 types of investments:
 - Mergers and Acquisitions
 - Joint venture

- Establishment of a subsidiary
 - Investment in Funds
4. Review the business grouping of the Company in accordance with current operations including the restructuring of the investment department to increase the efficiency and work processes of the company's investment
 5. Consider establishing a company to manage investments under the group of companies to be effective and generate maximum returns for the company and shareholders
 6. Review the Investment Committee Charter and investment policy including investment authority and propose the results to the Board of Directors

From the work as mentioned above, the Investment Committee deems that the Committee has performed its duties fully according to the Investment Committee Charter and as designated by the Board of Directors with due care and attention.

A handwritten signature in blue ink, appearing to read 'Udomkarn Udomsab', is positioned above the printed name.

(Udomkarn Udomsab)
Chairman of the Nomination and
Remuneration Committee
26 January 2022

9. Internal Control and Related Transaction

9.1 Internal control

At the Board of Directors Meeting No. 3/2021, dated March 1, 2021, with all 3 Audit Committee members attended the meeting, the Board of Directors evaluated the internal control system of the Company and its subsidiaries by requesting information from the management and considering the report of the Audit Committee. It was concluded that from assessment of the internal control system of the Company and its subsidiaries in 5 distinct issues: the control environment; risk assessment control measures, Information and Communication Systems and monitoring system. The Board of Directors considers that the internal control system of the Company and its subsidiaries is sufficient and appropriate. The Company and its subsidiaries have demonstrated their commitment to values of integrity and ethics. The Board of Directors is independent of the management and is acting in a supervisory capacity while developing internal control operations. The Management has established a reporting structure and determined the power structure and assigned appropriate responsibilities for the organization to achieve its objectives under the supervision of the board. The Management is also motivated, well-developed and is able to retain competent personnel. Personnel are assigned the duties and responsibilities according to internal control structure in order to achieve the organization's objectives. The objectives are clearly defined enough to identify, assess and analyze risks associated with the achievement of organizational objectives while taking into account the potential for fraud. In assessing the risks to the achievement of organization's objectives and to assess changes that may affect the internal control system, there are control measures that help reduce the risk of not achieving the organization's objectives down to an acceptable level. General control activities are selected and technological systems are added to help support the achievement of objectives through policies which have outcomes and procedures predefined and thus are easily implemented. Relevant and quality information support the internal control to allow operations as specified. Communication with external agencies about issues that may affect internal control enable assessment and inform responsible persons of deficiencies in a timely manner, including senior management and the Board as appropriate. As for internal control in other topics, the Board of Directors is of the opinion that the Company has sufficient internal control as well. In addition, the company has improved channels for receiving complaints and whistleblowing on corruption on the Company's website to enable both employees and third parties to use this channel to report complaints or clues, including posting relevant policies on the Company's website so that employees and third parties are aware of such complaint channels.

In the meeting of the Audit Committee held on February 23, 2021 No. 1/2021, Mrs. Kwanchai Kiatkangwanklai of ASV Advisory Company Limited was appointed to be primarily responsible as the Company's internal auditors and started to perform the duties since February 23, 2021 for the service of internal audit in 2021.

For the year 2022, the Audit Committee has approved ASV Advisory Company Limited by Mrs. Kwanchai Kiatkangwanklai as the Company's internal auditors and to start performing the duties of the Company's internal auditor for the year 2022 from February 23, 2022 in the Audit Committee Meeting held on February 25, 2022 No. 2/2022.

The Audit Committee has checked the qualifications of ASV Advisory Co., Ltd. by Mrs. Kwanchai Kiatkangwanklai, and concludes that the company is competent, independent and experienced enough to perform such duties. The ASV Advisory has undertaken internal auditing in the same business/industry as the Company for more than 10 years and has been

licensed as an internal auditor from the International Association of Internal Auditors that must maintain license status by attending the training at the minimum required hours of not less than 40 hours per year. The Audit Committee has the authority to appoint, terminate, and transfer the head of internal auditor of the Company.

9.2 Related Party Transaction (if any)

Persons who may have conflict of interest	Business Objectives	Relationship with Company
1. Mr. Dan Pathomvanich	-	- Director, management, and father of Master Kantachai Pathomvanich, Master Nara Pathomvanich, who holds 24% shares in Thanatat Pattana Company Limited and is the major shareholders of company with 66% shares
2. Hatton Capital (Thailand) Ltd.	Invest in other business	- Subsidiary of Thanatat Pattana Ltd., major shareholder
3. Asian Food Corporation	Invest in other business	- Major shareholders of Company
4. DP Partners Company Limited	Invest in other business	- Major shareholders of Company
5. DLN 2017 Company Limited	Invest in other business	- Major shareholders of company
6. PDA Fund S Ltd.	Invest in other business	- Major shareholder of the Company

Persons who may have conflict of interest

Related party transactions among group of company with person who may have conflict of interest during fiscal year ending 31 December 2021 can be summarized as follow:

Person who may have conflict of interest	Related Party Transactions	Value of transactions as of 31 December 2020 (Million Baht)	Value of transactions as of 31 December 2021 (Million 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 short term loan (Facility Loan Agreement) with almost all banks. The agreements are to allow Company's liquidity and the Company receives highest benefit from competitive interests of the banks. The bank can receive low interest rate during each short-term loan of 90-120 days without using Company asset as guarantee.	- Such guarantee is the bank's condition to lend money. However, it is of highest benefit to the Company.

Person who may have conflict of interest	Related Party Transactions	Value of transactions as of 31 December 2020 (Million Baht)	Value of transactions as of 31 December 2021 (Million Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
2. Hatton Capital (Thailand) Ltd.		-	-		
3. Asian Food Corporation Ltd.		-	-		
4. DP Partners Ltd.		-	-		
5. DLN 2017 Ltd.		-	-		

Person who may have conflict of interest	Related Party Transactions	Value of transactions as of 31 December 2020 (Million Baht)	Value of transactions as of 31 December 2021 (Million Baht)	Necessity and Reasonableness of Transactions	Opinion of Audit Committee
6. Plant and Bean Ltd.	Advisory and legal fee interests	23.4	8.9 7.1	Nove Foods Co. Ltd. has charged advisory fee and legal fee from Plant and Bean Limited which is the Company's affiliate located in the U.K. Nove Foods Co. Ltd. provided loans with interest.	Transaction to support ordinary course of business under general commercial conditions. Normal business transaction

Necessity and Reasonableness of Related Party Transactions

The Audit Committee's meeting No. 2/2522 held on February 25, 2022 has considered connected transaction of the group company for the fiscal year ending on 31 December 2021. They have requested for information from management of the Company and reviewed the note to Financial Statement and found that the related party transaction among the group of the Company for the fiscal year ending 31 December 2021 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 an arm's length basis.

Measures and procedures for approval of connected transactions

The Board of Directors Meeting No. 7/2019, held on November 11, 2019, considered and approved the measure and the approval process for related party transactions to ensure transparency of transactions between the Company and/or its subsidiaries and individuals or juristic persons who may have conflicts of interest and to protect the interests of the Company's group that can be summarized as follows:

- (1) Directors and executives of the Company shall prepare a report on their interests or related persons and inform the Company for internal use and act in accordance with the requirements on connected transactions.
- (2) Avoid entering into connected transactions that may cause conflicts of interest.
- (3) In the case of necessity, all connected transactions of the Company must be proposed for approval to the management prior to entering into such transactions at the Board of Directors meeting or at the shareholders' meeting (as the case may be).
- (4) When there is a connected transaction, follow the Company procedures and comply with the criteria prescribed by the Capital Market Supervisory Board, Securities and Exchange Commission, and the Stock Exchange of Thailand.
- (5) Set the price and conditions of the connected transaction on an arm's length basis which must be fair and reasonable by comparing the price of goods or services with third party price under the same or similar conditions.
- (6) In considering the connected transactions, the Company may appoint an independent appraiser to assess and compare prices for important connected transaction to ensure that the connected transaction is reasonable and for the highest benefit of the Company.

Policy and trend of future transactions

In the future, if the Company or its subsidiaries has to enter into related transactions with persons who may have conflicts of interest and/or connected persons of the Company and its subsidiaries, the Company will operate in accordance with the law on securities and exchange, regulations, announcements, orders or regulations of the Capital Market Supervisory Board, the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions in accordance with the accounting standards set by the Federation of Accounting Professions to ensure that entering into such transaction is not the transfer of benefits and for the best interests of all shareholders.

In the case of connected transactions arising from the normal business operations of the Company or its subsidiaries and is a continuing transaction in the future. The Company has set the rules and guidelines



for such operations to be in the nature of a commercial agreement with general trading conditions with reference to the price and conditions that Appropriate and fair, reasonable, can be examined and proposed to the Audit Committee to consider and certify the criteria and guidelines for doing so.



NR Instant Produce Public Company Limited

Section 3 Financial Statement

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 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of 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 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the 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.

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 91% and 89% 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 recognised 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 intangible assets with indefinite useful lives

As discussed in Note 18 to the financial statements, as at 31 December 2021, the Group has goodwill and intangible assets with indefinite useful lives amounting to Baht 245 million and Baht 213 Million, respectively, which is significant to the statement of financial position. Thus, the assessment of impairment of goodwill and intangible assets with indefinite useful lives 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 intangible assets with indefinite useful lives.

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 utilised. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realised 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 realisable value of the goodwill and intangible assets with indefinite useful lives using the selected financial models and considered the impact of changes in key assumptions on those realisable 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 intangible assets with indefinite useful lives.

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.

A handwritten signature in blue ink, appearing to read 'Sineenart Jirachaikhuan'.

Sineenart Jirachaikhuan

Certified Public Accountant (Thailand) No. 6287

EY Office Limited

Bangkok: 28 February 2022

NR Instant Produce Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	309,469,012	224,358,785	147,134,516	222,188,074
Trade and other receivables	8	498,342,692	284,370,333	299,648,398	216,010,956
Current portion of long-term loans to subsidiary	6	-	-	38,596,782	-
Short-term loans to a associate	6	257,694,785	-	-	-
Inventories	9	196,894,425	188,075,147	133,532,454	153,523,967
Other current assets		19,246,903	24,769,820	14,543,212	22,288,441
Total current assets		1,281,647,817	721,574,085	633,455,362	614,011,438
Non-current assets					
Restricted bank deposits	10	34,610,000	7,868,500	33,000,000	1,363,915
Other non-current financial assets	11	287,670,694	103,966,382	187,680,379	14,364,182
Long-term loans to subsidiaries, net of current portion	6	-	-	913,738,231	326,940,000
Investments in subsidiaries	12	-	-	626,013,310	206,099,500
Investments in joint venture	13	36,717,610	-	-	-
Investment in associates	14	241,784,748	187,376,555	92,946,735	-
Property, plant and equipment	15	587,226,369	626,085,018	364,776,829	380,550,694
Right-of-use assets	16	11,425,627	11,155,838	5,575,596	8,251,395
Intangible assets	17	1,878,542,805	1,433,104,058	1,374,719,616	1,432,873,952
Goodwill	18	244,979,609	241,635,741	241,635,741	241,635,741
Unallocated cost of business acquisition	12	4,699,208	4,978,565	-	-
Deferred tax assets	29	47,413,562	16,679,348	5,872,296	8,640,925
Other non-current assets		5,565,947	3,949,467	2,386,504	2,770,593
Total non-current assets		3,380,636,179	2,636,799,472	3,848,345,237	2,623,490,897
Total assets		4,662,283,996	3,358,373,557	4,481,800,599	3,237,502,335

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 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	19	140,000,000	143,477,902	140,000,000	120,032,142
Trade and other payables	20	314,624,600	202,138,704	139,618,165	147,252,477
Current portion of long-term loans	21	36,261,551	62,938,988	36,261,551	-
Current portion of lease liabilities	16	3,723,105	3,986,152	1,495,811	2,010,441
Income tax payable		63,398,504	28,999,470	50,919,062	20,816,080
Other current liabilities		8,957,817	7,566,887	3,690,660	6,267,103
Total current liabilities		566,965,577	449,108,103	371,985,249	296,378,243
Non-current liabilities					
Long-term loans, net of current portion	21	222,291,521	-	222,291,521	-
Long-term debenture	22	691,313,101	-	691,313,101	-
Lease liabilities, net of current portion	16	6,698,717	5,418,640	3,220,533	4,715,977
Provision for long-term employee benefits	23	19,339,686	15,341,671	18,115,590	14,846,802
Deferred tax liabilities	29	299,953,894	311,487,514	292,089,627	303,343,249
Other non-current liabilities		2,633,320	2,552,617	2,633,320	2,552,617
Total non-current liabilities		1,242,230,239	334,800,442	1,229,663,692	325,458,645
Total liabilities		1,809,195,816	783,908,545	1,601,648,941	621,836,888

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital	24				
Registered					
1,485,443,157 ordinary shares of Baht 1 each					
(2020: 1,421,040,400 ordinary shares					
of Baht 1 each)		1,485,443,157	1,421,040,400	1,485,443,157	1,421,040,400
Issued and fully paid					
1,417,654,142 ordinary shares of Baht 1 each					
(2020: 1,355,780,300 ordinary shares					
of Baht 1 each)		1,417,654,142	1,355,780,300	1,417,654,142	1,355,780,300
Share premium	24	1,224,816,721	1,165,194,364	1,224,816,721	1,165,194,364
Deficit on amalgamation	25	(290,788,396)	(290,788,396)	(290,788,396)	(290,788,396)
Retained earnings					
Appropriated - statutory reserve	26	41,400,000	30,400,000	41,400,000	30,400,000
Unappropriated		506,793,150	326,997,559	503,053,518	369,589,959
Other components of shareholders' equity		(84,550,728)	(13,118,815)	(15,984,327)	(14,510,780)
Equity attributable to owners of the Company		2,815,324,889	2,574,465,012	2,880,151,658	2,615,665,447
Non-controlling interest of the subsidiaries		37,763,291	-	-	-
Total shareholders' equity		2,853,088,180	2,574,465,012	2,880,151,658	2,615,665,447
Total liabilities and shareholders' equity		4,662,283,996	3,358,373,557	4,481,800,599	3,237,502,335
		-	-	-	-

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Sales	30, 32	2,100,026,946	1,408,349,127	1,374,075,197	1,368,080,632
Dividend income	12	-	5,798,555	-	5,798,555
Exchange gains		9,818,435	388,435	-	660,647
Gain on changes in value of financial assets designated at fair value through profit or loss		33,553,858	-	33,553,858	-
Gain on disposal of investment in associate	14	99,640,485	-	99,640,485	-
Other income		75,203,478	29,650,670	40,046,434	6,006,091
Total revenues		2,318,243,202	1,444,186,787	1,547,315,974	1,380,545,925
Expenses					
Cost of sales		1,283,526,384	974,173,330	940,592,345	935,148,076
Selling and distribution expenses		261,169,881	66,090,593	62,058,358	56,925,451
Administrative expenses		371,002,400	190,595,009	193,106,698	179,709,624
Exchange losses		-	-	5,524,852	-
Loss on change in status of investment	12	-	878,570	-	-
Loss on write-off loans to subsidiary	6	-	-	74,114,700	-
Total expenses		1,915,698,665	1,231,737,502	1,275,396,953	1,171,783,151
Profit from operating activities		402,544,537	212,449,285	271,919,021	208,762,774
Share of loss from investment in joint venture	13	(782,390)	-	-	-
Share of loss from investment in associates	14	(52,605,518)	(15,317,650)	-	-
Finance income		7,921,650	226,490	48,864,742	9,963,487
Finance cost	27	(63,826,151)	(45,730,331)	(46,974,739)	(45,344,901)
Profit before income tax expenses		293,252,128	151,627,794	273,809,024	173,381,360
Income tax expenses	29	(71,804,520)	(27,236,585)	(69,089,836)	(28,116,881)
Profit for the year		221,447,608	124,391,209	204,719,188	145,264,479
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		36,758,193	-	-	-
Share of other comprehensive income from investment in associate	14	14,066,977	4,694,205	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		50,825,170	4,694,205	-	-
<i>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses	23	-	(8,337,561)	-	(8,085,974)
Less: Income tax effect	29	-	1,667,512	-	1,617,195
		-	(6,670,049)	-	(6,468,779)
Loss on changes in value of equity investments designated at fair value through other comprehensive income	37.4	(94,310,450)	(19,420,373)	(1,841,934)	(15,292,573)
Less: Income tax effect	29	18,862,090	3,884,075	368,387	3,058,515
		(75,448,360)	(15,536,298)	(1,473,547)	(12,234,058)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(75,448,360)	(22,206,347)	(1,473,547)	(18,702,837)
Other comprehensive income for the year		(24,623,190)	(17,512,142)	(1,473,547)	(18,702,837)
Total comprehensive income for the year		196,824,418	106,879,067	203,245,641	126,561,642

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

NR Instant Produce Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit attributable to:					
Equity holders of the Company		220,783,684	124,391,209	204,719,188	145,264,479
Non-controlling interests of the subsidiaries		663,924	-		
		<u>221,447,608</u>	<u>124,391,209</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		179,619,307	106,879,067	203,245,641	126,561,642
Non-controlling interests of the subsidiaries		17,205,111	-		
		<u>196,824,418</u>	<u>106,879,067</u>		
Basic earning per share	31				
Profit attributable to equity holders of the Company		<u>0.16</u>	<u>0.11</u>	<u>0.14</u>	<u>0.12</u>

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 2021

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Other components of shareholders' equity - Other comprehensive income											
	Issued and paid-up share capital	Share premium	Deficit on amalgamation	Retained earnings		Share of other comprehensive income from investment in associate	Exchange differences on translation of financial statements in foreign currency	Fair value reserve	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2020	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	-	1,168,139,681
Profit for the year	-	-	-	-	124,391,209	-	-	-	-	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)	-	(17,512,142)
Total comprehensive income for the year	-	-	-	-	-	4,694,205	-	(15,536,298)	(10,842,093)	106,879,067	-	106,879,067
Issued ordinary share capital (Note 24)	290,000,000	1,009,446,264	-	-	117,721,160	-	-	-	-	1,299,446,264	-	1,299,446,264
Transferred unappropriated retained earning to statutory reserve (Note 26)	-	-	-	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	-	2,574,465,012
Balance as at 1 January 2021	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	-	2,574,465,012
Profit for the year	-	-	-	-	220,783,684	-	-	-	-	220,783,684	663,924	221,447,608
Other comprehensive income for the year	-	-	-	-	-	14,066,977	20,217,006	(75,448,360)	(41,164,377)	(41,164,377)	16,541,187	(24,623,190)
Total comprehensive income for the year	-	-	-	-	220,783,684	14,066,977	20,217,006	(75,448,360)	(41,164,377)	179,619,307	17,205,111	196,824,418
Issued ordinary share capital (Note 24)	7,643,892	59,622,357	-	-	-	-	-	-	-	67,266,249	-	67,266,249
Dividend paid (Note 34)	-	-	-	-	(6,025,679)	-	-	-	-	(6,025,679)	-	(6,025,679)
Stock dividend (Note 34)	54,229,950	-	-	-	(54,229,950)	-	-	-	-	-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings (Note 11)	-	-	-	-	30,267,536	-	-	(30,267,536)	(30,267,536)	-	-	-
Increase in non-controlling interest of subsidiary from subsidiary's investment (Note 12)	-	-	-	-	-	-	-	-	-	-	20,558,180	20,558,180
Transferred unappropriated retained earning to statutory reserve (Note 26)	-	-	-	11,000,000	(11,000,000)	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,417,654,142	1,224,816,721	(290,788,396)	41,400,000	506,793,150	18,761,182	20,217,006	(123,528,916)	(84,550,728)	2,815,324,889	37,763,291	2,853,088,180

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 2021

	Separate financial statements								(Unit: Baht)
	Other components of shareholders' equity -								
	Other comprehensive income								
	Total other components of shareholders' equity								
	Issued and paid-up share capital	Share premium	Deficit on amalgamation	Retained earnings		Fair value reserve	shareholders' equity	Total shareholders' equity	
				Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2020	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 24)	290,000,000	1,009,446,264	-	-	-	-	-	1,299,446,264	
Transferred unappropriated retained earning to statutory reserve (Note 26)	-	-	-	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	
Balance as at 1 January 2021	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	
Profit for the year	-	-	-	-	204,719,188	-	-	204,719,188	
Other comprehensive income for the year	-	-	-	-	-	(1,473,547)	(1,473,547)	(1,473,547)	
Total comprehensive income for the year	-	-	-	-	204,719,188	(1,473,547)	(1,473,547)	203,245,641	
Issued ordinary share capital (Note 24)	7,643,892	59,622,357	-	-	-	-	-	67,266,249	
Dividend paid (Note 34)	-	-	-	-	(6,025,679)	-	-	(6,025,679)	
Stock dividend (Note 34)	54,229,950	-	-	-	(54,229,950)	-	-	-	
Transferred unappropriated retained earning to statutory reserve (Note 26)	-	-	-	11,000,000	(11,000,000)	-	-	-	
Balance as at 31 December 2021	1,417,654,142	1,224,816,721	(290,788,396)	41,400,000	503,053,518	(15,984,327)	(15,984,327)	2,880,151,658	

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	293,252,128	151,627,794	273,809,024	173,381,360
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	156,528,637	89,760,194	93,399,754	86,578,847
Reversal of allowance for expected credit losses	(1,584,092)	(740,941)	(1,726,106)	(826,270)
Reduction in cost to net realisable value of inventories	3,754,086	3,992,576	2,751,640	3,992,576
Gains on disposals of equipment	(142,024)	(43,465)	(52,670)	(43,465)
Loss on write-off intangible assets	1,180,000	-	-	-
Share of loss from investment in joint venture	782,390	-	-	-
Share of loss from investment in associates	52,605,518	15,317,650	-	-
Provision for long-term employee benefits	3,913,425	1,060,969	3,268,788	1,029,732
Unrealised (gain) losses on exchange	(166,839)	1,275,001	14,224,920	1,366,686
Gains on fair value adjustments of financial assets	(33,553,858)	(238,866)	(33,553,858)	(238,866)
Dividend income	-	(5,798,555)	-	(5,798,555)
Finance income	(7,921,650)	(226,490)	(48,864,742)	(9,963,487)
Gain on disposal of investment in associate	(99,640,485)	-	(99,640,485)	-
Loss on change in status of investment	-	878,570	-	-
Loss on write-off loans to subsidiary	-	-	74,114,700	-
Direct expenses related to the share offering	-	4,423,856	-	4,423,856
Finance cost	63,826,151	45,730,331	46,974,739	45,344,901
Profit from operating activities before changes in operating assets and liabilities	432,833,387	307,018,624	324,705,704	299,247,315
Operating assets (increase) decrease				
Trade and other receivables	(145,827,641)	(26,764,123)	(74,305,881)	(16,845,645)
Inventories	(6,797,273)	(66,179,700)	17,239,873	(72,479,416)
Other current assets	5,817,113	(11,719,785)	7,745,229	(11,851,534)
Other non-current assets	(871,480)	(2,612,664)	384,089	(2,066,063)
Operating liabilities increase (decrease)				
Trade and other payables	(8,704,069)	(6,497,751)	(22,488,980)	21,890,447
Other current liabilities	(835,157)	1,698,189	(3,060,548)	4,336,836
Other non-current liabilities	80,703	2,552,617	80,703	2,552,617
Cash flows from operating activities	275,695,583	197,495,407	250,300,189	224,784,557
Cash paid for interest expenses	(59,462,443)	(49,902,848)	(48,734,807)	(49,176,159)
Cash paid for corporate income tax	(61,894,189)	(29,039,385)	(47,103,460)	(28,968,889)
Net cash flows from operating activities	154,338,951	118,553,174	154,461,922	146,639,509

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	(26,741,500)	17,561,461	(31,636,085)	17,566,140
Purchase of non-current financial assets	(181,773,957)	(98,069,549)	(7,160,170)	(4,339,549)
Cash receipt from disposal of other non-current financial assets	47,166,730	-	-	-
Increase in loans to subsidiaries	-	-	(718,232,471)	(315,090,000)
Increase in loans to associate	(243,797,925)	-	-	-
Cash receipt (paid) for investment in subsidiaries	3,549,931	(181,641,489)	(401,191,050)	(200,999,700)
Cash paid for investment in joint venture	(37,500,000)	-	-	-
Cash paid for investment in associates	(60,000,000)	(198,000,000)	(60,000,000)	-
Acquisition of plant and equipment	(32,883,274)	(14,990,084)	(10,817,567)	(14,783,504)
Proceeds from disposals of equipment	987,724	83,355	52,724	83,355
Acquisition of intangible assets	(450,621,763)	-	-	-
Interest received	6,567,235	444,250	43,749,092	2,046,880
Dividend received	-	5,798,555	-	5,798,555
Net cash flows used in investing activities	(975,046,799)	(468,813,501)	(1,185,235,527)	(509,717,823)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(3,477,902)	24,999,654	19,967,858	30,032,142
Cash receipt from long-term loans from banks	252,324,899	180,000,000	252,324,899	180,000,000
Repayment of long-term loans from banks	(71,438,987)	(1,063,435,019)	(8,499,999)	(1,058,156,561)
Cash receipt from issuance of long-term debentures	700,000,000	-	700,000,000	-
Payment of principal portion of lease liabilities	(4,479,451)	(4,235,270)	(2,010,074)	(3,349,517)
Cash receipt from non-controlling interests of the subsidiary	1,066,666	-	-	-
Cash receipt from increase share capital	-	1,334,000,000	-	1,334,000,000
Payment of direct expenses related to the share offering	-	(38,977,592)	-	(38,977,592)
Dividend paid	(6,025,679)	-	(6,025,679)	-
Net cash flows from financing activities	867,969,546	432,351,773	955,757,005	443,548,472
Increase in translation adjustments	37,885,487	-	-	-
Net increase (decrease) in cash and cash equivalents				
before effect from currency translation	85,147,185	82,091,446	(75,016,600)	80,470,158
Net foreign exchange difference	(36,958)	1,903	(36,958)	1,903
Cash and cash equivalents at beginning of year	224,358,785	142,265,436	222,188,074	141,716,013
Cash and cash equivalents at end of year	309,469,012	224,358,785	147,134,516	222,188,074

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Supplemental cash flow information				
Non cash items				
Accounts receivable for disposal assets	28,100,000	-	-	-
Accounts payable for purchase assets	6,278,295	20,101,339	5,978,240	19,919,513
Accounts payable for purchase intangible assets	83,951,476	-	-	-
Increase in right-of-use assets from new lease contracts	5,496,481	9,328,060	-	6,840,000
Investments exchange transactions	201,226,250	-	219,949,010	-
Receipt of non-listed equity investment in settlement of loans to subsidiary	-	-	18,722,760	-
Loss on changes in value of equity investments designated at fair value through other comprehensive income	(94,310,450)	(19,420,373)	(1,841,934)	(15,292,573)

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 2021****1. General information**

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 Pathomwanich 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 first trading day of the Company’s shares on the Stock Exchange of Thailand was 9 October 2020.

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	Shareholding percentage		
		incorporation	2021	2020	
			%	%	
Held by the Company					
Nove Foods Limited	Distribution of food products containing no meat ingredients or animal products	Thailand	100	100	
NRF Consumer Limited	Investment in ecommerce business and distribution of goods via ecommerce	Thailand	100	100	
Root The Future Limited	Not yet operational	Thailand	-	100	
City Food Company Limited	Manufacture import and export instant foods	Thailand	100	100	
Super Plants Limited	Investment in business of hemp, marijuana, and herb products	Thailand	100	-	
Regeneration Capital Limited	Investment management	Thailand	100	-	
Held by Nove Food Limited					
Nove Eats Limited	Distribution of food products containing no meat ingredients or animal products	Thailand	51	-	
Root The Future Limited	Content management for communicating to vegetarian and eco friendly consumers	Thailand	100	-	

Held by NRF Consumer Limited

Boosted NRF Corp.	Investment in ecommerce business and distribution of goods via ecommerce	The United States of America	55	-
Indeem Group Limited	Distribution of consumer goods via membership system	Thailand	51	-

Held by City Food Company Limited

Botany Petcare Company Limited	Manufacture and distribution of pet foods	Thailand	67	-
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- 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) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

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

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised 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 recognised when the right to receive the dividend is established.

Interest income

Interest income is calculated using the effective interest method and recognised 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 amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 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.

4.3 Inventories

Finished goods and semi-finished goods are valued at the lower of cost (weighted average method) and net realisable 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 realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries, joint venture and associates

Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

4.5 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 - 5 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 derecognised 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 derecognised.

4.6 Intangible assets

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

Intangible assets with finite lives are amortised on a the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

	<u>Useful lives</u>
Computer software	5, 15 years
Customer relationship	25 years
Trade name	10 years
Prototype	10 years

Intangible assets with indefinite useful lives is the Company's trade name.

Intangible assets with indefinite useful lives are not amortised, 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.

4.7 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 recognised 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 recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.8 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

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 recognises 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 recognised, 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 recognised 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 recognised as expenses on a straight-line basis over the lease term.

4.9 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 associates, 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.

4.10 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.

4.11 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 recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and its employees have 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 recognised 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 recognised immediately in other comprehensive income.

4.13 Provisions

Provisions are recognised 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.

4.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

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

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

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

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.16 Derivatives

The Group uses derivatives, such as forward currency contracts and cross currency swaps contract, to hedge its foreign currency risks.

Derivatives are initially recognised 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 recognised 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 realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 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 maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an 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.

5. 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 indefinite useful lives intangible assets

The initial recognition and measurement of goodwill and indefinite useful lives 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.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised 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)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	0.3	0.6	Market prices
Interest income	-	-	48.4	9.8	4.65% - 6.50%
Purchase of goods	-	-	0.1	0.8	Market prices
Commission expense	-	-	0.2	0.1	As stipulated in the agreement
Other income	-	-	0.1	-	As stipulated in the agreement
<u>Transactions with associate</u>					
Interest income	7.1	-	-	-	3.70%
Other income	8.9	23.4	-	-	As stipulated in the agreement
<u>Transactions with related parties</u>					
(related by common directors)					
Purchase of goods	1.9	-	-	-	Market prices
Service expenses	0.2	-	-	-	Market prices
Other expenses	68.1	-	-	-	Agreed between parties

The balances of the accounts as at 31 December 2021 and 2020 between the Company, the subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade receivables - related parties (Note 8)</u>				
Subsidiary	-	-	49	-
Related company (related by common directors)	46	-	-	-
Total trade receivables - related parties	46	-	49	-
<u>Other receivables - related parties (Note 8)</u>				
Subsidiary	-	-	13,416	8,293
Joint venture	2	-	-	-
Associate	10,909	14,229	-	-
Related company (related by common directors)	8,924	91	-	-
Total other receivables - related parties	19,835	14,320	13,416	8,293
<u>Trade payables - related parties (Note 20)</u>				
Related company (related by common directors)	11,325	-	-	-
Total trade payables - related parties	11,325	-	-	-
<u>Other payables - related parties (Note 20)</u>				
Subsidiary	-	-	15	76
Related company (related by common directors)	51	118	-	-
Total other payables - related parties	51	118	15	76

Loans to related parties

As at 31 December 2021 and 2020, the balances of loans between the Group and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at	Increase	Decrease	Balance as at
Loans	Related by	31 December 2020	during the year	during the year	31 December 2021
<u>Short-term loans to associate</u>					
Plant and Bean Limited	Associate	-	243,798	-	243,798
Add: Unrealised gain on exchange		-	13,897	-	13,897
Total short-term loans to associate		-	257,695	-	257,695

(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at	Increase	Decrease	Write-off	Balance as at
Loans	Related by	31 December 2020	during the year	during the year	during the year	31 December 2021
<u>Long-term loans to subsidiaries</u>						
Nove Foods Limited	Subsidiary	232,640	508,395	(214,210)	-	526,825
NRF Consumer Limited	Subsidiary	94,300	609,900	(319,777)	(74,115)	310,308
City Food Co., Ltd.	Subsidiary	-	136,000	(20,798)	-	115,202
Total loans to subsidiaries		326,940	1,254,295	(554,785)	(74,115)	952,335
Less: Current portion		-				(38,597)
Net of current portion		326,940				913,738

Directors and management's benefits

The Group had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2021	2020
Short-term employee benefits	40,417	37,761
Post-employment benefits	1,118	3,222
Total	41,535	40,983

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Cash	362	60	50	50

Bank deposits	<u>309,107</u>	<u>224,299</u>	<u>147,085</u>	<u>222,138</u>
Total	<u>309,469</u>	<u>224,359</u>	<u>147,135</u>	<u>222,188</u>

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.050 and 0.250 percent per annum (2020: between 0.050 and 0.250 percent per annum) (the Company only: between 0.050 and 0.250 percent per annum, 2020: between 0.050 and 0.125 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	46	-	-	-
Past due				
Up to 3 months	-	-	49	-
Total trade receivable - related parties	46	-	49	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	255,272	209,368	199,836	152,711
Past due				
Up to 3 months	58,586	46,459	40,645	42,103
3 - 6 months	2,367	1,885	1,916	1,406
6 - 12 months	2,432	1,767	812	1,736
Over 12 months	1,006	1,826	894	1,826
Total trade receivables - unrelated parties	319,663	261,305	244,103	199,782
Less: Allowance for expected credit losses	(1,967)	(3,551)	(1,739)	(3,465)
Total trade receivables - unrelated parties, net	317,696	257,754	242,364	196,317
Total trade receivables - net	317,742	257,754	242,413	196,317
<u>Other receivables - related parties</u>				
Other receivables	18,481	14,320	27	20
Interest receivables	1,354	-	13,389	8,273

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Total other receivables - related parties	19,835	14,320	13,416	8,293
<u>Other receivables - unrelated parties</u>				
Other receivables	116,153	3,615	38,035	3,570
Advance payment for purchase of inventories	-	1,723	-	1,723
Prepaid expenses	32,721	6,850	5,767	6,011
Advance payments to employee	11,892	108	17	97
Total other receivables - unrelated parties	160,766	12,296	43,819	11,401
Total other receivables	180,601	26,616	57,235	19,694
Total trade and other receivables - net	498,343	284,370	299,648	216,011

The normal credit term is 30 to 90 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Beginning balance	3,551	6,137	3,465	6,137
Reversal of allowance for expected credit losses	(1,584)	(741)	(1,726)	(827)
Amount written off	-	(1,845)	-	(1,845)
Ending balance	1,967	3,551	1,739	3,465

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods	77,720	53,640	(2,091)	(886)	75,629	52,754
Semi-finished goods	36,244	29,635	(629)	(842)	35,615	28,793
Raw materials	29,384	28,889	(1,385)	(1,005)	27,999	27,884
Packaging and factory supplies	70,069	69,149	(12,418)	(10,036)	57,651	59,113
Goods in transit	-	19,531	-	-	-	19,531
Total	<u>213,417</u>	<u>200,844</u>	<u>(16,523)</u>	<u>(12,769)</u>	<u>196,894</u>	<u>188,075</u>

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods	25,988	32,896	(1,965)	(886)	24,023	32,010
Semi-finished goods	35,524	27,190	(610)	(823)	34,914	26,367
Raw materials	24,932	24,873	(653)	(292)	24,279	24,581
Packaging and factory supplies	56,572	55,766	(6,256)	(4,731)	50,316	51,035
Goods in transit	-	19,531	-	-	-	19,531
Total	<u>143,016</u>	<u>160,256</u>	<u>(9,484)</u>	<u>(6,732)</u>	<u>133,532</u>	<u>153,524</u>

During the current year, the Group reduced cost of inventories by Baht 4 million to reflect the net realisable value (2020: Baht 10 million) (The Company only: Baht 3 million, 2020: Baht 4 million). This was included in cost of sales.

10. Restricted bank deposits

Balance as at 31 December 2021 comprise the Company's saving deposit of Baht 33 million, which the Company uses as collateral to a bank for secured long-term loan

(as described in Note 21 to financial statements) and a subsidiary's saving deposits of Baht 2 million, which a subsidiary uses as collateral with a bank for issuance of letter of guarantee for electricity use and for export credit of the subsidiary.

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.

11. Other non-current financial assets

As at 31 December 2021 and 2020, other non-current financial assets are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Equity instruments designated at FVOCI</u>				
Non-listed equity instruments				
Dusit Gourmet Company Limited	289	305	289	305
The Meatless Farm Limited	-	4,759	-	4,759
Boosted Ecommerce., Inc.	-	89,602	-	-
Koncious Foods., Inc.	10,570	-	-	-
Wicked Foods., Inc.	7,501	-	-	-
New Protein Fund I LP	9,278	5,334	9,278	5,334
Big Idea Ventures GP I, LLC	9,369	3,219	9,369	3,219
Unovis NCAP Fund II C.V.	63,197	-	-	-
Total equity instruments designated at FVOCI	100,204	103,219	18,936	13,617
<u>Financial assets at FVTPL</u>				
Listed equity instrument				
Australis Capital., Inc.	157,055	-	157,055	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Non-listed equity instruments	19,554	747	831	747
Derivative assets	10,858	-	10,858	-
Total financial assets at FVTPL	187,467	747	168,744	747
Total other non-current financial assets	287,671	103,966	187,680	14,364

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 The United states of America totaling USD 3 million or approximately Baht 94 million. The subsidiary had a 3.86% interest in such company.

Subsequently, in July 2021, the Group sold its equity interest in Boosted Ecommerce, Inc. The fair value on the date of sale was Baht 47 million and the accumulated gain recognised in other comprehensive income of Baht 30 million was transferred to retained earnings.

Subsequently, on 30 November 2021, the Company received preference shares of Boosted Ecommerce, Inc. with fair value at transferred date of Baht 19 million for the settlement of loans to subsidiary of Baht 93 million. The Company recognised loss from this loan settlement of Baht 74 million under the caption of “Loss on write-off loans to subsidiary” in profit or loss in separate financial statements.

Subsequently, in December 2021, the Company transferred the preference shares of Boosted Ecommerce, Inc. with fair value at transferred date of Baht 19 million for the payment of increase paid-up capital of Regeneration Capital Limited as described in note 12 to financial statements.

Australis Capital Inc.

On 23 December 2021, the Company received 34,738,634 ordinary shares from Australis Capital Inc., which was incorporated in Canada, as described details in Note 14 to financial statements.

12. 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	
	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)		
Nove Foods Limited	205,000	5,000	100	100	205,000	5,000
NRF Consumer Limited	200,100	100	100	100	200,100	100
Root The Future Limited	-	1,000	-	100	-	1,000
City Food Company Limited	128,000	128,000	100	100	200,000	200,000
Super Plants Limited	2,091	-	100	-	2,091	-
Regeneration Capital Limited	18,822	-	100	-	18,822	-
Total					626,013	206,100

No dividend was received from the above subsidiaries during the years ended 31 December 2021 and 2020 except for City Food Company Limited as mentioned in note 12.1.

12.1 The Company's additional investment in subsidiaries

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 interest 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 recognised 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 Company has completed the process of measuring the fair value at the date of change in status of investment of the identifiable assets and liabilities acquired and the assumed of City Food Company Limited and goodwill during the year. 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
Intangible assets	2
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	196
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)	167
Cost of investment in subsidiary (85 percent)	170
Goodwill from business acquisition	3

Super Plants Limited

On 2 April 2021, the Company invested in Super Plants Limited in which the Company's interest is 100 percent, with a registered capital of Baht 2,090,770 (418,154 ordinary shares of Baht 5 each).

NRF Consumer Limited

On 25 August 2021, an Extraordinary Shareholders Meeting No. 3/2021 of NRF Consumer Limited (a subsidiary) passed a resolution to increase its registered share capital by Baht 200 million (2,000,000 ordinary shares of Baht 100 each), with the full amount to be called

up and the share to be allocated in proportion to existing shareholdings. The Company made payment for the shares in August 2021.

Nove Foods Limited

On 1 September 2021, an Extraordinary Shareholders Meeting No. 1/2021 of Nove Foods Limited (a subsidiary) passed a resolution to increase its registered share capital by Baht 200 million (20,000,000 ordinary shares of Baht 10 each), with the full amount to be called up and the share to be allocated in proportion to existing shareholdings. The Company made payment for the shares in September 2021.

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 100 percent, with a registered capital of Baht 1 million (10,000 ordinary shares of Baht 100 each) of which called up at Baht 100 per share or a total of Baht 1 million. The Company made payment for the shares in September 2021.

On 15 October 2021, the Company disposed all ordinary shares of Root The Future Limited, totaling Baht 1 million to Nove Foods Limited, a subsidiary, at cost. As a result of the disposal, the subsidiary had a 100% interest in such company.

Regeneration Capital Limited

On 9 December 2021, the Company invested in Regeneration Capital Limited in which the Company's interest is 100 percent, with a registered capital of Baht 100,000 (20,000 ordinary shares of Baht 5 each).

In December 2021, the Company invested in additional paid-up shares of Regeneration Capital Limited by transferred preference shares of Boosted Ecommerce, Inc. with fair value at transferred date of Baht 19 million. There is no change in proportion to its interest.

12.2 The subsidiaries' additional investments

Boosted NRF Corp.

In the first quarter of 2021, a subsidiary invested in preference shares of Boosted NRF Corp., which was incorporated in The United State of America of USD 10 million or totaling Baht 301 million. The subsidiary had a 55% interest in such company.

Subsequently, during the year 2021, the subsidiary additional invested in preference shares of Boosted NRF Corp. of USD 6.3 million or Baht 208 million. There is no change in proportion to its interest.

Nove Eats Limited

During the year 2021, a subsidiary invested in a 51 percent interest in Nove Eats Limited, which has a registered capital of Baht 1 million (100,000 ordinary shares of Baht 10 each), with full amount to be called and the subsidiary made payment for the shares.

In October 2021, Nove Eats Limited registered an increase in its share capital 400,000 ordinary shares with a par value of Baht 10 per share. Nove Eats Limited called up 41.67% of the registered capital and the subsidiary made payment for the shares, with no change in its proportionate shareholding.

Indeem Group Limited

On 1 September 2021, a subsidiary purchased 25,500 ordinary shares of Indeem Group Limited of Baht 137.95 each, totaling Baht 3.52 million, representing 51 percent of the subsidiary's issued and paid-up capital, from the existing shareholders.

The fair values of the identifiable assets, liabilities and contingent liabilities of Indeem Group Limited as at the acquisition date are presented below.

(Unit: Million Baht)

Cash and cash equivalents	3
Trade and other receivables	4
Inventories	3
Property, plant and equipment	2
Intangible assets	11
Other non-current assets	1
Trade and other payables	(13)
Other current liabilities	(3)
Net assets from business acquisition	8
Net assets of the subsidiary in original proportion to the Company's interest (51 percent)	4
Cost of investment in subsidiary (51 percent)	4
Less: Cash and cash equivalents of subsidiary	(3)
Net cash paid for investment in subsidiary	1

Botany Petcare Company Limited

On 1 October 2021, a subsidiary invested in 360,000 ordinary shares of Baht 100 each of Botany Petcare Company Limited, which was incorporated in Thailand, or a total of Baht 36 million. The subsidiary has a 66.7% interest in this company.

The fair values of the identifiable assets, liabilities and contingent liabilities of Botany Petcare Company Limited as at the acquisition date are presented below.

(Unit: Million Baht)

Cash and cash equivalents	40
Trade and other receivables	8
Inventories	1
Trade and other payables	(3)
Net assets from business acquisition	46
Net assets of the subsidiary in original proportion to the Company's interest (66.7 percent)	31
Add: Difference between cost of business acquisition and net value of assets from business acquisition	5
Cost of investment in subsidiary (66.7 percent)	36
Less: Cash and cash equivalents of subsidiary	(40)
Net cash received from investment in subsidiary	(4)

The subsidiary 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 2021 under the caption of "Unallocated costs of business acquisition" in the non-current assets section.

The subsidiary is in process of measuring fair value at the acquisition date of the identifiable assets acquired and the liabilities assumed and goodwill. This measurement is not yet completed.

13. Investment in joint venture

On 25 August 2021, a subsidiary and Innobic (Asia) Company Limited together registered the incorporation of Nutra Regenerative Protein Company Limited (NRPT), which is engaged in the manufacture and distribution of all kinds of food-related products, including plant-based products, alternative protein products, ready-to-eat meat substitute products, and other ambient food products, with a registered capital of Baht 300 million (3 million ordinary shares of Baht 100 each), with a 50% stake held by the subsidiary. NRPT called up 25% of the total capital or Baht 75 million. The subsidiary paid in share capital in proportion to its interest, amounting to Baht 37.5 million, in August 2021.

13.1 Details of investment in joint venture

(Unit: Thousand Baht)

Consolidated financial statements							
Company's name	Nature of business	Country of incorporation	Shareholding		Cost		Carrying amounts based on equity method
			percentage				
			2021	2020	2021	2020	2021 2020
			(%)	(%)			
Nutra Regenerative Protein Company Limited	Manufacture and distribution of plant based food	Thailand	50	-	37,500	-	36,718 -
Total					37,500	-	36,718 -

13.2 Share of comprehensive income

During the years, the Company has ecognized its share of loss from investments in joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Consolidated financial statements		
Joint venture	Share of loss from investment in joint venture	
	during the year	
	2021	2020
Nutra Regenerative Protein Company Limited	(782)	-
Total	(782)	-

14. Investments in associates

Plant and Bean Ltd.

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

Golden Triangle Health Co., Ltd.

On 1 October 2021, the Company received 7,055,899 ordinary shares from Golden Triangle Health Co., Ltd., representing a 49 percent interest, and transferred 7,643,892 newly issued ordinary shares of the Company with a par value of Baht 1 each to the shareholders of Golden Triangle Health Co., Ltd., as compensation for the shares received.

Subsequently, on 19 October 2021, the Company purchased 7,344,100 additional shares from the existing shareholders of Golden Triangle Health Co., Ltd. at a price of Baht 8.17 each, totaling Baht 60 million, representing 51 percent of the issued and paid-up capital of such company. As a result of this acquisition, the Company's shareholding increased from 49 percent to 100 percent.

Subsequently, on 23 December 2021, the Company disposed 3,600,000 ordinary shares of Golden Triangle Health Co., Ltd., totaling Baht 34 million, to Australis Capital Inc., which was incorporated in Canada and the Company received 34,738,634 ordinary shares of Australis Capital Inc. at USD 0.115 per share, totaling of USD 4 million or Baht 134 million. The Company recorded gain from disposal of this investment of Baht 100 million in profit or loss. As a result, the Company's shareholding decreased from 100 percent to 75 percent.

The Company has classified this investment as investment in associate since the Company has significant influence over the company.

The fair value of the identifiable assets, liabilities and contingent liabilities of Golden Triangle Health Co., Ltd. as at 19 October 2021 are presented below.

(Unit: Million Baht)

Current assets	32
Non-current assets	5
Current liabilities	(2)
Total net assets of Golden Triangle Health Co., Ltd.	35
Add: Difference between cost of business acquisition and net value of assets from business acquisition	92
Cash paid for acquisition in ordinary shares of Golden Triangle Health Co., Ltd.	127

The Company is in process of measuring fair value at the acquisition date of the identifiable assets acquired and the liabilities assumed and goodwill. This measurement is not yet completed.

14.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2021	2020	2021	2020	2021	2020
			(%)	(%)				
Plant and Bean Ltd.	Manufacture and distribution of plant based food	The United Kingdom	25	25	198,000	198,000	152,918	187,377
Golden Triangle Health Co., Ltd.	Manufacture and distribution of plant based food	Thailand	75	-	92,947	-	88,867	-
Total					290,947	198,000	241,785	187,377

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2021	2020	2021	2020
			(%)	(%)		
Golden Triangle Health Co., Ltd.	Manufacture and distribution of plant based food	Thailand	75	-	92,947	-
Total					92,947	-

14.2 Share of comprehensive income

During the years, the Company has recognised its share of loss from investments in associate in the consolidated financial statements as follows:

(Unit: Million Baht)

Associate	Consolidated financial statements			
	Share of loss from investments in associates		Share of other comprehensive income from investments in associates during the year	
	during the year			
	2021	2020	2021	2020
Plant and Bean Ltd.	(49)	(15)	14	5
Golden Triangle Health Co., Ltd.	(4)	-	-	-
Total	(53)	(15)	14	5

14.3 Summarised financial information about material associates

Summarised information about financial position as at 31 December 2021 and 2020 are as follows.

(Unit: Million Baht)

	Golden Triangle			
	Plant and Bean Ltd.		Health Co., Ltd.	
	2021	2020	2021	2020
Current assets	98	146	27	-
Non-current assets	824	467	6	-
Current liabilities	(389)	(46)	(3)	-
Non-current liabilities	(115)	(10)	-	-
Net assets	418	557	30	-
Shareholding percentage (%)	25%	25%	75%	-
Share of net assets	105	139	22	-
Unallocated cost of business acquisition	-	-	67	-
Goodwill	48	48	-	-
Carrying amounts of associates based on equity method	153	187	89	-

Summarised information about comprehensive income

(Unit: Million Baht)

	Plant and Bean Ltd.		Golden Triangle Health Co., Ltd.	
	For the year ended 31 December 2021	For the period as from 13 May 2020 to 31 December 2020	For the period as from 19 October 2021 to 31 December 2021	For the year ended 31 December 2020
Revenue	234	210	1	-
Loss from continuing operations	(196)	(61)	(5)	-
Other comprehensive income	54	19	-	-
Total comprehensive income	(142)	(42)	(5)	-

15. Property, plant and equipment

(Unit: Thousand Baht)

	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 2020	119,705	338,422	300,345	22,571	5,313	19,713	806,069
Acquisition of subsidiary during the year (Note 12)	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)
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
Acquisition of subsidiary during the year (Note 12)	-	924	-	2,533	-	-	3,457
Additions	-	435	7,391	3,838	-	27,498	39,162
Disposals / write-off	-	-	(48,305)	(1,975)	-	-	(50,280)
Transfers in (out)	15	3,486	6,569	1,169	-	(11,239)	-
31 December 2021	183,513	490,775	505,355	44,599	10,134	17,271	1,251,647

Consolidated financial statements

	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicle	Assets under installation and construction	Total
Accumulated depreciation:							
1 January 2020	-	164,691	252,405	11,835	3,733	-	432,664
Acquisition of subsidiary during the year (Note 12)	-	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
Acquisition of subsidiary during the year (Note 12)	-	142	-	1,540	-	-	1,682
Depreciation for the year	-	16,973	28,975	5,671	166	-	51,785
Depreciation on disposals/ write-off	-	-	(22,061)	(208)	-	-	(22,269)
31 December 2021	-	240,737	381,379	33,420	8,885	-	664,421
Net book value:							
31 December 2020	183,498	262,308	165,235	12,617	1,415	1,012	626,085
31 December 2021	183,513	250,038	123,976	11,179	1,249	17,271	587,226
Depreciation for the year							
2020 (Baht 23 million included in manufacturing cost, and the balance in selling and administrative expenses)							28,475
2021 (Baht 42 million included in manufacturing cost, and the balance in selling and administrative expenses)							51,785

Separate 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 2020	119,705	337,883	299,667	22,401	5,313	19,713	804,681
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
Additions	-	-	3,734	2,317	-	10,745	16,796
Disposals/write-off	-	-	(1,854)	(24)	-	-	(1,878)
Transfers in (out)	15	3,486	6,569	1,169	-	(11,239)	-
31 December 2021	119,720	346,716	349,897	30,007	5,315	517	852,172
Accumulated depreciation:							
1 January 2020	-	164,676	252,370	11,806	3,733	-	432,585
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
Depreciation for the year	-	9,608	18,138	4,658	166	-	32,570
Depreciation on disposals/ write-off	-	-	(1,854)	(24)	-	-	(1,878)
31 December 2021	-	183,609	279,407	20,313	4,066	-	487,395
Net book value:							
31 December 2020	119,705	169,229	78,325	10,866	1,415	1,011	380,551
31 December 2021	119,720	163,107	70,490	9,694	1,249	517	364,777

Depreciation for the year

2020 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)	<u>26,208</u>
2021 (Baht 25 million included in manufacturing cost, and the balance in selling and administrative expenses)	<u>32,570</u>

As at 31 December 2021, 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 305 million (2020: Baht 291 million) (The Company only: Baht 238 million, 2020: Baht 236 million).

A subsidiary has mortgaged land and machinery amounting to approximately Baht 138 million (2020: Baht 98 million), 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 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	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 12)	-	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
Additions	3,742	1,754	5,496	-	-
Depreciation for the year	(2,062)	(3,164)	(5,226)	(2,675)	(2,675)
31 December 2021	3,823	7,603	11,426	5,576	5,576

16.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease payments	11,347	10,401	5,261	7,623
Less: Deferred interest expenses	(925)	(996)	(545)	(897)



Total	10,422	9,405	4,716	6,726
Less: Portion due within one year	<u>(3,723)</u>	<u>(3,986)</u>	<u>(1,496)</u>	<u>(2,010)</u>
Lease liabilities - net of current portion	<u>6,699</u>	<u>5,419</u>	<u>3,220</u>	<u>4,716</u>

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	9,405	3,773	6,726	3,236
Acquisition of a subsidiary	-	539	-	-
Additions	5,496	9,328	-	6,840
Accretion of interest	520	372	352	328
Repayments	(4,999)	(4,607)	(2,362)	(3,678)
Balance at end of year	10,422	9,405	4,716	6,726

A maturity analysis of lease payments is disclosed in Note 37.2 under the liquidity risk.

16.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	5,226	3,110	2,675	2,209
Interest expense on lease liabilities	520	372	352	328
Expense relating to leases of low-value assets	557	176	216	176
Expense relating to variable lease payments that do not depend on an index or a rate	2,808	493	2,808	493

The Company has lease contracts for equipment that contains variable payments as described in Note 35.2 to the financial statement.

16.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 8 million (2020: Baht 5 million) (The Company only: Baht 5 million, 2020: 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.

17. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements						
	Computer software	Customer relationships	Trade name	Prototype	Computer software under installation	Total
Cost:						
1 January 2020	22,650	1,412,448	213,367	1,413	-	1,649,878
Acquisition of subsidiary during the year (Note 12)	1,041	-	-	-	-	1,041
31 December 2020	23,691	1,412,448	213,367	1,413	-	1,650,919
Acquisition of subsidiary during the year (Note 12)	-	2,043	-	-	11,114	13,157
Addition	271	-	534,102	-	200	534,573
Write-off	(1,180)	-	-	-	-	(1,180)
Transfer in (out)	11,114	-	-	-	(11,114)	-
31 December 2021	33,896	1,414,491	747,469	1,413	200	2,197,469
Accumulated amortisation:						
1 January 2020	3,421	155,370	-	51	-	158,842
Acquisition of subsidiary during the year (Note 12)	799	-	-	-	-	799
Amortisation for the year	1,535	56,498	-	141	-	58,174
31 December 2020	5,755	211,868	-	192	-	217,815
Amortisation for the year	2,021	56,667	40,689	141	-	99,518
Translation adjustments	-	-	1,593	-	-	1,593
31 December 2021	7,776	268,535	42,282	333	-	318,926
Net book value:						
31 December 2020	17,936	1,200,580	213,367	1,221	-	1,433,104
31 December 2021	26,120	1,145,956	705,187	1,080	200	1,878,543

(Unit: Thousand Baht)

	Separate financial statements				
	Computer software	Customer relationships	Trade name	Prototype	Total
Cost:					
1 January 2020	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
31 December 2021	22,650	1,412,448	213,367	1,413	1,649,878
Accumulated amortisation:					
1 January 2020	3,421	155,370	-	51	158,842
Amortisation for the year	1,523	56,498	-	141	58,162
31 December 2020	4,944	211,868	-	192	217,004
Amortisation for the year	1,515	56,498	-	141	58,154
31 December 2021	6,459	268,366	-	333	275,158
Net book value:					
31 December 2020	17,706	1,200,580	213,367	1,221	1,432,874
31 December 2021	16,191	1,144,082	213,367	1,080	1,374,720

18. Goodwill and intangible assets with indefinite useful lives

Movements of goodwill and intangible assets with indefinite useful lives for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost				
Beginning balance	455,003	455,003	455,003	455,003
Acquisitions of subsidiaries during the year (Note 12)	3,344	-	-	-
Ending balance	458,347	455,003	455,003	455,003

The Group allocated the goodwill acquired through business combination and intangible assets with indefinite useful lives to the cash generating units (CGUs) for annual impairment testing, as follows:

(Unit: Thousand Baht)

	NR Instant Produce Public Company Limited	City Food Company Limited	Total
Goodwill	241,636	3,344	244,980
Trade name (Note 17)	213,367	-	213,367
Total	455,003	3,344	458,347

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 in 2017 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.

During the year 2020, the Company acquired an interest in City Food Company Limited representing 100 percent of its registered share capital, for a price of Baht 200 million. The acquisition cost was approximately Baht 3 million, in excess of the net fair value of the identifiable assets, liabilities and contingent liabilities of that company, in proportion to its shareholding, and this amount was recorded as goodwill in the consolidated statement of financial position.

The recoverable amount of the CGUs have 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 summarised below:

(Unit: percent per annum)

	NR Instant Produce Public Company Limited	City Food Company Limited
Terminal growth rates	0	0
Discount rates	12	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 intangible assets 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.

19. Bank overdrafts and short-term loans from financial institution

As at 31 December 2021 and 2020, bank overdrafts and short-term loans from financial institution are summarised below.

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020	2021	2020
Bank overdrafts	-	4.15	-	23,446	-	-
Promissory notes	2.00	2.00 - 3.30	140,000	110,000	140,000	110,000
Trust receipts	-	3.80 - 3.95	-	10,032	-	10,032
Total			140,000	143,478	140,000	120,032

The Company can renew the promissory notes until it decides to repay these loans.

The Company's bank overdrafts are guaranteed by a Company's director.

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 2021, the bank overdrafts and short-term credit facilities of the Group which have not yet been drawn down amounted to Baht 860 million (2020: Baht 110 million) (the Company only: Baht 860 million, 2020: 50 million).

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts payables - related party	11,325	-	-	-
Trade accounts payables - unrelated parties	135,304	150,897	93,061	101,718
Other payables - related parties	-	-	15	-
Other payables - unrelated parties	97,816	6,765	10,445	6,765
Unearned revenue	14,362	29,802	11,945	27,623

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accrued expenses - related party	51	118	-	76
Accrued expenses - unrelated parties	55,767	14,557	24,152	11,070
Total trade and other payables	314,625	202,139	139,618	147,252

21. Long-term loans

(Unit: Thousand Baht)

Loans	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2021	2020	2021	2020
	(%)					
1	Closed to MLR	Repayment in monthly installments commencing in October 2017, with the final installment due in August 2023	-	19,200	-	-
2	Closed to MLR	Repayment in monthly installments commencing in October 2017, with the final installment due in September 2022	-	43,575	-	-
3	Closed to MLR	Repayment in monthly installments commencing in March 2016, with the final installment due in April 2021	-	164	-	-
4	3.85	Repayment in monthly installments commencing in October 2021, with the final installment due in September 2026	176,603	-	176,603	-
5	3.00	Full repayment of principal is to be made in February 2023	83,982	-	83,982	-
Total			260,585	62,939	260,585	-
Less: Deferred financial fees			(2,032)	-	(2,032)	-
Total long-term loans			258,553	62,939	258,553	-
Less: Current portion			(36,262)	(62,939)	(36,262)	-

(Unit: Thousand Baht)

Loans	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2021	2020	2021	2020
	(%)					
Long-term loans, net of current portion			222,291	-	222,291	-

Movements of the long-term loans account during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Beginning balance	62,939	873,192	-	873,192
Add: Acquisition of subsidiary during the year (Note 12)	-	68,217	-	-
Add: Drawn down loan during the year	252,325	180,000	252,325	180,000
Less: Repayment during the year	(71,439)	(1,063,435)	(8,500)	(1,058,157)
Less: Prepaid financial fees	(2,738)	(2,000)	(2,738)	(2,000)
Add: Amortisation of deferred financial fees	706	6,965	706	6,965
Add: Unrealised loss on exchange	16,760	-	16,760	-
Ending balance	258,553	62,939	258,553	-

Loan 4 is a long-term loan of USD 5.5 million. The Company enter into 5 years 6 months cross currency swap contract to manage foreign currency risk associated with such loan. Under the cross currency swap contract, the Company is obliged to monthly repay principal of Baht 2.8 million from October 2021, totaling Baht 170 million, and pay interest to bank at a rate of 3.850% per annum. The bank is in turn required to pay interest to the Company at a rate 3.036% per annum.

As at 31 December 2021, loans balance of the Company are secured by mortgage of land and construction thereon and machinery of the subsidiary and a bank deposit of the Company.

The loan agreements contains 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.

22. Long-term debentures

On 22 April 2021, the Annual General Meeting of the Company's shareholders approved the issuance of senior unsecured debentures with a debenture holder's representative and early redemption rights amounting to Baht 700 million. These were offered to institutional investors and high net worth investors. The debentures have a term of 2 years and a coupon rate of 6.5% per annum, with interest payments scheduled quarterly.

As at 31 December 2021 and 2020, debentures are summarised below.

(Unit: Thousand Baht)

Debentures	Period	Date of issuance	Maturity date	Interest Rate (% per annum)	Consolidated financial statements / Separate financial statements	
					2021	2020
1	2 years	23 July 2021	23 July 2023	6.50	700,000	-
Less: Deferred debenture issuance costs					(8,687)	-
Total					691,313	-

The Company is required to maintain certain debt-to-equity ratio based on the consolidated financial statements for each quarterly period throughout the term of debenture at the rate prescribed.

23. 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)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits				
at beginning of year	15,342	5,731	14,847	5,731
Acquisition of subsidiary during the year				
(Note 12)	85	212	-	-
Included in profit or loss:				
Current service cost	3,630	933	3,004	905

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest cost	283	128	265	125
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	-	1,361	-	1,361
Financial assumption changes	-	4,069	-	4,054
Experience adjustments	-	2,908	-	2,671
Provision for long-term employee benefits				
at end of year	19,340	15,342	18,116	14,847

As at 31 December 2021, the Group expects that no payment of long-term employee benefits during the next year (The Company only: Nil) (2020: the Group expects to pay Baht 1 million of long-term employee benefits during the next year (the Company only: Baht 1 million)).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits of the Group's daily and monthly employees are 9 - 19 years (2020: 9 - 18 years) (The Company only: 9 - 15 Years, 2020: 9 - 15 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.17 - 2.87	1.17 - 1.90	1.17 - 1.49	1.17 - 1.49
Salary increase rate	1.83 - 8.21	1.83 - 7.19	1.83 - 4.42	1.83 - 4.42
Turnover rate	0 - 61	0 - 61	0 - 61	0 - 61

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements			
	2021		2020	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(0.99)	1.06	(0.86)	0.93
Salary increase rate	1.12	(1.04)	0.90	(0.84)
Turnover rate	(1.15)	1.24	(0.92)	0.99

(Unit: million Baht)

	Separate financial statements			
	2021		2020	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(0.93)	1.00	(0.83)	0.91
Salary increase rate	1.05	(0.98)	0.87	(0.81)
Turnover rate	(1.08)	1.16	(0.89)	0.96

24. Share capital

On 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.

On 22 April 2021, the Annual General Meeting for year 2021 of the Company's shareholders passed resolutions approving as follows:

- (a) The meeting approved the decrease of the Company's registered capital from Baht 1,421,040,400 to Baht 1,355,780,300 by cancelling of 65,260,100 non-issued ordinary shares with a par value of Baht 1 each.
- (b) The meeting approved the increase of the Company's registered capital from Baht 1,355,780,300 to Baht 1,477,800,527 by issuing 122,020,227 new ordinary shares with a par value of Bath 1 each for allocation as follow.
 - The payment of stock dividend not exceeding 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 Company registered the decrease and increase of its capital with the Ministry of Commerce on 12 May 2021 and 13 May 2021, respectively.

On 8 July 2021, Extraordinary Shareholders Meeting of the Company No.1/2021 passed resolutions on the following matters:

- a) The meeting approved the decrease of the Company's registered capital from Baht 1,477,800,527 to Baht 1,477,799,265 by cancelling of 1,262 unissued ordinary shares with a par value of Baht 1 each.
- b) The meeting approved the increase of the Company's registered capital from Baht 1,477,799,265 to Baht 1,485,443,157 by issuing not exceeding 7,643,892 new ordinary shares with a par value of Bath 1 each to existing shareholders of Golden Triangle Health Co., Ltd., to support the Company's investment in such company.

The Company registered the decrease and increase of its capital with the Ministry of Commerce on 28 September 2021 and 29 September 2021, respectively.

Subsequently, the Company issued 7,643,892 newly ordinary shares with a par value of Baht 1 each, at Baht 8.8 per share or totaling Baht 67.3 million to the shareholders of Golden Triangle Health Co., Ltd., as compensation for the shares received of 7,055,899 ordinary shares from Golden Triangle Health Co., Ltd. The Company registered the increase in its paid up capital with the Ministry of Commerce on 1 October 2021.

Stock dividend

On 22 April 2021, the Annual General Meeting for year 2021 of the Company's shareholders approved the allocation of profit from operation of year 2020 to pay the stock dividend not exceeding 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.

The Company paid the stock dividend amounted to Baht 54,229,950 on 21 May 2021.

Warrant (NRF-W1)

On 22 April 2021, the Annual General Meeting for year 2021 of the Company's shareholders passed resolutions approving the allocation of warrants to purchase not exceeding 67,789,015 ordinary shares of the Company, with the warrants to be issued to existing ordinary shareholders who have subscribed to the newly issued ordinary shares through allocation at a rate one warrant for every 20 existing ordinary shares. The warrants are name-specified and transferable, have a term of no more than two years and no offer price is prescribed. The exercise rate is one warrant per new ordinary share and the exercise price is set at Baht 10 per share, with the right to purchase the shares exercisable every six months. The first exercise date is 15 December 2021, and the last exercise date is the date on which the warrants reach the term of 2 years, which is 26 May 2023.

The Company listed the warrants on the SET on 11 June 2021.

During the current year, no warrant was exercised.

As of 31 December 2021, the Company had 67,789,015 units of unexercised warrants.

25. 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.

26. 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 2021, the Company set aside the statutory reserve amounting to Baht 11 million (2020: Baht 7.3 million).

27. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Interest expenses on borrowings and long-term debentures	63,306	45,358	46,623	45,017
Interest expenses on lease liabilities	520	372	352	328
Total	63,826	45,730	46,975	45,345

28. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Salaries and wages and other employee benefits	272,570	246,089	235,172	236,273
Depreciation	57,010	31,585	35,245	28,417
Amortisation expenses	99,518	58,174	58,154	58,162
Freight expenses	87,182	20,183	16,648	19,410
Consulting fees	54,234	21,789	21,684	19,726
Utility expenses	19,369	19,957	18,598	19,164
Raw materials and consumables used	700,506	719,942	686,290	699,725

Changes in inventories of finished goods and
semi-finished goods

(25,458)	(26,850)	(1,426)	(33,007)
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29. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	95,615	41,357	77,207	40,306
Deferred tax:				
Relating to origination and reversal of temporary differences	(23,810)	(14,120)	(8,117)	(12,189)
Income tax expense reported in profit or loss	71,805	27,237	69,090	28,117

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax relating to				
Actuarial losses	-	(1,668)	-	(1,617)
Loss from the change in value of financial assets measured at FVOCI	(18,862)	(3,884)	(368)	(3,059)
	<u>(18,862)</u>	<u>(5,552)</u>	<u>(368)</u>	<u>(4,676)</u>

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accounting profit before tax	293,252	151,628	273,809	173,381
Applicable tax rate (percent)	0 - 24	0 - 20	20	20
Accounting profit before tax multiplied by income tax rate	59,697	30,326	54,762	34,676
Effect of preparation the consolidated financial statements	4,312	-	-	-
Deferred tax assets which were not recognised during the year	606	3,276	-	-
Previously deductible temporary differences that is used to reduce current tax expenses	(7,567)	-	-	-
Effects of:				
Non-deductible expenses	14,569	376	14,132	353
Additional expense deductions allowed	-	(7,591)	-	(7,586)
Others	188	850	196	674
Total	14,757	(6,365)	14,328	(6,559)
Income tax expense reported in profit or loss	71,805	27,237	69,090	28,117

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	393	710	348	693
Allowance for diminution in value of inventories	3,305	2,554	1,897	1,346
Unused tax losses	10,120	5,887	-	-

Provision for long-term employee benefits	3,868	3,068	3,623	2,969
Unrealised fair value loss on investments	26,255	4,453	-	3,628
Accumulated amortisation - intangible assets	3,353	-	-	-
Others	120	7	4	5
Total	47,414	16,679	5,872	8,641

Deferred tax liabilities

Customer relationships	229,191	240,116	228,817	240,116
Trade name	42,673	42,673	42,673	42,673
Surplus on revaluation of assets	28,090	28,699	19,977	20,554
Unrealised fair value gain on investments	-	-	623	-
Total	299,954	311,488	292,090	303,343

As at 31 December 2021, a subsidiary has unused tax losses totaling Baht 11 million (2020: Baht 1.2 million), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

The unused tax losses amounting to Baht 62 million (2020: Baht 30.6 million) will expire in the year 2022 to 2026 (2020: in year 2022 to 2025).

30. 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 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

Promoted operations		Non-promoted operations		Total	
2021	2020	2021	2020	2021	2020

Sales	5,560	725	2,094,467	1,407,624	2,100,027	1,408,349
Other income	<u>1,350</u>	<u>446</u>	<u>216,866</u>	<u>35,392</u>	<u>218,216</u>	<u>35,838</u>
Total sales	<u>6,910</u>	<u>1,171</u>	<u>2,311,333</u>	<u>1,443,016</u>	<u>2,318,243</u>	<u>1,444,187</u>

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the number of ordinary shares in issue as at the statements of financial position date. The prior year's basic earnings per share has been recalculated by adjusting the number of ordinary shares to reflect the impact of the stock dividend as described in note 24 and 34 to the financial statements, as if the stock dividend had been distributed at the beginning of the earliest year reported.

Diluted earnings per share was calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, as discussed in the above paragraph, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumed that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	220,784	124,391	204,719	145,264
Weighted average number of ordinary shares (Thousand shares)	1,411,916	1,179,279	1,411,916	1,179,279
Basic earnings per share (Baht)	0.16	0.11	0.14	0.12

No diluted earnings per share is presented in the statements of comprehensive income for the year ended 31 December 2021 because the exercise price of NRF-W1 exceeds the average market price of ordinary shares.

32. 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.

For management purposes, the Group are organised into business units based on geography and there are the following two reportable segments:

- Thailand
- Overseas

No operating segments have been aggregated to form the above reportable operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2021 and 2020.

(Unit: Million Baht)

	Thailand		Overseas		Consolidated	
	2021	2020	2021	2020	2021	2020
Sales from external customers	1,822	1,408	278	-	2,100	1,408
Other income	218	36	-	-	218	36
Total revenues	2,040	1,444	278	-	2,318	1,444
Cost of sales	1,191	951	53	-	1,244	951
Selling and distribution expenses	145	66	116	-	261	66
Administrative expenses	194	124	59	-	253	124
Depreciation and amortisation	117	90	40	-	157	90
Total expenses	1,647	1,231	268	-	1,915	1,231
Profit from operating activities	393	213	10	-	403	213
Share of loss from investment in associates and joint venture	(54)	(16)	-	-	(54)	(16)
Finance income	8	-	-	-	8	-
Finance cost	(52)	(46)	(12)	-	(64)	(46)

(Unit: Million Baht)

	Thailand		Overseas		Consolidated	
	2021	2020	2021	2020	2021	2020
Income tax expenses	(72)	(27)	-	-	(72)	(27)
Profit for the year	223	124	(2)	-	221	124

Geographic information

Revenue from external customers is based on locations of the customers in consolidated financial statements for the years ended 31 December 2021 and 2020 presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenue from external customers				
Thailand	340,675	218,826	193,256	190,340
America	986,728	468,472	476,322	465,896
Europe	489,742	432,503	458,955	432,503
Asia	160,847	180,175	123,507	180,093
Others	122,035	108,373	122,035	99,249
Total	2,100,027	1,408,349	1,374,075	1,368,081

Major customer

For the year 2021, the Group has revenue from one major customer in amount of Baht 226 million (2020: Baht 134 million).

33. 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 2021 amounting to Baht 3.3 million (2020: Baht 2.9 million) were recognised as expenses.

34. Dividends/stock dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 22 April 2021		
- Cash dividend		6,026	0.004
- Stock dividend		54,230	0.040
Total dividends for the year 2021		60,256	0.044

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of Baht 1.3 million (2020: Baht 0.6 million), relating to the acquisition of machinery and equipment.

As at 31 December 2021, the Company had capital commitments of USD 0.5 million (2020: USD 0.7 million), relating to the uncalled investments.

35.2 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 2021 amounted to Baht 2.8 million (2020: Baht 0.5 million).

35.3 Guarantees

As at 31 December 2021, there was outstanding bank guarantee of approximately Baht 3 million (2020: Baht 2 million) (the Company only: Baht 2 million, 2020: Baht 2 million) issued by banks on behalf of the Group to guarantee electricity use and approximately Baht 1 million (2020: Nil) to guarantee export credit of the subsidiary.

36. Fair value hierarchy

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

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	157.1	-	19.5	176.6
Financial assets measured at FVOCI				
Equity investments	-	81.8	18.4	100.2
Derivatives				
Cross currency swap contract	-	10.9	-	10.9
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	0.2	-	0.2

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investment	-	-	0.8	0.8
Financial assets measured at FVOCI				
Equity investments	-	8.6	94.6	103.2
Derivatives				
Foreign currency forward contracts	-	0.3	-	0.3

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	157.1	-	0.8	157.9
Financial assets measured at FVOCI				
Equity investments	-	18.6	0.3	18.9
Derivatives				
Cross currency swap contract	-	10.9	-	10.9

Liabilities measured at fair value

Derivatives				
Foreign currency forward contracts	-	0.2	-	0.2

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investment	-	-	0.7	0.7
Financial assets measured at FVOCI				
Equity investments	-	8.6	5.0	13.6
Derivatives				
Foreign currency forward contracts	-	0.3	-	0.3

37. Financial instruments

37.1 Derivatives

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	-	325	-	325
Cross currency swaps contract	10,858	-	10,858	-
Total derivative assets	10,858	325	10,858	325
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	159	-	159	-
Total derivative liabilities	159	-	159	-

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts and cross currency swap to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 1 - 5 years.

37.2 Financial risk management objectives and policies

The Group's financial instruments-principally comprise cash and cash equivalents, trade accounts receivable, loans to related parties, investments, bank overdrafts and short-term loans and long-term loans from banks and long-term debenture. 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. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the financial position. The Group's maximum exposure relating to derivatives is noted in liquidity risk topic.

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 minimise 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 foreign currency risk and interest rate risk. The Group enters into derivative financial instruments related to foreign exchange forward contracts and cross currency swaps contract to hedge the foreign currency risk arising on the export of goods and long-term loans from banks.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions, services and landing and borrowing that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts and cross currency swaps contract when it considers appropriate. Generally, the contracts mature during 1 - 5 years.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

<u>Foreign currency</u>	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
The Company						
US dollar	10.4	5.6	2.5	0.1	33.4199	30.0371
Euro	0.2	0.1	-	0.1	37.8948	36.8764
Pound sterling	0.5	0.5	-	-	45.0984	40.6403
Subsidiaries						
US dollar	5.5	3.3	-	-	33.4199	30.0371
Euro	1.8	-	-	-	37.8948	36.8764
Pound sterling	5.8	-	-	-	45.0984	40.6403

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 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2021		2020	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+3	13,374	+4	10,613
	-3	(13,374)	- 4	(10,613)
Pound sterling	+3	8,400	+4	8,845
	-3	(8,400)	- 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 related parties, bank overdraft and short-term from financial institutions, long-term loans from banks, long-term debenture 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 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised 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)

Consolidated financial statements

Fixed interest rates

Within 1 year		1 - 4 years		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
											(Percent per annum) (Percent per annum)

Financial assets

Cash and cash equivalent	-	-	-	-	309	224	-	-	309	224	0.050 - 0.250	0.050 - 0.250
Trade and other receivables	-	-	-	-	-	-	498	284	498	284	-	-
Deposits at bank with restrictions	-	-	-	-	35	8	-	-	35	8	0.100	0.050-0.500
Loans to associate	258	-	-	-	-	-	-	-	258	-	3.700	-
Other non-current financial assets	-	-	-	-	-	-	288	104	288	104	-	-
	258	-	-	-	344	232	786	388	1,388	620		

Financial liabilities

Bank overdrafts and short-term loans from financial institution	140	120	-	-	-	23	-	-	140	143	2.000	2.000 - 4.150
Trade and other payables	-	-	-	-	-	-	315	202	315	202	-	-
Long-term loans	36	-	222	-	-	63	-	-	258	63	3.000 - 3.850	4.125
Long-term debenture	-	-	691	-	-	-	-	-	691	-	6.500	-

Lease liabilities

<u>4</u>	<u>4</u>	<u>6</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>9</u>	3.852 - 5.103	3.852 - 7.554
<u>180</u>	<u>124</u>	<u>919</u>	<u>5</u>	<u>-</u>	<u>86</u>	<u>315</u>	<u>202</u>	<u>1,414</u>	<u>417</u>		

(Unit: Million Baht)

Separate financial statements

Fixed interest rates

Within 1 year		1 - 4 years		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
(Percent per annum) (Percent per annum)											

Financial assets

Cash and cash equivalent	-	-	-	-	147	222	-	-	147	222	0.050 - 0.250	0.050 - 0.125
Trade and other receivable	-	-	-	-	-	-	300	216	300	216	-	-
Deposits at bank with restrictions	-	-	-	-	33	1	-	-	33	1	0.100	0.150
Loans to a subsidiaries	38	-	914	327	-	-	-	-	952	327	4.650 - 6.500	4.650 - 5.525
Other non-current financial assets	-	-	-	-	-	-	188	14	188	14	-	-
	38	-	914	327	180	223	488	230	1,620	780		

Financial liabilities

Bank overdrafts and short-term loans from financial institution	140	120	-	-	-	-	-	-	140	120	2.000	2.000 - 3.950
Trade and other payables	-	-	-	-	-	-	140	147	140	147	-	-
Long-term loans	36	-	222	-	-	-	-	-	258	-	3.000 - 3.850	-
Long-term debenture	-	-	691	-	-	-	-	-	691	-	6.500	-

Lease liabilities

<u>2</u>	<u>2</u>	<u>3</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>7</u>	3.852 - 3.885	3.852 - 7.554
<u>178</u>	<u>122</u>	<u>916</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>140</u>	<u>147</u>	<u>1,234</u>	<u>274</u>		

Interest rate sensitivity

As at 31 December 2021 and 2020, the Group analyses interest rate sensitivity and considers that there is no significant effect on profit before tax.

Liquidity risk

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 liabilities and concluded the risk is low. Furthermore, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2021					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-derivatives						
Bank overdrafts and short-term loans from financial institutions	140,671	-	140,671	140,671	-	140,671
Trade and other payables	314,625	-	314,625	139,618	-	139,618
Lease liabilities	4,183	7,164	11,347	1,742	3,519	5,261
Long-term loans	39,610	223,670	263,280	39,610	223,670	263,280
Long-term debenture	45,500	714,063	759,563	45,500	714,063	759,563
Total non-derivatives	544,589	944,897	1,489,486	367,141	941,252	1,308,393
Derivatives						
Derivative liabilities						
- net settled	159	-	159	159	-	159
Total derivatives	159	-	159	159	-	159

(Unit: Thousand Baht)

	As at 31 December 2020					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	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

37.3 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.

37.4 Reconciliation of recurring fair value measurements, of financial assets, categorised within Level 3 of the fair value hierarchy.

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	Non-listed equity investments		
	FVTPL	FVOCI	Total
Balance as of 1 January 2020	-	798	798
Acquired during the year	788	93,730	94,518
Converted from convertible bond	-	19,361	19,361

Net loss recognised into profit or loss	(41)	-	(41)
Net loss recognised into other comprehensive income	-	(19,223)	(19,223)
Balance as of 31 December 2020	747	94,666	95,413
Acquired during the year	18,723	80,055	98,778
Disposed during the year	-	(65,889)	(65,889)
Net gain recognised into profit or loss	84	-	84
Net loss recognised into other comprehensive income	-	(90,472)	(90,472)
Balance as of 31 December 2021	19,554	18,360	37,914

(Unit: Thousand Baht)

Separate Financial Statements

Non-listed equity investments

	FVTPL	FVOCI	Total
Balance as of 1 January 2020	-	797	797
Acquired during the year	788	-	788
Converted from convertible bond	-	19,361	19,361
Net loss recognised into profit or loss	(41)	-	(41)
Net loss recognised into other comprehensive income	-	(15,094)	(15,094)
Balance as of 31 December 2020	747	5,064	5,811
Net gain recognised into profit or loss	84	-	84
Net loss recognised into other comprehensive income	-	(4,775)	(4,775)
Balance as of 31 December 2021	831	289	1,120

Key assumptions used in the valuation are summarised 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

38. 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 maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting period.

As at 31 December 2021, the Group's debt-to-equity ratio was 0.63:1 (2020: 0.30:1) and the Company's was 0.55:1 (2020: 0.24:1).

39. Events after the reporting period

On 28 February 2022, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2022 to pay a dividend of Baht 0.041 per share, or a total of Baht 58 million to shareholders in respect of the year 2021 profit. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.

The background of the page features decorative graphics. On the left, there is a faint, light blue molecular structure. On the right, there is a network diagram with nodes and connecting lines. The main text is contained within a light blue rectangular box.

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